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A Financial Perspective on Agriculture

Emanuel Melichar, of the Board's Division of Research and Statistics, prepared this article.

For more than a decade, the financial experience of the agricultural sector has been dominated first by the advent, and then by the aftereffects, of a farm boom of major proportions. Such episodes have been relatively rare—two earlier in this century, during and immediately after the World Wars, and two in the nineteenth century, also triggered by the commodity demands of U.S. and European wars. But the effects of each boom extended over several decades, shaping the fortunes of an entire generation of farmers and their landlords, lenders, and suppliers. In each case, the vast majority of farmers were lifted by an initial wave of unanticipated prosperity. After the booms, however, their experience varied according to how dependent they had become on continued high commodity prices, and thus how financially vulnerable they were as prices and incomes retreated. After each boom some farmers experienced lasting financial improvement, while others endured prolonged financial stress or went bankrupt.

The current episode has retraced much of this familiar pattern. When, in 1972 and 1973, huge increases in the prices of major farm commodities ushered in the boom, virtually all producers benefited. Many continued to enjoy higher income for much of the decade; for some groups, however, the prosperity was more fleeting. Livestock prices and profits broke first, in 1974, while crop prices remained at high levels for two more years. By then some farmers, particularly in marginal farming areas, had made investments whose success depended on continued high prices; these farmers were plunged into financial difficulty soon after grain prices declined in 1976. While such farmers pressed for government assistance, the majority continued to enjoy real incomes above the pre-boom levels and to bid up real prices of farmland. Then, in 1978 and 1979, livestock and crop prices again surged upward, giving another boost to income and expectations.

The boom ended in 1980, when farm commodity prices failed to advance while prices in general were rising rapidly. During the next two years, heavy harvests and worldwide economic recession lowered prospects for a rebound in farm prices and income, and farmland prices in the major grain and livestock areas fell sharply. At the same time, farmers with short-term debt or variable-rate loans were hit by a large increase in interest rates. These developments swelled the number of farmers in serious financial difficulty.

Although public attention naturally has focused on farmers in financial distress, such cases have not represented the norm of farm conditions. On balance, real profits from farm assets and real farm wealth have remained well above pre-boom levels. The first part of this article discusses this experience and its implications for farm policy.

These observations on overall farm financial conditions, however, mask highly diverse experiences among various groups of farmers. Ever since interest rates rose far above the average rate of return to assets, a sizable group of heavily indebted operators has faced financial stress. In examining their problem and numbers, the second part of the article finds that, although they are a minority, these farmers owe much of the outstanding farm debt.

As heavily indebted farmers began to have problems meeting loan payments, loan losses at rural banks increased. On balance, however, such losses were absorbed without strain because these banks had built up their profit and capital positions during the farm boom. The article concludes with a look at the experience and condition of rural banks.

PROFITABILITY OF AGRICULTURE

The last post-boom decline in farm earnings bottomed out in the mid-1950s. For the rest of that decade and throughout the 1960s, real income from farm assets grew fairly steadily. Income growth in turn produced rising real land prices and favorable experience with debt financing. These developments shaped attitudes that affected the way farmers responded to the income boom of the 1970s.

Income from Assets

Income from assets, an estimate of the profits attributable to the ownership and control of farm assets, is derived as indicated in table 1. It is income after operating expenses, depreciation, and imputed charges for the value of the labor and management performed by farm operators, but before interest payments by those operators and landlords who are in debt. Such income underlies the value of farm assets, especially the value of farmland.

The trends in farm income of the past 30 years are shown in chart 1, adjusted for general price inflation and presented in 1983 dollars so that historical data can be more readily related to current values. Three aspects of the record of income from assets stand out: the significant uptrend before 1972, the huge rise in the 1970s, and the wide margin of the current level over preboom levels.

1. Farm income, returns, assets, and debts of operators and landlords, selected years, 1953–83[1]

Billions of 1983 dollars

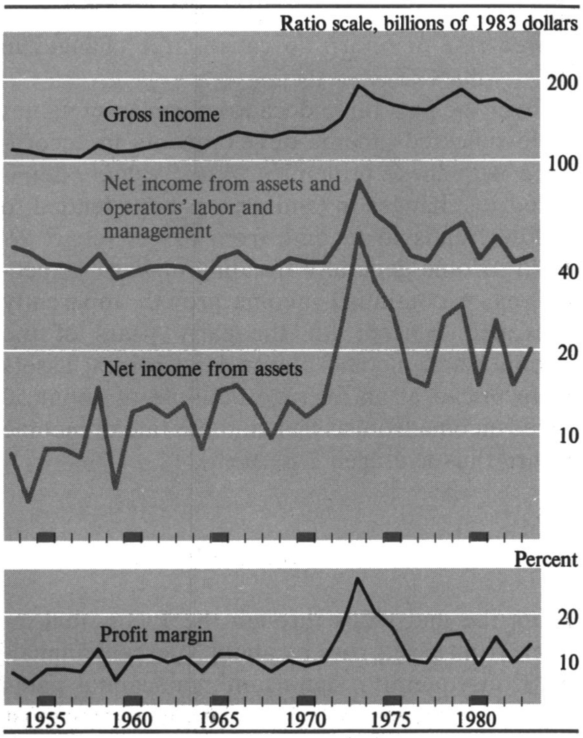
Item	1953	1958	1963	1968	1973	1978	1983
Derivation of net income and total returns							
Gross income (including net CCC loans)	111	115	118	124	192	171	149
LESS: Wages and perquisites paid to hired labor	9	9	10	10	10	12	12
LESS: Other operating expenses, excluding interest	43	50	56	61	81	84	74
LESS: Depreciation allowances and accidental damage	10	11	12	13	15	21	19
EQUALS: Income from assets and operators' labor and management	48	46	41	40	85	54	45
LESS: Income imputed to operators' labor[2]	36	27	23	26	23	21	19
LESS: Income imputed to operators' management work	4	4	4	5	7	7	6
EQUALS: Income from assets	8	15	13	10	55	27	21
PLUS: Real capital gain on assets[3]	−23	33	9	0	88	90	4
EQUALS: Total return from assets	−14	47	22	10	143	117	24
LESS: Interest paid	2	3	5	7	9	14	21
PLUS: Real capital gain on debt[3]	1	1	1	5	10	13	8
EQUALS: Total return from equity	−16	45	19	8	143	116	12
Balance sheet, January 1							
Assets	455	480	547	635	715	979	966
LESS: Debt (including CCC loans)	49	57	82	112	126	171	207
EQUALS: Equity	406	423	464	522	589	808	759

1. Data are for the farm sector excluding farm households (operators' dwellings, household equipment and furnishings, and all financial assets except currency, bank demand deposits, and stock in farmers' cooperatives). Except as noted below, data shown are series published by the U.S. Department of Agriculture (USDA), adjusted for general price inflation by the implicit price deflator for personal consumption expenditures (estimated 1983 average = 1.00). Data for 1983 are estimates based on forecast ranges published by USDA in late 1983.

2. Because published USDA data for income imputed to operators' labor appear to have substantially understated the value of farm labor performed by operators and unpaid family workers, data shown are an interim series estimated by the author. The annual percentages of total farm work performed by operators and unpaid family workers and by hired labor respectively were estimated from available data from USDA and the Bureau of Labor Statistics on employment and manhours. The ratio of the operator percentage to the hired labor percentage was then multiplied by the USDA estimate of wages and perquisites paid to hired labor. For recent years, estimates for imputed labor obtained in this way are considerably above those of the USDA. Consequently, income from assets and total returns from assets and equity derived using the interim labor series are correspondingly lower than present USDA estimates of these series.

3. Real capital gain (loss) on farm assets is the amount by which the annual increase in total market value of assets is greater (less) than the sum of net investment and of the change in general purchasing power of the total funds tied up in these assets. Real capital gain (loss) on debt is the decrease (increase) in general purchasing power of the funds owed. Changes in general purchasing power are measured by the implicit price deflator for personal consumption expenditures. The estimates shown thus differ from those of the USDA, which uses the consumer price index in this computation and has published these data only in current dollars.

1. Farm income



Profit margin is net income from assets as a percentage of gross income. Income series are defined in table 1.

Except for the rise of the 1970s, these aspects of farm profits are not widely recognized because attention has focused on a measure of income that includes the labor and management earnings of operators and is net of interest payments. That mixture, in effect, of wages, salaries, and income to equity has often given misleading signals about the profitability of farming. In the 1960s, such income was stagnant, as reduced labor requirements offset an upward trend in income from assets. In the 1980s, such income has declined below pre-boom levels as interest charges have risen sharply; meanwhile, income from assets has remained above pre-boom levels.

Clearly, if real income from assets has been positive and above pre-boom levels, then most of the farmers who are in financial distress are those with debt-service requirements that exceed such income. A detailed look at the problem and numbers of indebted operators follows a discussion of aggregate farm profitability and income–asset relationships.

Pricing of Farm Assets

As is true for any income-producing asset, bidding by participants in the market for land sets its price and hence implicitly its rate of return. In the market for farmland, the buyers and sellers are mainly farmers and local landlords—the latter mostly retired farmers, farm widows, and nonfarmer heirs. Active farmers dominate the buyer group. Thus the rate of return to farm assets is set by farmers themselves in the farmland market.

Farmers consider many factors when participating in the determination of land values, among them the income and risks of farm and alternative investments. Through their collective appraisal of these factors, they establish land prices consistent with their required rate of return on farm assets.

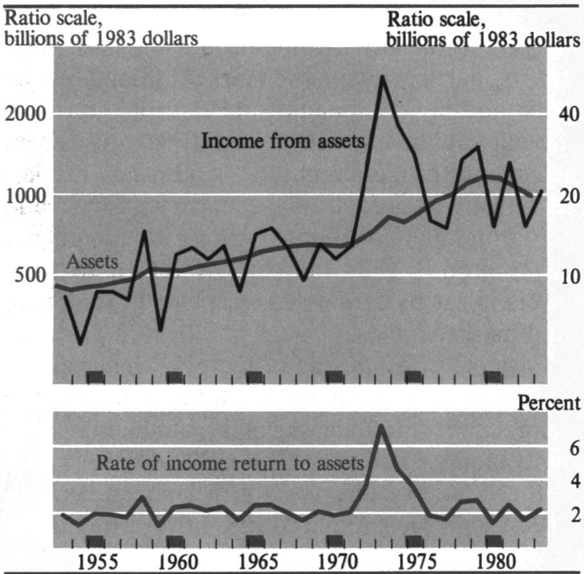
Asset values are thus established at some multiple of current income from assets. What that multiple will be depends both on the required rate of return and on the expected growth, if any, in income.

If income is not expected to change, asset values are established at the level at which the current income fully satisfies the required rate of return. If, for example, the required rate of return is 5 percent, then assets will be priced at a multiple of 20 times their current income, and the rate of return in the form of income thus also will be 5 percent.

Income may change, however, regardless of expectations. If participants in asset markets collectively believe that the change will last, then asset values respond by changing in proportion to the change in income. For instance, if income from assets rises 10 percent, then asset values also rise 10 percent. In the example used above, this rise in asset values restores the multiple of 20 times current income, to continue to provide the required return of 5 percent.

When increases in income recur regularly, or participants in asset markets have other reasons to expect growth in income, asset pricing takes account of the capital gains that, as seen above, result from such income growth. The expected annual capital gains substitute for income in satisfying the required rate of return. For example, if the required rate of return is still 5 percent,

2. Farm assets and income from assets



Income and assets are defined in table 1.

but now income from assets is expected to grow by 3 percent annually, then assets will be priced at a multiple of 50 times current income, and the rate of income return will be only 2 percent.

Again, asset values respond proportionately to any income changes that appear permanent, whether they are expected or not. Thus if income increases by 10 percent, then asset values again also rise by 10 percent, to restore the multiple of 50 times earnings. Or if, contrary to expectations of growth, income from assets declines, then asset values also fall in proportion.

Such deviations from expectations, or other developments, may cause market participants to reassess prospects for income. As they alter their collective expectations, asset values may change significantly. If, for example, expected growth in income falls from 3 percent to zero while the required rate of return stays at 5 percent, then asset values will fall from a multiple of 50 times current income to one of only 20 times current income. In addition, asset values change when the required rate of return changes.

To summarize, asset values respond proportionately to changes in current income from assets, other factors remaining unchanged. Expectations of income growth do not in themselves change asset values, but enter importantly into determination of the price–earnings multiple and hence of the rate of income return. Changes in expectations of income growth or in the required rate of return do cause large changes in asset values.

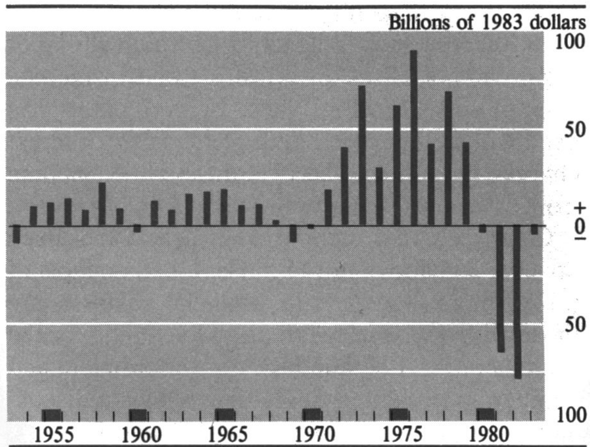
Over the past three decades, farm asset values have reflected income developments in accordance with these principles. Asset values, dominated by changes in land prices, have tended to follow trends in income from assets (chart 2). With income generally trending upward, expectations of continued income growth apparently prevailed. Except for the early years of the boom, when income outran land prices, assets were priced at an average multiple of about 50 times income from assets, and the rate of income return thus averaged 2 percent.

Real Capital Gains—the 1960s

From the mid-1950s through the 1960s, real income from assets rose by about 3 percent annually. Consequently, significant real capital gains accrued to owners of farm real estate during most years of that period (chart 3). These increases in the real value of farm real estate (excluding operators' dwellings), measured as gains in excess of those resulting simply from net investment and general price inflation, totaled $145 billion (in 1983 dollars) over this period, an average of nearly $10 billion per year.

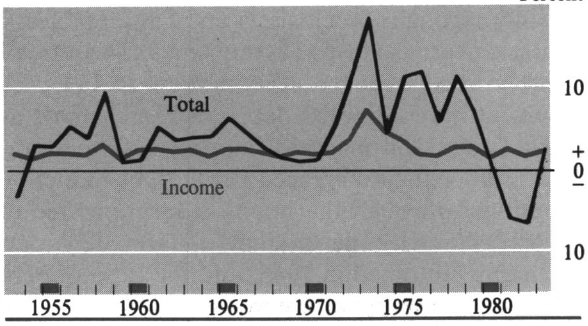
During the same period, the rate of income return to farm assets averaged 2 percent. Taken

3. Real capital gains on farm real estate



Real capital gain is defined in table 1.

4. Rates of return to farm assets



Returns and assets are defined in table 1. Total return is the sum of income from assets and real capital gains on assets.

together, income and real capital gains on all assets provided a total rate of return averaging 4 percent (chart 4).

Government programs contributed importantly to the growth of real income from assets in these years. Technological advances were reducing labor and other operating costs per unit of output as well as raising total output per unit of assets. Farm output prices would thus have tended to fall, but government price support programs prevented such declines. Therefore, real income from assets tended to rise, and with it total real farm wealth.

Toward the end of the decade, these effects began posing a dilemma for farm policy. As real income from assets rose, ever-larger increments were required to maintain the growth rate prevailing at that time. But, from the viewpoint of consumers and taxpayers who provided those increments, the rising real wealth of the recipients reduced the need for governmental assistance. Yet, without that income growth, a significant share of that wealth might well disappear. As the 1970s opened, rising concern about the cost of farm programs foreshadowed struggles over farm policy—when suddenly a boom in farm exports changed the whole picture.

Real Capital Gains—the 1970s

The export boom that developed in the early 1970s yielded an enormous increase in farm earnings. The unexpected decision by the Soviet Union to purchase large quantities of U.S. grain after one of its periodic droughts depleted domestic stocks and moved prices upward. Meanwhile, domestic demand for grain remained high as livestock production approached a cyclical peak. Later, the U.S. drought of 1974 and rising real incomes in food-deficit nations also worked to raise crop prices and generate export demand.

For farmers contemplating land purchases and other capital expansion, the income gains posed a familiar question: Was this a temporary boom, in which case debt-financed capital purchases would be regretted, or was it a lasting phenomenon, promising fortunes for those who seized the opportunity? The answer seemed obvious in the light of two decades of rising real farm income and wealth, successful employment of financial leverage through debt financing, and greater public concern about future scarcity of natural resources. It appeared that agriculture throughout the world had entered a new era, in which it would become progressively harder for the supply of food to meet expanding demand, so that American farmers would enjoy steadily rising exports and income.

Farm asset values responded to the new income levels and the strong expectations of continued income gains. From 1972 through 1979, real capital gains on farm real estate (excluding operators' dwellings) totaled $447 billion (in 1983 dollars), an annual average of $56 billion. Chart 3 shows how these gains dwarfed those of the preceding decades; and chart 4 shows that in most of these years, they also exceeded even the new higher income from assets, yielding some total rates of return in double digits. But the increases in asset values also were large enough to restore the earlier rate of income return, 2 percent. Thus, by the late 1970s, farmers had capitalized the new level of income from assets at a multiple that appeared to reflect expectations that income would tend to rise further.

Real Capital Losses—the 1980s

Instead of rising, income fell at the start of the new decade, and, just as important, prospects for near-term income growth dimmed. Even the longer-term prospects based on progressive resource scarcity were increasingly challenged and downgraded. Government assistance now could replace only a portion of the income that was not forthcoming from commodity markets. Inevitably, real asset values began to decline.

Real capital losses on farm real estate have totaled about $149 billion (in 1983 dollars) in the first four years of the eighties, mostly in 1981 and 1982 (chart 3). The decline in real farmland prices was halted when near-term income prospects improved with announcement of the payment-in-kind program.

Even though asset values have declined, much of the legacy of the boom remains. About $300 billion of the newly created wealth still exists, along with many billions of new debt incurred as assets were transferred at higher prices. As recent experience has vividly demonstrated, the amount of that wealth that remains in existence will depend on the extent to which the required rate of return is forthcoming. The debt, however, will require payment of scheduled interest and amortization, almost regardless of trends in asset values or income. The assets still appear to be priced at a multiple that demands significant growth in income.

The situation resembles that at the end of the 1960s, although it differs in some ways. Even after adjustment for inflation, the dollar amounts involved are much larger, and thus government assistance would have to be proportionately larger to have the same impact. Government aid at the greatly increased 1983 level proved able to stem the slide in asset values, but continued assistance on that scale appears unlikely. The greater farm wealth adds to doubts about the propriety and equity of increasing aid. Moreover, there is now considerable pressure to restrain total growth in government spending. Thus more of the post-boom adjustment remains to be worked out in the commodity and land markets.

Indebted Farmers

During the 1920s and the early years of the Great Depression, farmers relearned the lesson that their forebears had absorbed in earlier "panics:" to be deeply indebted after the collapse of a boom has dire, often fatal, consequences. Outstanding farm debt peaked in 1921. During the hard times that followed, debt steadily fell—mainly through foreclosures and bankruptcies—but not nearly so fast as asset values. The ratio of debt to assets peaked at 30 percent in 1933. By then, attitudes toward debt were such that, as farm prices and incomes improved, farmers repaid rather than increased debt. Debt reduction continued through the boom in farm income of World War II. The amount of farm debt outstanding bottomed in 1946, and the ratio of debt to assets hit a low of 8 percent in 1948.

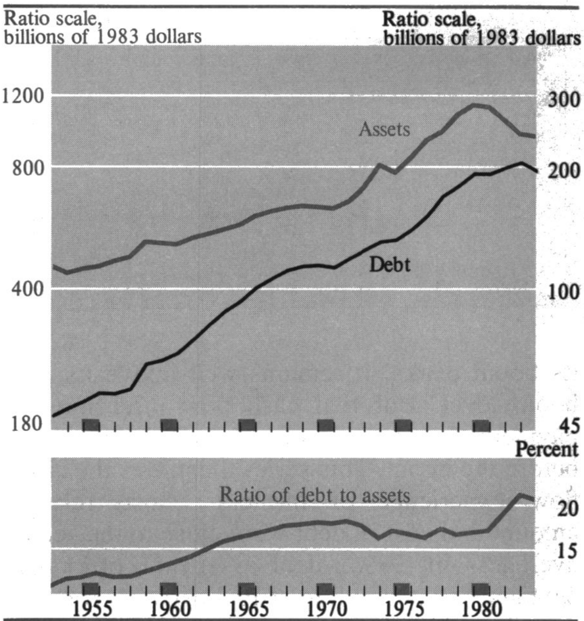
As the wartime boom in farm income was extended, first by the Marshall Plan and then by the Korean War, farmers gradually began to expand their debt. Nonetheless, in the 1950s, the level of farm debt was still low enough to help minimize the financial distress from hardships and transitions that included severe drought, declines in crop and livestock prices, and reductions in total crop acreage from its wartime level.

Debt Expansion

Attitudes toward debt formed in the 1920s proved too conservative for the new era of income growth and capital gains that unfolded after the mid-1950s. Farmers willing to borrow more freely made faster financial progress, and this new lesson was soon learned by both farmers and farm lenders. The leading college textbook on farm finance, which through four editions had cautioned on its first page that credit could be as dangerous as a buzz saw and that "many a farmer would be better off today if he had never had a chance to borrow money at all," first abbreviated and then dropped such warnings. Growth in debt was relatively rapid (chart 5). By the beginning of 1972, the ratio of debt to assets had climbed back to 18 percent.

With the onset of the boom, rapid expansion of debt continued, but it was now accompanied by more rapid increases in asset values. Thus, although the ratio of debt to assets did not increase, a large increment of debt was taken on. By 1980, real asset values had risen by 73 percent, or $480 billion (in 1983 dollars), while real debt had risen by 61 percent, or $74 billion. If these additional asset values had continued to

5. Farm assets and debt



Assets and debt are defined in table 1.

yield returns sufficient to service the additional debt, all would have been well because the two had risen in proportion. But any reduction in the income flow would mean a problem for debtors, who still had to meet scheduled interest and repayments on the additional debt. Such a reduction occurred in 1980.

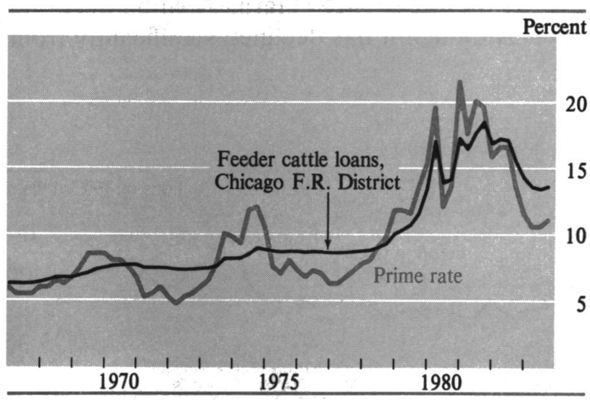
Higher Interest Rates

Another misfortune hit many farm borrowers in 1980. Interest rates rose to levels that they could not have anticipated. Furthermore, rates remained very high until late 1982 and are still, for most farm borrowers, significantly above pre-1980 levels.

The borrowers most surprised by these interest rate developments were those using short-term loans from rural banks, because, before 1979, these borrowers had been virtually insulated from cyclical changes in loan rates. Chart 6 illustrates the marked change in their experience. Before 1979, fixed ceilings on interest rates applied to all deposit instruments that rural banks could readily market to their predominantly local depositors. Thus the cost of loanable funds at these banks changed little even as the level of interest rates rose and fell sharply in national money markets during periods such as 1969–70 and 1973–74. Rates charged on farm loans by these banks were also relatively unchanged during these periods, as chart 6 demonstrates, and so clearly these rates reflected the banks' internal cost of funds plus a mark-up, rather than the potential earnings of these funds if invested in national money markets.

Rural banks probably continued to set their farm loan rates in this manner, but their internal cost of funds began to reflect cyclical movements in money market rates. This change occurred after 1978, when banks—with the authorization of six-month money market certificates—were allowed to accept smaller and shorter-term deposits bearing market-related rates, and competitive factors induced them to do so. As market rates of interest rose during 1979–81, rural depositors shifted a large proportion of their deposits into the new certificates. By mid-1981, these certificates constituted about 30 percent of the total resources of the typical rural bank. In addition, large certificates of deposit, also bearing money market rates, accounted for 7 percent of total resources. Banks also were paying market-related rates on small-saver certificates with a permitted maturity of 30 to 48 months. Thus, as a large proportion of the liabilities of rural banks quickly came to bear market-related yields, farm and other loan rates at these banks necessarily began to track market rates. While those farmers who typically borrowed from large banks and

6. Average interest rates on farm loans at rural banks compared with prime rate



Quarterly data, first day of quarter.

2. Farm cash flow, selected years, 1953–83[1]

Billions of 1983 dollars

Item	1953	1958	1963	1968	1973	1978	1983
Derivation of cash flow							
Gross income (including net CCC loans)	111	115	118	124	192	171	149
LESS: Wages and perquisites paid to hired labor	9	9	10	10	10	12	12
LESS: Other operating expenses, excluding interest	43	50	56	61	81	84	74
EQUALS: Cash flow before interest payments	59	56	52	54	100	75	64
LESS: Interest paid	2	3	5	7	9	14	21
EQUALS: Cash flow after interest payments	56	53	48	47	91	61	44
PLUS: Net borrowing (excluding CCC loans)	−1	6	8	4	18	23	4
EQUALS: Funds available for investment, consumption, and saving	55	59	56	51	109	83	47

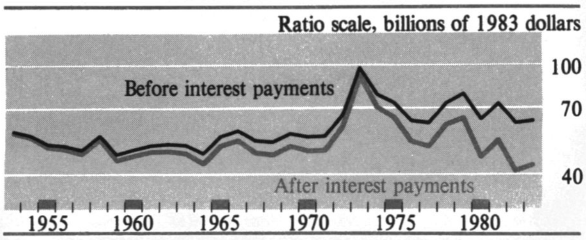
1. See table 1, note 1.

from production credit associations (PCAs) were accustomed to such cyclical movements in their loan rates, those movements were a new experience for borrowers from smaller rural banks.

Higher interest rates affected individual farmers in different ways. Those with little or no debt were largely unaffected, as were those whose debt consisted mainly of term loans at fixed rates. The large number with mortgage loans from federal land banks experienced a gradual and relatively moderate increase in their variable rates. Those borrowing from PCAs, also with variable-rate loans, faced quicker and larger increases. Rates for borrowers from rural banks rose and fell with about the same lag as those at PCAs, but reached a higher average level—about 19 percent—at the 1981 peak. Most severely affected were borrowers from large banks, at which the average rate on farm loans reached 21 percent in mid-1981.

The differential impact of higher interest rates is apparent in comparisons of real cash flow before and after payment of interest (table 2 and chart 7). Real cash flow *before* interest payments depicts the experience of farmers with little or no debt. Although it has declined significantly from its boom peaks, it remains well above its preboom level. But real cash flow *after* interest payments has fallen to levels well below those before the boom. This series illustrates the cash-flow experience of farmers whose relative amount and cost of debt were close to the sector averages—in 1983, a debt–asset ratio of 21 percent and an interest rate of 10.3 percent. Farmers more heavily indebted or paying a higher average interest rate have fared correspondingly worse, unless they are among those earning an exceptionally high rate of return on their assets.

7. Farm cash flow



Cash flow is defined in table 2.

Current Impact of Debt on Profits

Table 3 illustrates the joint impact of the level of debt and the rate of interest on a farmer's income return to equity. The calculations assume a farm with the recent average rate of income return to assets for the farm sector, 2 percent. As shown, this was also the rate of return to equity if the farmer had no debt. If, however, he had debt equal to 20 percent of assets and paid an average interest rate of 11 percent—both near the sector averages—then his return to equity was near zero. Higher ratios of debt to assets meant losses: moderate if debt consisted mainly of old fixed-rate mortgage loans at an interest rate like 7 percent, more severe if it consisted of short-term loans at a rate like 15 percent.

The table indicates that highly leveraged operators may have had operating losses equal to a fourth or a third of their equity in each of the past four years while similarly situated farmers with no debt were operating profitably. Unless such heavily indebted farmers had substantial financial reserves or other resources, they have had to

3. Rate of income return to equity, by relative level and cost of debt[1]

Percent

Ratio of debt to assets (percent)	Interest rate on outstanding debt (percent)		
	7	11	15
0	2.0	2.0	2.0
10	1.4	1.0	.6
20	.8	−.2	−1.2
30	−.1	−1.9	−3.6
40	−1.3	−4.0	−6.7
50	−3.0	−7.0	−11.0
60	−5.5	−11.5	−17.5
70	−9.7	−19.0	−28.3
80	−18.0	−34.0	−50.0
90	−43.0	−79.0	−115.0

1. This table assumes a farm on which the rate of income return to assets is 2 percent, approximately the average for the farm sector in 1980–83. To illustrate the calculations reported here: if the farm also had the average ratio of debt to assets for the farm sector, 20 percent, and the average interest rate, 11 percent, its rate of income return to equity was −0.2 percent.

liquidate assets in order to reduce their debt burden. In each recent year, according to surveys of lenders, perhaps 3 to 5 percent of farmers have been forced to liquidate productive assets. Smaller percentages were reported to have left farming through forced liquidations or foreclosures.

Extent of Financial Problems

Because the incidence of severe financial problems among farmers depends largely on relative indebtedness, the distribution of operators and their debt by the ratio of debt to assets helps to indicate how many operators are in financial difficulty and how much of total farm debt such farmers owe. These data were provided by the 1979 Farm Finance Survey, conducted by the Bureau of the Census early in 1980. Table 4 shows estimates based on the survey data, but adjusted and updated to indicate current distributions.

If, from the discussion above, it can be concluded that operators with a debt–asset ratio greater than 40 percent are experiencing financial stress, then about one-fifth of all farmers are in this predicament (table 4). This overall proportion is misleading, however, in that few of the 1.2 million operators of "very small" farms (who account for 50 percent of all operators) have much debt. Less than one-third of these operators reported that their primary occupation was farming, and of those, nearly half were over 65 years old. In the group of large and medium-sized farms that includes most full-time family operations, one-third have debt–asset ratios that suggest financial stress. At the same time, nearly one-third of the farmers in this group have little or no debt.

For farm lenders, however, the amount of debt owed by farmers experiencing financial stress is the important statistic. From this point of view, the picture is more disturbing. Nearly two-thirds of the total debt is owed by operators with debt–asset ratios greater than 40 percent (table 4). Thus lenders see much of their money in the hands of operators who are in financial trouble.

4. Estimated percentage distribution of farm operators and their debt and assets, by relative debt level and size, January 1, 1984[1]

Size of farm[2]	Ratio of farm operator debt to assets (percent)				
	0–10	11–40	41–70	71 and over	Total
	Operators				
All farms	58	24	11	8	100
Large	21	36	25	19	100
Medium	34	35	18	13	100
Small	55	26	11	8	100
Very small	73	16	7	4	100
	Debt				
All farms	5	32	32	31	100
Large	3	27	33	38	100
Medium	5	34	32	29	100
Small	8	37	29	26	100
Very small	8	38	31	23	100
	Assets				
All farms	47	32	14	8	100
Large	27	38	22	14	100
Medium	38	38	16	8	100
Small	61	26	8	4	100
Very small	74	18	6	3	100

1. Estimates shown are based on data from Bureau of the Census, 1979 Farm Finance Survey, as tabulated by U.S. Department of Agriculture, Economic Research Service, and adjusted and updated by the author. Comparison of assets and debt reported by operators in the survey with estimates of these items made by USDA and the author indicated that total assets had been underreported by 18 percent, and total debt by 31 percent. For 1980–83, estimates made by USDA and the author indicated that the value of assets covered by the survey had increased 9 percent, and the amount of debt 28 percent. These adjustments therefore raised debt–asset ratios above those found in the original survey.

2. Farms are classified by size according to the typical annual value of farm products sold, as follows: large, $200,000 and over; medium, $40,000 to $199,999; small, $10,000 to $39,999; and very small, under $10,000.

One summary finding from the adjusted survey data suggests the nature of farm credit difficulties: 83 percent of total debt owed by operators is owed by the 29 percent of operators with debt–asset ratios that exceed the average for all operators (23.3 percent). Thus the bulk of farm debt is owed by a sizable minority of operators whose relative debt is large enough that, at current interest rates, scheduled debt service may easily exceed income from assets. Until the current gap between the average rate of return to assets and farm loan interest rates is significantly narrowed, these borrowers and their lenders will continue to face debt-service problems.

EXPERIENCE OF RURAL BANKS

The financial problems faced by the heavily indebted operators who owe much of farm debt have fostered questions about the condition of rural banks with a concentration in farm lending. Such concerns may be grounded in part on experience after earlier farm booms in which credit played a prominent role. During the 1920s, for example, many farmers were unable to service bank loans they had obtained to finance capital spending during and immediately after World War I, when increased export demands had stimulated production. About 6,000 banks (about one-fifth of all banks) failed during that decade, most of them in rural areas.

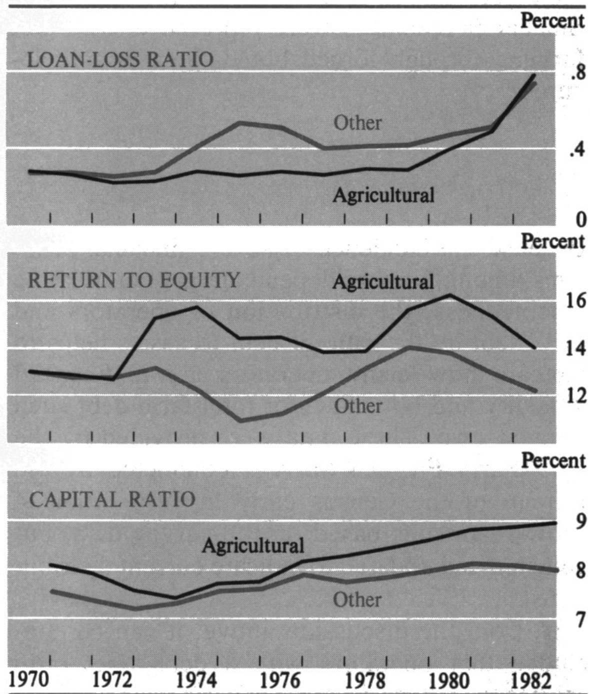
Conditions at rural banks have been much different in this post-boom period. In particular, federal deposit insurance has virtually eliminated the runs on banks that once would have threatened their survival soon after loan-loss problems surfaced. Also, most rural banks prospered along with their farm customers, substantially improving their profit and capital positions. Lately, however, loan losses have risen noticeably.

To examine the experience and condition of banks with relatively heavy involvement in farm lending, data were compiled for "agricultural" banks, at which total farm loans accounted for 25 percent or more of total outstanding loans. Although the number of such banks has been decreasing, there are still about 4,300 of them, accounting for 30 percent of all commercial banks, and they hold two-thirds of the farm loans in the banking system even though they hold only 6 percent of banking resources. For comparison, data were also compiled for other smaller banks (assets under $500 million).

Loan Losses

During the 1970s, loan losses reported by agricultural banks clearly reflected the favorable credit experience of most farmers and farm-related businesses. Provision for loan losses averaged 0.2 percent of outstanding loan volume during that decade, well below the average at other smaller banks, at which losses rose substantially during the business recession of 1974–75 (see chart 8). Notably, the ratio of loan losses did not rise as a result either of the problems of livestock producers that began in 1974, or of those of crop

8. Financial experience at agricultural and other smaller banks



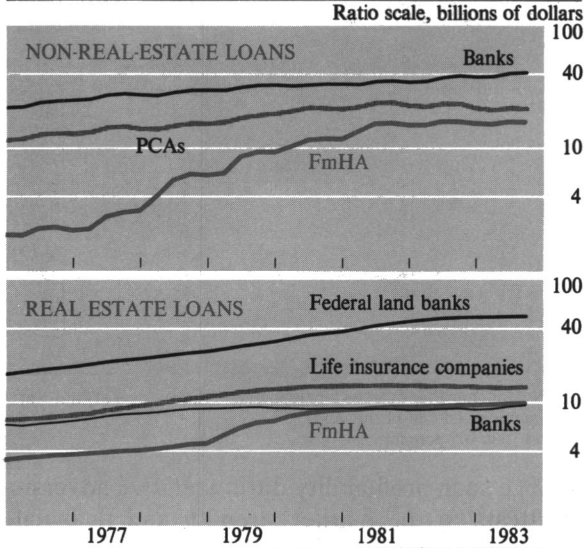
Data are for banks with total assets under $500 million on December 31. Agricultural banks are banks at which farm loans (loans secured by farm real estate and other loans to farmers) accounted for 25 percent or more of total loans outstanding on December 31.

Loan-loss ratio is the annual provision for loan losses as a percentage of total loans outstanding on December 31.

Return to equity is net income after taxes as a percentage of the average of equity at the beginning and end of the year.

Capital ratio is capital and surplus as a percentage of total assets, December 31.

9. Farm loans outstanding at
major institutional lenders



producers in 1976–77. Many of the troubled farm loans of this period, which otherwise might have caused losses for the banks, were refinanced by the Farmers Home Administration (FmHA) under several credit programs: disaster loans, made mostly to farmers with crop losses caused by drought; the Emergency Livestock Credit Act of 1974; and the Economic Emergency Credit Act of 1978 and its extension, under which the FmHA lent about $6.6 billion from 1978 to 1981. Chart 9 illustrates the relatively large increases in FmHA lending during these years.

The loan-loss picture at agricultural banks changed significantly during 1980–82 as increasing numbers of farm borrowers came under financial stress and farm-related businesses were hit by the downturn in farm income and by two general business recessions. By 1981, the provision for loan losses had doubled from its earlier low level, and in 1982 it rose further, to 0.8 percent of outstanding loans, putting it slightly above that at other smaller banks.

As in previous years, the distribution of agricultural banks by loan losses was highly skewed: the average loss ratio was raised because heavy losses occurred at some banks while a majority reported relatively small losses. In 1982, one-fourth of agricultural banks required little or no provision for losses—less than 0.1 percent of outstanding loan volume (table 5). At the other extreme, 5 percent of the banks had to provide for losses greater than 2.5 percent of outstanding loans, the level at which losses would begin to exceed net income before losses at a typical agricultural bank. In contrast, in no year of the 1970s did more than 1 percent of agricultural banks have such heavy losses.

Bank Profits

The profitabilty of agricultural banks is a summary indicator that quickly reflects the net effect of loan losses and other factors affecting overall condition. Over time, bank profitability is impor-

5. Percentage distribution of agricultural banks, by provision for loan losses, 1970–82[1]

Year	Provision for loan losses as percentage of loans at bank[2]						
	Under 0.10	0.10 to 0.39	0.40 to 0.69	0.70 to 0.99	1.00 to 2.49	2.50 and over	Total
1970	49	28	14	5	4	1	100
1971	51	27	13	4	4	1	100
1972	54	27	12	3	4	*	100
1973	52	26	14	4	3	*	100
1974	49	29	14	4	4	1	100
1975	51	29	13	4	3	1	100
1976	45	33	14	4	4	1	100
1977	50	30	12	4	4	1	100
1978	43	35	12	4	5	1	100
1979	38	39	13	5	5	1	100
1980	33	34	17	7	8	2	100
1981	31	29	19	7	11	3	100
1982	25	24	18	10	18	5	100

1. Agricultural banks are banks with total assets under $500 million at which farm loans accounted for 25 percent or more of total loans on December 31 of the year specified.

2. Annual provision for loan losses as a percentage of total loans outstanding on December 31.

*Less than 0.5 percent.

6. Percentage distribution of agricultural banks by return to equity, 1970–82[1]

Year	Net income as percentage of average equity at bank[2]							
	Negative	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 and over	Total
1970	1	5	24	43	21	5	2	100
1971	1	5	26	41	20	4	2	100
1972	1	6	28	43	18	4	1	100
1973	*	2	12	39	33	10	4	100
1974	1	2	12	34	34	13	5	100
1975	2	4	15	38	30	9	2	100
1976	1	4	14	41	31	8	2	100
1977	1	4	16	45	27	5	1	100
1978	1	3	14	47	28	6	1	100
1979	1	2	8	36	38	12	3	100
1980	1	2	9	31	36	15	6	100
1981	2	3	11	31	33	13	7	100
1982	3	5	15	33	29	11	4	100

1. Agricultural banks are banks with total assets under $500 million at which farm loans accounted for 25 percent or more of total loans on December 31 of the year specified.

2. Net income after taxes as a percentage of the average of equity at the beginning and end of the year.

*Less than 0.5 percent.

tant because adding to retained earnings is the major way in which rural banks expand their capital position and thus maintain or improve their ability to serve growing communities and businesses. The average return to equity at agricultural banks rose sharply with farm prosperity in 1973 and remained at a relatively high level through 1982 (chart 8). In addition to reflecting favorable agricultural income, the cyclical pattern traced by profits at agricultural banks indicates that these banks, on balance, benefited during periods when interest rates were relatively high in national money markets. Their deposits rose steadily even during such periods—for example, approximately 10 percent in each year from 1978 to 1982—and the influx of funds evidently was employed profitably. Average return to equity reached 16 percent in 1974 and again in 1979–80. By 1982, primarily because of increased provision for greater loan losses, return to equity had declined to 14 percent.

Even in the face of heavier loan losses, relatively few agricultural banks were operating at a loss. At such banks, however, extraordinarily high loan losses were most often the cause of the operating loss. In 1982, negative earnings were posted by 3 percent of agricultural banks (table 6). At these banks, the provision made for loan losses averaged 4.2 percent of outstanding loan volume. But even during that year of farm and business recession, 77 percent of agricultural banks achieved a return of 10 percent or more on equity. Although down from 91 percent in 1979, this high a proportion of institutions able to achieve such profitability during relative adversity attests to the market strength and financial resilience of these banks.

Capital Ratios

A considerable portion of the profits of agricultural banks—about two-thirds in 1982—are annually added to bank capital rather than paid out as dividends to stockholders. From 1974 through 1982, equity grew faster than deposits and assets on average, and thus the average capital ratio rose (chart 8). By the end of 1982, capital and surplus at these banks averaged 8.9 percent of total assets, up from the cyclical low of 7.4 percent recorded after the large inflow of farmers' deposits in 1972 and 1973.

The growth of capital at individual banks is of particular importance because it determines how much a bank can increase, over time, the amount it can legally and prudently lend to each borrower. During the five years ending in 1982, the value per farm of assets other than real estate rose 60 percent, and average outstanding farm production loans rose 68 percent. Capital at rural banks kept pace: at banks classified as agricultural banks in 1982, capital and surplus expanded 75 percent over the same period. Thus, on average, increases in the size of loans that agricultural banks can make have approximately matched increases in the size of loans demanded by farmers.

Recent changes in bank legislation have further enhanced the lending capability of rural banks. The upper limit on the amount that a national bank can lend to one borrower was raised from 10 to 15 percent of capital and surplus (a special higher limit of 25 percent continues to apply if the loans are secured by livestock). Of more general importance, the increase in federal insurance on individual deposits to $100,000 had the incidental effect of making the negotiable certificates of deposit of small banks salable to national investors, either directly or through intermediaries that ensure that each investor holds no more than one certificate of each bank. Furthermore, because most new local deposits now bear interest related to money market rates, rural banks no longer find that funds raised in money markets are more costly than local deposits, as they did during earlier periods of relative monetary restraint. Thus the ability of rural banks to respond to seasonal, cyclical, or unusual changes in local loan demand has been improved.

As in the past, the experience of many rural banks will be related to that of agriculture. The banks appear well-positioned to cope with near-term agricultural developments. Their strong capital and profit positions will help them weather some further deterioration in the financial situation of their more heavily indebted farm borrowers. At the same time, their liquidity has been renewed during four years of steady deposit growth and slower loan demand. Agricultural banks now have ample capital and liquidity to respond vigorously to increased loan demand during this year's upswing in farm production. □

Staff Studies

The staffs of the Board of Governors of the Federal Reserve System and of the Federal Reserve Banks undertake studies that cover a wide range of economic and financial subjects. From time to time the results of studies that are of general interest to the professions and to others are summarized in the FEDERAL RESERVE BULLETIN.

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

Single copies of the full text of each of the studies or papers summarized in the BULLETIN *are available without charge. The list of Federal Reserve Board publications at the back of each* BULLETIN *includes a separate section entitled "Staff Studies" that lists the studies that are currently available.*

STUDY SUMMARY

THE EFFECTS OF U.S. FISCAL POLICY ON THE U.S. ECONOMY

Darrel Cohen and Peter B. Clark—Staff, Board of Governors
Prepared as a staff study in late 1983.

Considerable public and professional interest has focused on the effects of very large, continuing federal budget deficits in the United States. This interest, which is worldwide, reflects concern about the extent to which a large federal deficit—especially if it persists as the U.S. economy approaches full employment—raises interest rates and crowds out expenditures in sectors of the economy like business fixed investment that are sensitive to interest rates. Because the United States looms large in the world economy, U.S. federal budget deficits may have a noticeable impact on other countries through their effects on interest rates on dollar-denominated financial instruments, the international exchange value of the dollar, and U.S. international transactions.

This staff study analyzes this topic by examining in detail the short- and intermediate-run effects of a permanent, bond-financed reduction in U.S. personal income taxes on interest rates, output, prices, exchange rates, and the current account. Underlying the theoretical analysis are the assumptions that the growth rate of money is fixed, that exchange rates are essentially market determined, and that expectations are either static or adaptive. The effects of an enlargement in the federal deficit generated by a cut in personal income taxes are explored under conditions of full employment and of less than full use of resources, and under different assumptions about the interest elasticity of the demand for money. The theoretical discussion indicates that in general a personal tax cut will raise interest rates and, at least initially, cause the exchange value of the dollar to appreciate. With unemployed resources, output will increase somewhat, but the increase in consumption is at least partially offset by negative effects on interest-sensitive sectors of the domestic economy and on the traded-goods sector as an appreciation of the dollar encourages imports and discourages exports.

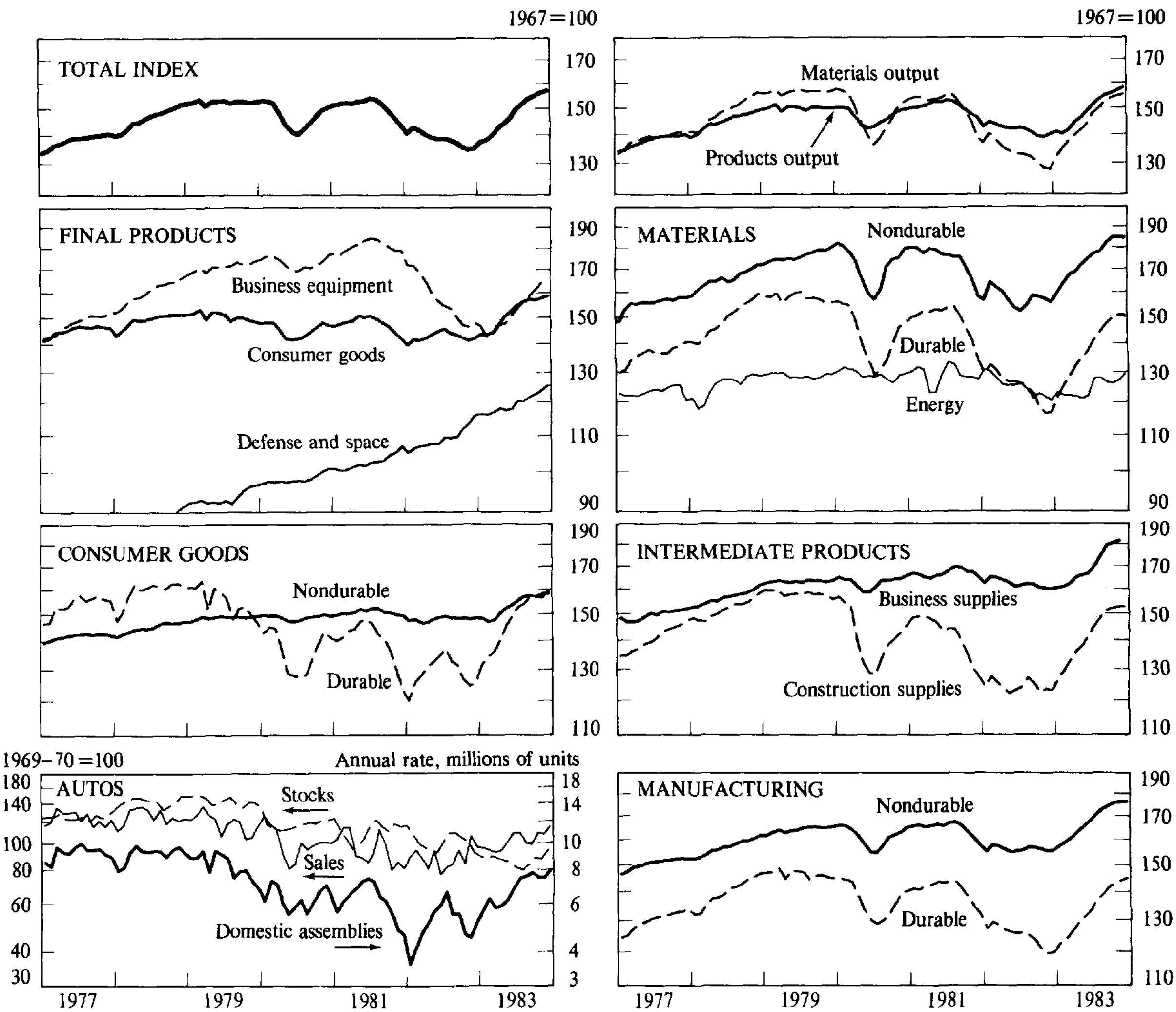
These theoretical conclusions are by and large confirmed by simulations, using the Federal Reserve Board's MPS quarterly econometric model and its Multicountry Model, of the effects of the 10 percent reduction in tax rates on personal income that became effective as part of the Economic Recovery and Tax Act in July 1982. These model results indicate that a tax cut will raise interest rates and real gross national product. However, the positive impact on GNP is short-lived. Because of accelerator effects, business fixed investment initially increases despite the rise in interest rates. Yet after two or three years, the net effect on business fixed investment is negative, and because of a deterioration in the current account and the adverse effect of higher interest rates on residential investment, the level of real GNP returns to the path it would have traced without the reduction in personal taxes. Thus these model results suggest that even in the presence of unemployed resources, a personal tax cut that is not accompanied by a change in monetary policy will have only a short-run positive effect on real output: the rise in consumption spending will eventually crowd out an equivalent amount of interest-sensitive expenditures because of higher interest rates.

Industrial Production

Released for publication January 13

Industrial production increased an estimated 0.5 percent in December. Significant increases in output occurred in durable consumer goods, business and defense equipment, and energy materials, while most of the remaining major market groupings showed little change in production in December. For the fourth quarter, total industrial output was about 2¾ percent higher than in the third quarter of 1983, compared with an average quarterly advance of about 4 percent over the preceding three quarters. Industrial output for the year 1983 is estimated to be 6½ percent higher than in 1982.

In market groupings, production of durable consumer goods rose almost 2 percent in December, as auto assemblies increased to an annual



All series are seasonally adjusted and are plotted on a ratio scale. Auto sales and stocks include imports. Latest figures: December.

Grouping	1967 = 100		Percentage change from preceding month					Percentage change, Dec. 1982 to Dec. 1983
	1983		1983					
	Nov.	Dec.	Aug.	Sept.	Oct.	Nov.	Dec.	
	Major market groupings							
Total industrial production	**156.1**	**156.9**	**1.4**	**1.3**	**.8**	**.7**	**.5**	**16.1**
Products, total	156.9	158.0	1.5	1.1	.6	.7	.7	12.9
Final products	154.2	155.4	1.1	.9	.5	.9	.8	11.4
Consumer goods	157.8	158.7	1.0	.6	−.1	.4	.6	11.8
Durable	156.7	159.7	.9	2.1	−.3	−.3	1.9	26.8
Nondurable	158.2	158.3	1.0	.1	−.1	.7	.1	6.7
Business equipment	164.4	165.8	2.2	1.3	1.8	1.8	.9	12.0
Defense and space	123.9	125.7	−.2	1.3	.9	.8	1.5	8.5
Intermediate products	167.2	167.6	2.6	2.0	.7	.4	.2	18.4
Construction supplies	152.7	152.7	2.2	1.6	.6	.3	.0	24.1
Materials	154.9	155.3	1.3	1.7	1.1	.6	.3	21.5
	Major industry groupings							
Manufacturing	157.2	157.8	1.5	1.5	.8	.5	.4	17.3
Durable	144.0	145.0	1.5	2.0	1.0	.7	.7	20.9
Nondurable	176.3	176.3	1.3	1.0	.7	.3	.0	13.3
Mining	120.9	123.4	1.0	.9	1.3	1.9	2.1	4.2
Utilities	178.8	183.4	1.9	.0	−1.3	1.1	2.6	11.7

NOTE. Indexes are seasonally adjusted.

rate of 8.0 million units from the 7.5 million rate in November and home goods output advanced after having declined in the preceding month. The December rate for auto assemblies was the highest since July 1979. A further increase is currently scheduled for January. Production of nondurable consumer goods was about unchanged in December. Output of business equipment continued to rise rapidly, with a sizable gain occurring in building and mining equipment. Production of construction supplies was unchanged and was less than 1 percent above its September level. The rate of increase in output of materials decelerated further in December to 0.3 percent; most of this gain was attributable to a surge in generation of electricity associated with the severe weather in the latter half of the month. Production of durable materials was unchanged, as the output of parts for both consumer durables and equipment rose, but basic metals declined again.

In industry groupings, manufacturing output rose 0.4 percent following gains of 0.5 percent and 0.8 percent in November and October respectively. Durable goods industries increased production 0.7 percent in December, with the most notable gains in transportation equipment and electrical machinery; output of nondurables was unchanged. Mining production increased sharply, with oil and gas well drilling a continuing area of strength. Utilities output rose 2.6 percent, as use of residential electricity increased sharply.

Announcements

APPLICATIONS BY BANK HOLDING COMPANIES TO ACQUIRE STATE CHARTERED BANKS

The Federal Reserve Board issued the following statement on January 6, 1984, regarding the applications by Citicorp, First Interstate Bancorp, and BankAmerica Corporation to acquire state-chartered banks in South Dakota.

At meetings on December 22, 1983, and January 4, 1984, the Board considered certain legal and policy issues arising from the applications by Citicorp, New York, New York, First Interstate Bancorp, Los Angeles, California, and BankAmerica Corporation, San Francisco, California, to acquire existing or *de novo* state-chartered banks located in South Dakota. These applications are designed to take advantage of the recently enacted provisions of South Dakota law that permit out-of-state bank holding companies to acquire banks in that State to engage in insurance activities of all kinds outside of South Dakota, while limiting the conduct of those activities within that State.

The Board noted that these applications involve significiant legal questions concerning the applicability of the Bank Holding Company Act to state-chartered banks and/or their subsidiaries that are owned by bank holding companies, as well as with respect to the compatability of the proposed insurance activities with the provisions of Title VI of the Garn–St Germain Depository Institutions Act of 1982, which restricts the scope of insurance activities for bank holding companies.

The Board also noted that specific legislation, which raises the major policy issue of the extent to which bank holding companies may engage in insurance underwriting and brokerage, is now pending before the Congress and that hearings on this legislation are likely to resume early in 1984. The Board has supported legislation submitted by the Administration to authorize insurance underwriting and brokerage for bank holding companies with appropriate safeguards, and looks forward to Congressional action on this legislation early in the current session of Congress.

Taking account of the important and fundamental legal and policy issues raised by these applications, and their pending consideration before the Congress, the Board reached the tentative judgment that it could not approve the proposed bank acquisitions in view of present law and expressions of Congressional intent, subject to any further consideration by the Congress. However, the Board has, in the past, taken the position that the processing of an application may be suspended where the issues raised are the subject of pending litigation, legislation or rulemaking. Accordingly, the Board staff has informed the Applicants of the Board's views on these matters and the Applicants have requested the Board to suspend the processing of their applications. Similarly, because of the pending legislation, the Board decided to defer further action on the rulemaking now in progress on section 225.4(e) of Regulation Y, which permits subsidiaries of state banks that are owned by bank holding companies to acquire or form an operating subsidiary to engage in any activity that the bank itself may engage in directly.

REGULATION Y: REVISION

The Federal Reserve Board has made public a complete revision of its Regulation Y (Bank Holding Companies and Change in Bank Control), including liberalization of procedures that should reduce by a third the time now required for handling applications.

The Board's revision added five activities to the list of bank-related activities permissible for bank holding companies, and approved incorporation into the regulation of certain standing Board interpretations, including interpretations of definitions of the terms "demand deposit" and "commercial loan" in the Bank Holding Company Act's definition of "bank."

The Board acted after review of some 800 letters of comment received following publication in May of a proposed complete overhaul of Regulation Y. The overhaul is part of the Board's Regulatory Improvement Project for reviewing and modernizing all of its regulations.

The Board also approved seeking public comment on the possible addition of a number of activities to the list of activities permissible for bank holding companies, as suggested by commenters on the May proposal, including the scope of permissible insurance activities for bank holding companies under Title VI of the Garn–St Germain Depository Institutions Act of 1982. (A separate *Federal Register* notice containing these proposed new activities will be published in the near future.)

REGULATION O: AMENDMENTS

The Federal Reserve Board has approved changes in its Regulation O (Loans to Executive Officers, Directors, and Principal Shareholders of Member Banks) to conform it to the Garn–St Germain Depository Institutions Act of 1982. The Board acted after a review of comment received on a proposal made in October.

The act deleted certain reporting and disclosure requirements with respect to loans to executive officers, principal shareholders, and their related interests, and instead gave federal bank regulators authority to issue rules concerning reporting and disclosure of such loans by a federally insured bank or by any of an insured bank's correspondent banks.

In June, the Federal Financial Institutions Examination Council, on which the three federal bank regulators are represented, made proposals designed to implement the portions of the Garn–St Germain Act dealing with insider loans, to be effective December 31, 1983. The Council recommended that the federal bank regulators amend their regulations accordingly.

The Board's revisions of Regulation O substantially implement the Garn–St Germain Act respecting insider lending as recommended by the Examination Council. Aside from deletion of a reporting form and certain recordkeeping requirements, the regulation, as revised, would require member banks to disclose, upon request, the name of each executive officer and principal shareholder, who—together with their related interests—had loans from the bank or its correspondent banks equal to a minimum of 5 percent of the member bank's capital and surplus, or $500,000, whichever is less, except that such loans not exceeding $25,000 need not be disclosed.

REGULATION Q: AMENDMENTS

The Federal Reserve Board has revised its Regulation Q (Interest on Deposits) to conform the regulation to recent actions of the Depository Institutions Deregulation Committee (DIDC).

The modifications to Regulation Q, effective January 1, 1984, deal with actions of the DIDC at its June 30 and September 30 meetings, concerning the removal (effective December 1, 1983) of the $2,500 minimum denomination on money market deposit accounts, Super NOW (negotiable order of withdrawal) accounts, and 7- to 31-day accounts for individual retirement account and Keogh depositors. The revision also phases out these minimums for other depositors effective January 1, 1985, and January 1, 1986. The modifications remove the differential between the interest rate ceiling on passbook savings accounts and 7- to 31-day deposits under $2,500 at both thrift institutions and commercial banks, effective January 1, 1984, making the ceiling for all such accounts 5½ percent.

The Board's official notice of its action, giving details of these changes, may be obtained from the Federal Reserve Banks.

REGULATION X: REVISION

The Federal Reserve Board has adopted a proposal that completely revises Regulation X (Rules Governing Borrowers Who Obtain Securities Credit). The new rule becomes effective January 23, 1984.

The revision of Regulation X is part of the Board's Regulatory Improvement Project in which the Board is reviewing and revising all its regulations to update them, simplify their language, eliminate obsolete or unneeded language or provisions, and lighten the burden of compliance. The Board has previously, under this project, completely revised Regulations G, T, and U, which apply to lenders (as distinguished from borrowers under Regulation X) that give credit for purchasing or carrying securities.

The Board adopted the revised regulation after a review of comment received on proposed revisions issued in October. The major substantive changes to Regulation X are the exclusion of purely domestic borrowings, which are already regulated by margin rules applicable to lenders, and an increase in the exemption for margin credit obtained by U.S. citizens residing abroad from $5,000 to $100,000. The final rule reflects a modification from the proposed rule in that borrowers who willfully cause credit to be extended in contravention of the margin rules will not be excluded from the scope of the regulation.

Changes in Statistical Releases on Money Stock and Reserves Data

The Federal Reserve Board announced on January 13, 1984, a series of changes in the content and timing of its statistical releases on money stock and reserves data that will occur with the forthcoming conversion to contemporaneous reserve requirements (CRR).

Under contemporaneous reserves, the reserve computation and maintenance periods will change from one to two weeks. Reserves will be maintained beginning two days after the opening of the computation period for transaction accounts. At present, there is a two-week lag from the beginning of the one-week computation period to the beginning of the one-week reserve maintenance period.

The initial computation period for required reserves on transaction accounts will begin Tuesday, January 31, and end Monday, February 13. The initial reserve maintenance period will begin Thursday, February 2, and end Wednesday, February 15. Money stock and reserves data will continue to be issued on a weekly basis with the following changes.

Money Stock and Liquid Assets—H.6

The H.6 will be published each Thursday at 4:15 p.m., one day earlier than now. The release will be essentially unchanged in content. M1 and certain other deposit data will continue to be published weekly, but the figures will pertain to a week ending on a Monday, consistent with the CRR reporting cycle. The last publication of the current H.6 will be on February 10, and the initial publication of the new H.6 is scheduled for February 16. It is anticipated that the February 16 release also will contain revisions associated with the annual benchmark and seasonal factor review. Historical data reflecting all these changes will be available upon request as soon thereafter as possible; data for weeks ending on Monday, both seasonally adjusted and not seasonally adjusted, will be extended back to 1975.

Factors Affecting Reserves of Depository Institutions and Condition Statement of F.R. Banks—H.4.1

The H.4.1 will be published each Thursday at 4:15 p.m.—a day earlier than now—and will continue to show weekly average and Wednesday data for reserve balances at the Federal Reserve and factors affecting reserves during the week ending the preceeding Wednesday, including borrowing at the discount window. It also will continue to show the Wednesday condition statement for the Federal Reserve Banks, both consolidated and for each District separately. However, all reserves items that depend on a calculation of required reserves—such as excess reserves and total reserves—will no longer appear on the H.4.1; they will be shown on the H.3 on a two-week average basis. The last publication of the current H.4.1 will be on February 3, and the first publication on the new basis is scheduled for February 9.

Aggregate Reserves of Depository Institutions and Monetary Base—H.3

The H.3 will be published each Thursday at 4:15 p.m., rather than on Monday afternoon as it is currently. All reserves items that depend on the calculation of required reserves—including total, nonborrowed, and excess reserves and the monetary base—will be shown on the basis of averages of two weeks ending every second Wednesday, corresponding to the reserve maintenance period under CRR. Preliminary estimates of these two-week averages will be published for the first time on alternate Thursdays, with a lag of one day from the Wednesday end of the two-week reserve maintenance period. Data revisions will be published on intervening Thursdays. The last publication of the old H.3 will be on February 6 and the first publication of the new H.3 is scheduled for February 16. Final historical data for the reserves series on the old basis, including any revisions to most recent data, will be made available upon request.

As experience is gained about the magnitude of revisions to the published preliminary estimates of these two-week reserves series, consideration will be given to whether that publication schedule should be retained or perhaps delayed a week. Depending on this experience, consideration may also be given, on the other hand, to the feasibility of publishing estimates of weekly reserves series.

Weekly Summary of Reserves and Interest Rates—H.9

The H.9—now published each Friday at 4:15 p.m.—will be discontinued because each reserves item will be published on Thursdays in either the H.4.1 or the H.3, and interest rate data will continue to be published the following Monday in the release on Selected Interest Rates (H.15). The last H.9 will be published on February 3.

In light of the substantial changes to data reporting and reserve computation and maintenance systems occasioned by CRR, transitional delays in meeting publication schedules for money stock and reserves data may occur initially, and data revisions for a time could be larger than usual.

PROPOSED ACTION

The Federal Reserve Board has requested public comment on rules proposed to implement a section of the International Lending Supervision Act of 1983 that requires banking organizations to maintain special reserves against certain foreign loans or other foreign assets. The Board requested comment by January 11, 1984, and intends to issue final regulations by January 31, 1984.

SYSTEM MEMBERSHIP: ADMISSION OF STATE BANKS

The following banks were admitted to membership in the Federal Reserve System during the period December 10, 1983, through January 10, 1984:

Alabama
Pelham .... First American Bank of Pelham
California
Fullerton .... Pioneer Bank
Santee .... Cuyamaca Bank
Florida
Palm City .. First American Bank of Martin County
Missouri
Girardeau .... First Exchange Bank of Cape Girardeau
Virginia
Fredericksburg .... Rappahannock Bank
Grafton .... First Virginia Bank–Commonwealth

Record of Policy Actions of the Federal Open Market Committee

Meeting Held on November 14–15, 1983

1. Domestic Policy Directive

The information reviewed at this meeting suggested that real GNP was growing at a relatively rapid rate in the current quarter, although the pace of expansion appeared to have moderated from the annual rates of about 9¾ percent and nearly 8 percent reported by the Commerce Department for the second and third quarters respectively. Renewed strength in personal consumption expenditures and a substantial further increase in inventory accumulation were expected to contribute to the continued expansion in economic activity. Meanwhile, price and wage increases generally have remained moderate, although there has been some pickup in recent months in average wage costs and in nonfood consumer prices.

The index of industrial production, which had risen 1.3 percent in both August and September, increased 0.8 percent further in October. Output of business equipment rose sharply, while production of consumer durable goods and construction supplies edged up slightly further, following very large increases in the second and third quarters. By October the index had risen about 14¾ percent from its trough in November 1982 to a level slightly above the previous peak in July 1981.

Nonfarm payroll employment, adjusted for strike activity, rose about 330,000 in October, about the same as the average monthly increase in the preceding five months. Employment gains were particularly marked in manufacturing and service industries, and employment in retail trade and construction also continued to strengthen. The civilian unemployment rate fell 0.5 percentage point to 8.8 percent, two percentage points below its peak in December 1982.

The nominal value of retail sales, after changing little on balance during the summer months, rose about 1¼ percent in both September and October. Outlays at apparel stores and furniture and appliance outlets rose substantially in October, and sales at automotive outlets increased markedly in both months. Sales of new domestic automobiles picked up to an average annual rate of 7 million units in the two months, and sales of imported cars surged in October, apparently in response to the increased availability of popular Japanese models. Consumers remained optimistic about the near-term outlook, according to recent surveys of consumer confidence. Moreover, recent data indicated marked gains in consumers' real disposable incomes, reflecting substantial increases in nominal personal income augmented by the midyear tax cut and a continued moderate rate of increase in the average level of prices.

Following a surge in August, private housing starts fell to an annual rate of 1.65 million units in September, close to their average in the second quarter. Newly issued permits for residential construction also fell in September, marking the second consecutive monthly decline. Sales of existing homes remained at about the reduced July–August pace, while sales of new homes rose after three months of decline.

Business spending for capital goods has remained strong. Outlays for producers' durable equipment, which had increased at an annual rate of about 20 percent in real terms in the second quarter, rose at a rate of nearly 16 percent in the third quarter. Recent data on new orders and shipments indicated further strength in the demand for business equipment. Investment in nonresidential structures rose at an annual rate of about 12 percent in the third quarter, after declines earlier in the year.

The producer price index for finished goods rose 0.3 percent in October, about the same as in other recent months. Most of the October increase was attributable to higher prices for consumer foods; prices of energy-related items and of finished consumer goods other than foods were little changed. Thus far in 1983 the index had increased at an annual rate of less than 1 percent. The consumer price index rose 0.5 percent in September, following advances of 0.4 percent in the preceding two months. Consumer prices had changed little early in the year and over the first nine months of 1983 had increased at an annual rate of about 3¾ percent. The index of average hourly earnings rose somewhat more in September and October than in previous months but the index has risen more slowly this year than in 1982.

In foreign exchange markets the trade-weighted value of the dollar against major foreign currencies had risen a little more than 1 percent since early October. The eruption of political and military conflicts in a number of locations around the world was a factor in the dollar's strength, as some investors viewed the dollar as a "safe haven" during the period of heightened international tensions. The rise was also associated in part with some widening of the differential between U.S. and key foreign interest rates. The U.S. foreign trade deficit increased considerably in the third quarter as imports, especially of petroleum, rose faster than exports.

At its meeting on October 4, 1983, the Committee had decided that in the short run, open market operations should be directed toward maintaining the slightly reduced reserve restraint that had been sought in the weeks just prior to that meeting. This policy was expected to be associated with growth of both M2 and M3 at an annual rate of around 8½ percent for the period from September to December. The members had agreed that the need for greater or lesser restraint on reserve conditions should be evaluated against the background of developments relating to the strength of the economic recovery, the outlook for inflation, and conditions in domestic and international financial markets. Depending on such developments, lesser restraint would be acceptable in the event of a significant shortfall in the growth of the aggregates, while somewhat greater restraint would be acceptable in the context of more rapid growth in the aggregates. The Committee anticipated that M1 growth at an annual rate of around 7 percent from September to December would be consistent with its fourth-quarter objectives for the broader aggregates, and that expansion in total nonfinancial debt would remain within the range of 8½ to 11½ percent established for the year. The intermeeting range for the federal funds rate was retained at 6 to 10 percent.

In October, both M2 and M3 grew at annual rates close to the 8½ percent pace sought by the Committee for the September-to-December period: growth in M2, after slowing substantially over the summer months, accelerated to an estimated annual rate of about 9 percent, while growth in M3 was at an estimated annual rate of about 8¼ percent. On the other hand, expansion in M1, at an annual rate of about 1½ percent, remained low. Through October, M2 was at a level in the lower portion of the Committee's range for 1983 and M3 was in the upper portion of its range. M1 was in the lower portion of the Committee's monitoring range for the second half of the year.

Growth in the debt of domestic nonfinancial sectors was estimated to have slowed somewhat in October, but it remained well within the Committee's monitoring range for the year. Growth in funds raised by private sectors apparently moderated, while funds raised by the federal government continued relatively large. Expansion in credit at U.S. commercial banks increased at an estimated annual rate of about 10 percent in October, considerably faster than in September and close to the average pace for the year to date. The acceleration in October reflected primarily a substantial increase in banks' acquisitions of U.S. Treasury securities but also strong growth in consumer loans. Borrowing by businesses remained moderate, as funds generated internally covered the bulk of financing needs; such borrowing continued to be concentrated in the short-term area.

Total reserves contracted somewhat in October, but growth of nonborrowed reserves (including extended credit at the discount window) picked up. Adjustment plus seasonal borrowing averaged $630 million during the five statement weeks ending November 9, somewhat below the level that had prevailed during most weeks in the previous intermeeting interval.

Interest rates generally fluctuated in a narrow range over the intermeeting period. Federal funds traded mainly around 9⅜ percent, down from earlier weeks. Other short-term rates were up marginally on balance over the intermeeting period. Most long-term rates rose somewhat, apparently in response to indications of continued strength in economic activity and to uncertainties about the prospective pattern of Treasury financing as passage of legislation to raise the debt ceiling was delayed. In contrast, average rates on new commitments for fixed-rate conventional home mortgage loans declined about 20 basis points and the ceiling rate on regular FHA/VA mortgage loans was reduced ½ percentage point to 12½ percent.

The staff projections presented at this meeting indicated that growth in real GNP would slow from the rapid rate of recent quarters to a more moderate pace during 1984. A key element in the expected slowdown was a projection of lessened stimulus from inventory rebuilding and housing activity; growth in consumer spending was also projected to slow somewhat. On the other hand, business fixed investment was expected to accelerate and the foreign sector was expected to be less of a damping factor over the course of 1984 than over 1983. A decline in the unemployment rate was anticipated over the projection period, and upward pressures on prices were expected to remain generally moderate.

In the Committee's discussion of the economic situation and outlook, members commented that the economic expansion had remained stronger than generally anticipated. Reports from around the country suggested increasingly widespread optimism about business conditions and a high degree of consumer confidence. While all the members expected the rate of economic growth to moderate over the year ahead, there were some differences of view with regard to the timing and likely extent of the slowdown. Some members anticipated that the slowdown might be appreciably less than projected by the staff, with unfavorable implications for inflationary pressures and the ultimate sustainability of the expansion. In support of this view, reference was made to the favorable conditions for a surge in business fixed investment created by the momentum of the expansion. In addition, it was pointed out that a highly stimulative fiscal policy remained in prospect for 1984. Thus, while the expansionary impact of housing and inventory accumulation could be expected to wane during the second year of the recovery, vigorous growth in fixed investment expenditures in conjunction with the prospective federal deficit might well sustain relatively rapid expansion in overall economic activity during the year ahead. It was also suggested that, at least for the near term, consumer spending and inventory accumulation might provide more stimulus to the economy than was generally anticipated.

Other members placed more emphasis on some elements of potential weakness in the economic outlook. It was pointed out that there was as yet no firm evidence that business fixed investment would prove to be exceptionally strong during 1984. Indeed, such investment might continue to be held down by the persistence of weak demand for the output of some traditional producers of capital equipment, and, more generally, by relatively high interest rates in the context of massive Treasury debt financings. International developments might also continue to exert a retarding impact on the domestic economy, especially if the dollar failed to depreciate as many observers expected and if the economies of foreign countries remained relatively sluggish, thereby limiting export markets for U.S. products while encouraging foreign firms to compete aggressively in U.S. markets. Reference was also made to the possibility that problems related to the international debt situation could have adverse consequences for U.S. financial markets and economic activity.

With regard to the prospects for prices, several members questioned whether further progress could be made in containing inflationary pressures if the rate of economic expansion did not slow to a more moderate pace over the year ahead. One member observed that by late 1984, capacity utilization rates could reach levels that would tend to generate inflationary cost pressures even if unemployment were still high relative to earlier expansion periods. On the other hand, some members felt that there was little current evidence that price and wage pressures or inflationary expectations were worsening. One member also noted that the economy was still operating well below capacity and that further significant improvements in productivity, along with competitive pressures from world markets, were likely to restrain inflation during 1984.

In the Committee's discussion of policy for the period immediately ahead, all of the members found acceptable a policy directed toward maintaining the existing degree of reserve restraint. In the view of some, however, an argument could be made in favor of a small, precautionary step in the direction of firming in light of the continuing strength of the economic expansion and the associated danger of a resurgence of inflationary pressures during the year ahead. While acknowledging the risks of inflation in a rapidly expanding economy combined with large budget deficits and the relatively rapid monetary growth earlier in the year, most members saw sufficient uncertainties in the outlook to counsel against any change in reserve pressures at this time. Some members were also concerned that under the prevailing circumstances even a modest increase in restraint on reserves might have a disproportionate impact on domestic and international financial markets. The result could be an increase in domestic interest rates large enough to have damaging consequences for housing and other interest-sensitive sectors of the economy and to intensify greatly the pressures on countries with severe external debt problems.

According to a staff analysis, a policy of maintaining the present degree of restraint on reserve conditions was likely to be associated with growth in M2 and M3 at rates that were consistent with the objectives that the Committee had set previously for the fourth quarter and for the year as a whole. Such a policy might also result in an acceleration in the growth of M1 over the last two months of the year, primarily in response to increasing needs for transaction balances in a rapidly expanding economy. Given the limited growth of M1 in October, however, its expansion for the entire fourth quarter was likely to be below the growth rate of around 7 percent anticipated earlier. The staff also indicated that the demand for transaction balances remained subject to a great deal of uncertainty, and that transaction needs related to strengthened business activity could continue to be met for a time, at least in part, out of balances that had been built up earlier, including NOW accounts.

One member indicated a preference for giving increased weight to M1 in the formulation of monetary policy and commented that its slow growth, should it persist, could threaten the sustainability of the economic expansion. Other members commented that the deceleration of M1 growth in recent months had to be evaluated against the background of unusually rapid expansion in the latter part of 1982 and the first half of 1983. It was also pointed out that the broader monetary aggregates emphasized by the Committee had been growing in line with the Committee's objectives.

All the members indicated that they could support a directive that called for maintaining the current degree of restraint on reserve positions over the near term, but they also agreed that the directive should continue to allow for some leeway to adjust the degree of reserve pressure during the intermeeting period. In this connection, a number of members were in favor of being particularly sensitive to evidence of continued unexpected strength in the economy and the related potential for greater price and wage pressures, should growth in the monetary aggregates appear to be exceeding expectations.

At the conclusion of the discussion the Committee decided that no change should be made at this time in the degree of restraint on reserve positions. The members anticipated that such a policy would continue to be associated with growth of both M2 and M3 at an annual rate of around 8½ percent for the period from September to December. The members also agreed that the need for greater or lesser restraint on reserve conditions should be evaluated against the background of developments relating to the strength of the economic recovery, the outlook for inflation, and conditions in domestic and international financial markets. Depending upon such developments over the weeks ahead, greater restraint would be acceptable in the event of more rapid growth in the broader monetary aggregates, while lesser restraint would be acceptable in the context of a significant shortfall in such growth. The Committee anticipated that, given the relatively slow growth of M1 in October, its expansion at an annual rate of around 5 to 6 percent from September to December would be consistent with the fourth-quarter objectives for the broader aggregates, and that expansion in total domestic nonfinancial debt would remain within the range of 8½ to 11½ percent established for the year. It was agreed that the intermeeting range for the federal funds rate, which provides a mechanism for initiating consultation of the Committee, would remain at 6 to 10 percent.

At the conclusion of the discussion, the Committee issued the following domestic policy directive to the Federal Reserve Bank of New York:

The information reviewed at this meeting suggests that real GNP is growing at a relatively rapid pace in the current quarter, although the rate of expansion appears to have moderated since the spring and summer. In October, industrial production increased appreciably, following large gains in previous months. Nonfarm payroll employment rose substantially further, and the civilian unemployment rate declined ½ percentage point to 8.8 percent. After changing little on balance during the summer months, retail sales strengthened in September and October. Housing starts and permits declined in September while home sales rose somewhat. Recent data on new orders and shipments indicate further strength in the demand for business equipment. Producer and consumer prices have continued to increase at about the same pace as in other recent months. The index of average hourly earnings rose somewhat more in September and October than in previous months, but over the first ten months of the year the index has risen more slowly than in 1982.

The foreign exchange value of the dollar has risen since early October against a trade-weighted average of major foreign currencies. The U.S. foreign trade deficit increased considerably in the third quarter, with imports, especially of petroleum, rising faster than exports.

After slowing substantially over the summer months, growth in M2 accelerated in October, while M3 continued to expand at a moderate rate. Through October, M2 was at a level in the lower portion of the Committee's range for 1983 and M3 in the upper portion of its range. M1 continued to grow at a sluggish pace in October and was in the lower portion of the Committee's monitoring range for the second half of the year. Longer-term market rates have risen somewhat on balance since early October, and short-term rates generally have fluctuated in a narrow range.

The Federal Open Market Committee seeks to foster monetary and financial conditions that will help to reduce inflation further, promote growth in output on a sustainable basis, and contribute to a sustainable pattern of international transactions. At its meeting in July the Committee reconsidered the growth ranges for monetary and credit aggregates established earlier for 1983 in furtherance of these objectives and set tentative ranges for 1984. The Committee recognized that the relationships between such ranges and ultimate economic goals have become less predictable; that the impact of new deposit accounts on growth of the monetary aggregates cannot be determined with a high degree of confidence; and that the availability of interest on large portions of transaction accounts may be reflected in some changes in the historical trends in velocity.

Against this background, the Committee at its July meeting reaffirmed the following growth ranges for the broader aggregates: for the period from February–March of 1983 to the fourth quarter of 1983, 7 to 10 percent at an annual rate for M2; and for the period from the fourth quarter of 1982 to the fourth quarter of 1983, 6½ to 9½ percent for M3. The Committee also agreed on tentative growth ranges for the period from the fourth quarter of 1983 to the fourth quarter of 1984 of 6½ to 9½ percent for M2 and 6 to 9 percent for M3. The Committee considered that growth of M1 in a range of 5 to 9 percent from the second quarter of 1983 to the fourth quarter of 1983, and in a range of 4 to 8 percent from the fourth quarter of 1983 to the fourth quarter of 1984, would be consistent with the ranges for the broader aggregates. The associated range for total domestic nonfinancial debt was reaffirmed at 8½ to 11½ percent for 1983 and tentatively set at 8 to 11 percent for 1984.

In implementing monetary policy, the Committee agreed that substantial weight would continue to be placed on the behavior of the broader monetary aggregates. The behavior of M1 and total domestic nonfinancial debt will be monitored, with the degree of weight placed on Ml over time dependent on evidence that velocity characteristics are resuming more predictable patterns. The Committee understood that policy implementation would involve continuing appraisal of the relationships between the various measures of money and credit and nominal GNP, including evaluation of conditions in domestic credit and foreign exchange markets.

The Committee seeks in the short run to maintain the existing degree of reserve restraint. The action is expected to be associated with growth of M2 and M3 at annual rates of around 8½ percent from September to December, consistent with the targets established for these aggregates for the year. Depending on evidence about the continuing strength of economic recovery and other factors bearing on the business and inflation outlook, somewhat greater restraint would be acceptable should the aggregates expand more rapidly; lesser restraint might be acceptable in the context of a significant shortfall in growth of the aggregates from current expectations. Given the relatively slow growth in October, the Committee anticipates that M1 growth at an annual rate of around 5 to 6 percent from September to December will be consistent with its fourth-quarter objectives for the broader aggregates, and that expansion in total domestic nonfinancial debt would remain within the range established for the year. The Chairman may call for Committee consultation if it appears to the Manager for Domestic Operations that pursuit of the monetary objectives and related reserve paths during the period before the next meeting is likely to be associated with a federal funds rate persistently outside a range of 6 to 10 percent.

Votes for this action: Messrs. Volcker, Solomon, Gramley, Guffey, Keehn, Martin, Morris, Partee, Rice, Roberts, Mrs. Teeters, and Mr. Wallich. Votes against this action: None.

2. *Authorization for Domestic Open Market Operations*

At this meeting the Committee voted to increase from $4 billion to $5 billion the limit on changes between Committee meetings in System Account holdings of U.S. government and federal agency securities specified in paragraph 1(a) of the authorization for domestic open market operations, for the intermeeting period ending with the close of business on December 20, 1983.

Votes for this action: Messrs. Volcker, Solomon, Gramley, Guffey, Keehn, Martin, Morris, Partee, Rice, Roberts, Mrs. Teeters, and Mr. Wallich. Votes against this action: None.

This action was taken on the recommendation of the Manager for Domestic Operations. The Manager had advised that projections for the upcoming intermeeting period indicated a substantial need for additions to reserves relating to a seasonal increase in currency in circulation. Accordingly, the need for net purchases of U.S. government and federal agency securities during the intermeeting interval was considered likely to exceed the standard $4 billion limit on intermeeting changes in holdings of such securities.

Legal Developments

AMENDMENT TO REGULATION C

The Board is making technical amendments to Regulation C to implement changes in terminology related to the definition of metropolitan areas, recently adopted by the U.S. Office of Management and Budget. Regulation C and the Home Mortgage Disclosure Act require certain depository institutions with offices in metropolitan areas to disclose data about their home mortgage and home improvement loans each year. The changes do not affect the manner in which loan data is disclosed.

Effective January 1, 1984, the Board amends Regulation C as set forth below:

Part 203—Home Mortgage Disclosure

1. New paragraph (h) is added to section 203.2 to read as follows:

Section 203.2—Definitions

* * * * *

(h) *Standard metropolitan statistical area* or *SMSA* means a metropolitan statistical area (MSA) or primary metropolitan statistical area (PMSA), as defined by the U.S. Office of Management and Budget.

2. Paragraph (a)(2) of section 203.3 is revised to read as follows:

Section 203.3—Exemptions

(a) *Asset size and location* ***

(2) If it has neither a home office nor a branch office in a standard metropolitan statistical area (SMSA).

3. Paragraph (d)(1) of section 203.4 is revised to read as follows:

Section 203.4—Compilation of loan data

* * * * *

(d) *SMSAs and census tracts.* For purposes of geographic itemization.

(1) A depository institution shall use the SMSA boundaries defined by the U.S. Office of Management and Budget as of the first day of the calendar year for which the data are compiled.

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AMENDMENT TO REGULATION D

The Board is amending 12 CFR Part 204 (Regulation D—Reserve Requirements of Depository Institutions) to adjust (1) the amount of transaction accounts subject to a reserve requirement ratio of three per cent, as required by the Monetary Control Act of 1980 (Title I of Pub. L. 96-221; 12 U.S.C. § 461(b)(2)(C)) and (2) the amount of reservable liabilities of each depository institution that is subject to a reserve requirement of zero per cent, as required by the Garn–St Germain Depository Institutions Act of 1982 (Pub. L. 97-320; 12 U.S.C. § 461(b)(11)(B)). Currently, the first $26.3 million of a depository institution's net transaction accounts are subject to a three per cent reserve ratio and $2.1 million of reservable liabilities are exempt from reserve requirements. The first reserve maintenance period to which the amendment applies begins January 12, 1984.

Effective January 12, 1984, the Board amends Regulation D by revising paragraph (a) of section 204.9 to read as follows:

Part 204—Reserve Requirements of Depository Institutions

Section 204.9—Reserve Requirement Ratios

(a)(1) *Reserve percentages.* The following reserve ratios are prescribed for all depository institutions, Edge and Agreement corporations, and United States branches and agencies of foreign banks:

Category	Reserve requirement
Net transaction accounts	
$0–$28.9 million	3% of amount
over $28.9 million	$867,000 plus 12% of amount over $28.9 million
Nonpersonal time deposits	
By original maturity (or notice period):	
Less than 1½ years	3%
1½ years or more	0%
Eurocurrency liabilities	3%

(2) *Exemption from reserve requirements.* Each depository institution, Edge or Agreement corporation, and U.S. branch or agency of a foreign bank is subject to a zero per cent reserve requirement on an amount of its transaction accounts subject to the low reserve tranche in paragraph (a)(1), nonpersonal time deposits, or Eurocurrency liabilities or any combination thereof not in excess of $2.2 million determined in accordance with section 204.3(a)(3) of this Part.

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AMENDMENTS TO REGULATION K

The Board has amended 12 C.F.R. Part 211, Regulation K, to include travel agency services on the list of activities that the Board has found to be usual in connection with the transaction of banking or other financial operations abroad. Permitting U.S. banking organizations to offer these services abroad should enhance their ability to compete in foreign markets. These services may be offered only through a foreign company located abroad and the company may not engage in offering travel services in the United States.

In addition the Board has amended Subpart C of Regulation K, its regulations governing investments by bank holding companies in export trading companies, to clarify when a bank holding company must provide a subsequent notice of investment to the Board. The Board also proposes to make a technical amendment to these regulations regarding the time within which an investment must be made by the investor in the export trading company.

Effective December 20, 1983, the Board amends Regulation K as set forth below:

Part 211—International Banking Operations

1. Section 211.5(d)(14) Subpart A of 12 C.F.R. Part 211 is amended by redesignating section 211.5(d)(14) as section 211.5(d)(15) and adding a new section 211.5(d)(14) to read as follows:

Section 211.5—Investments in Other Organizations

* * * * *

(d) ***

(14) the operation of a travel agency provided that the travel agency is operated in connection with financial services offered abroad by the investor or others;

* * * * *

2. Subpart C of Regulation K (12 C.F.R. 211.31 et seq.) is amended by revising section 211.34(a)(2) to read as follows, and by adding a new paragraph 211.34(c):

Section 211.34—Procedures for Filing and Processing Notices

(a) ***

(1) ***

(2) *Subsequent notice.* An eligible investor shall give the Board 60 days' prior written notice of changes in the activities of an export trading company that is a subsidiary of the investor if the export trading company expands its activities beyond those described in the initial notice to include:

(i) taking title to goods where the export trading company does not have a firm order for the sale of those goods;

(ii) product research and design;

(iii) product modification, or

(iv) activities not specifically covered by the list of activities contained in section 4(c)(14)(F)(ii) of the BHC Act. Such an expansion of activities shall be regarded as a proposed investment under this subpart.

(b) ***

(c) *Time period for investment.* An investment in an export trading company that has not been disapproved shall be made within one year from the date of the notice not to disapprove, unless the time period is extended by the Board or by the appropriate Federal Reserve Bank.

AMENDMENTS TO REGULATION O

The Board of Governors of the Federal Reserve System is amending 12 CFR Part 215, Regulation O, which governs loans by a member bank to insiders, to implement amendments to Titles VIII and IX of the Financial Institutions Regulatory and Interest Rate Control Act that were included in Title IV of the Garn–St Germain Depository Institutions Act of 1982. The amendment replaces certain of the reporting and disclosure requirements previously required by FIRA with the reporting and disclosure provisions recommended by the Federal Financial Institutions Examination Council.

Effective December 31, 1983, the Board of Governors is revising 12 C.F.R. Part 215, Regulation O, as follows:

Part 215—Loans to Executive Officers, Directors, and Principal Shareholders of Member Banks

1. Section 215.10 is revised to read as follows:

Section 215.10—Disclosure of Credit From Member Banks to Executive Officers and Principal Shareholders

(a) *Definitions.* For the purposes of this section, the following definitions apply:

(1) "*Principal shareholder* of a member bank" means any person[7] (other than an insured bank, or a foreign bank as defined in 12 U.S.C. 3101(7)), that, directly or indirectly, owns, controls, or has power to vote more than 10 per cent of any class of voting securities of the member bank. The term includes a person that controls a principal shareholder (e.g., a person that controls a bank holding company). Shares of a bank (including a foreign bank), bank holding company, or other company owned or controlled by a member of an individual's immediate family are presumed to be owned or controlled by the individual for the purposes of determining principal shareholder status.

(2) "*Related interest*" means:

(A) any company controlled by a person, or

(B) any political or campaign committee the funds or services of which will benefit a person or that is controlled by a person.

For the purpose of this section and Subpart B, a related interest does not include a bank or a foreign bank (as defined in 12 U.S.C. 3101(7)).

(b) *Public disclosure.*

(i) Upon receipt of a written request from the public, a member bank shall make available the names of each of its executive officers[8] and each of its principal shareholders to whom, or to whose related interests, the member bank had outstanding as of the end of the latest previous quarter of the year, an extension of credit that, when aggregated with all other outstanding extensions of credit at such time from the member bank to such person and to all related interests of such person, equaled or exceeded 5 per cent of the member bank's capital and unimpaired surplus or $500,000, whichever amount is less. No disclosure under this paragraph is required if the aggregate amount of all extensions of credit outstanding at such time from the member bank to the executive officer or principal shareholder of the member bank and to all related interests of such a person does not exceed $25,000.

(ii) A member bank is not required to disclose the specific amounts of individual extensions of credit.

(c) *Maintaining records.* Each member bank shall maintain records of all requests for the information described in paragraph (b) of this section and the disposition of such requests. These records may be disposed of after two years from the date of the request.

7. The term "stockholder of record" appearing in 12 U.S.C. 1972(2)(G) is synonymous with the term "person."

8. For purposes of this section and Subpart B, an executive officer of a member bank does not include an executive officer of a bank holding company of which the member bank is a subsidiary or of any other subsidiary of that bank holding company unless the executive officer is also an executive officer of the member bank.

2. Section 215.23 is revised to read as follows:

Section 215.23—Disclosure of Credit From Correspondent Banks to Executive Officers and Principal Shareholders

(a) *Public disclosure.*

(i) Upon receipt of a written request from the public, a member bank shall make available the names of each of its executive officers and each of its principal shareholders to whom, or to whose related interests, any correspondent bank of the member bank had outstanding, at any time during the previous calendar year, an extension of credit that, when aggregated with all other outstanding extensions of credit at such time from all correspondent banks of the member bank to such person and to all related interests of such person, equaled or exceeded 5 per cent of the member bank's capital and unimpaired surplus or $500,000, whichever amount is less. No disclosure under this paragraph is required if the aggregate amount of all extensions of credit outstanding from all correspondent banks of the member bank to the executive officer or principal shareholder of the member bank and to all related interests of such a person does not exceed $25,000 at any time during the previous calendar year.

(ii) A member bank is not required to disclose the specific amounts of individual extensions of credit.

(b) *Maintaining records.* Each member bank shall maintain records of all requests for the information described in paragraph (a) of this section and the disposition of such requests. These records may be disposed of after two years from the date of the request.

3. Paragraph (a) of Section 215.20 is revised and the first sentence of paragraph (b) is amended to read as follows:

Section 215.20—Authority, Purpose, and Scope

(a) *Authority*. This Subpart is issued pursuant to section 11(i) of the Federal Reserve Act (12 U.S.C. 248(i)) and 12 U.S.C. 1972 (2)(F)(vi).
(b) *Purpose and scope*. This Subpart implements the reporting requirements of Title VIII of the Financial Institutions Regulatory and Interest Rate Control Act of 1978 (FIRA) (P.L. 95–630) as amended by the Garn–St Germain Depository Institutions Act of 1982 (P.L. 97–320), 12 U.S.C. 1972 (2)(g).***

Amendments to Regulation Q

The Board has amended 12 CFR Part 217 (Regulation Q-Interest on Deposits) to incorporate rules of the Depository Institutions Deregulation Committee ("DIDC"), adopted pursuant to the Depository Institutions Deregulation Act of 1980 (Title II of Pub. L. 96–221). The amendments to Regulation Q are technical in nature and conform the Board's rules to those of DIDC. These amendments became effective January 1, 1984. Other conforming amendments are effective January 1, 1985, and January 1, 1986, as set forth below:

The Board amends 12 CFR Part 217, effective on the dates indicated, as follows:

Part 217—Interest on Deposits

1. Effective January 1, 1984:

Section 217.4—[Amended]

a. Section 217.4 is amended by removing paragraphs (d)(1)(iii)(D) and (E) and in paragraph (d)(6) by removing "Subparagraphs (1)(iii)(E) and" and inserting "paragraph" in its place; and
b. Section 217.7 introductory text is amended by revising paragraphs (b), (c)(1), (c)(2), and (c)(2)(ii)(A); revising paragraph (e)(1); and revising paragraph (g)(1), as follows:

Section 217.7—Supplement: Maximum rates of Interest Payable by Member Banks on Time and Savings Deposits

* * * * *

(b) Time deposits of less than $2,500 with original maturities or required notice periods prior to withdrawal of seven to 31 days. Except as provided in paragraphs (d) and (e), no member bank shall pay interest on any time deposit of less than $2,500 with an original maturity or required notice period prior to withdrawal of 31 days or less at a rate in excess of 5–½ per cent.
(c) Savings deposits.
(1) Except as provided in paragraph (g), no member bank shall pay interest at a rate in excess of 5–½ per cent on any savings deposit.
(2) A member bank may pay interest on any deposit or account subject to negotiable or transferable orders of withdrawal that is authorized pursuant to 12 U.S.C. 1832(a) or a deposit or account described in section 217.5(c)(2)—

* * * * *

(ii)(A) at any rate agreed to by the depositor on any deposit or account subject to negotiable or transferable orders of withdrawal that is authorized pursuant to 12 U.S.C. 1832(a) subject to the conditions of this paragraph (c)(2) with an initial balance and an average deposit balance (as computed in paragraph (c)(2)(ii)(B) of this section) of no less than $2,500. However, for an account with an average balance of less than $2,500, a member bank shall not pay interest in excess of the rate specified in paragraph (c)(2)(i) of this section for the entire computation period, as described in paragraph (c)(2)(ii)(B). Further, a member bank may pay interest at any rate agreed to by the depositor on an account issued under this paragraph (c)(2)(ii), regardless of amount, if that account consists of funds deposited to the credit of, or in which the entire beneficial interest is held by, an individual pursuant to an Individual Retirement Account agreement or Keogh (H.E. 10) Plan establish pursuant to 26 U.S.C. (I.R.C. 1954) 219, 401, 408 and related provisions.

* * * * *

(e) Seven-to 31-day time deposits.
(1)(i) Notwithstanding paragraph (d), a member bank may pay interest at any rate as agreed to by the depositor on any time deposit with a maturity or required notice period of not less than seven days nor more than 31 days—
(A) in an amount of $2,500 or more; or
(B) notwithstanding paragraph (b), if such funds are deposited to the credit of, or in which the entire beneficial interest in such funds is held

by, an individual pursuant to an Individual Retirement Account agreement or Keogh (H.R. 10) Plan established pursuant to 26 U.S.C. (I.R.C. 1954) 219, 401, 408 and related provisions.

(ii) However, except as provided in paragraph (e)(1)(i)(B), a member bank shall not pay interest in excess of the ceiling rate for regular savings deposits or account specified in paragraph (c)(1) of this section on any day the balance in a time deposit issued under this paragraph is less than $2,500.

* * * * *

(g) Money market deposit accounts.

(1)(i)Notwithstanding paragraph (c), a member bank may pay interest at any rate on a deposit account as described in this paragraph—

(A) with an initial balance of no less than $2,500 and an average deposit balance (as computed in paragraph (g)(2) of no less than $2,500; or

(B) that consists of funds deposited to the credit of, or in which the entire beneficial interest is held by an individual pursuant to an Individual Retirement Account agreement or Keogh (H.R. 10) Plan established pursuant to 26 U.S.C. (I.R.C. 1954) 219, 401, 408 and related provisions.

(ii) However, except as provided in paragraph (g)(1)(i)(B), for an account with an average balance of less than $2,500, a member bank shall not pay interest in excess of the ceiling rate specified for NOW accounts under paragraph (c)(2)(i) of this section for the entire computation period, as described in paragraph (g)(2) of this section.

* * * * *

Sections 217.1 and 217.7—[Amended]

2. Effective January 1, 1985:
Sections 217.1(h)(1)(iii)(B) and 217.7 are amended by removing "$2,500" wherever it appears and inserting "$1,000" in its place.

3. Effective January 1, 1986:
a. Section 217.1(h)(iii) is amended by removing "(A)", inserting a period after the phrase "seven days", and removing "or" and paragraph (B); and
b. Section 217.7 is amended by: removing the text of paragraph (b) and inserting (Reserved) in its place; by removing paragraph (g)(8); and by revising paragraphs (c)(2), (e)(1), and (g)(1) to read as follows:

Section 217.7—Supplement: Maximum Rates of Interest Payable by Member Banks on Time and Savings Deposits.

* * * * *

(c) Savings deposits. ***

(2) A member bank may pay interest on any deposit or account—

(i) described in § 217.5(c)(2) at a rate not to exceed 5–¼ per cent; or

(ii) subject to negotiable or transferable orders of withdrawal that is authorized pursuant to 12 U.S.C. 1832(a) at any rate agreed to by the depositor.

* * * * *

(e) Seven- to 31-day time deposits.

(1) Notwithstanding paragraph (d), a member bank may pay interest at any rate as agreed to by the depositor on any time deposit with a maturity or required notice period prior to maturity of not less than seven days nor more than 31 days.

* * * * *

(g) Money mart deposit accounts.

(1) Notwithstanding paragraph (c), a member bank may pay interest at any rate on a deposit account as described in this paragraph.

* * * * *

Revision of Regulation X

The Board has revised, in its entirety, Regulation X, which governs borrowers who obtain credit for the purpose of purchasing or carrying securities. The newly revised Regulation X is written in simplified language, organized in a logical fashion and reduced in regulatory burden.

Effective January 23, 1984, the Board revises Regulation X in its entirety to read as follows:

Part 224—Borrowers of Securities Credit

Section 224.1—Authority, Purpose, and Scope

(a) *Authority and purpose.* Regulation X (this part) is issued by the Board of Governors of the Federal Reserve System (the Board) under the Securities Exchange Act of 1934, as amended (the Act) (15 U.S.C.

78a et seq.). This part implements section 7(f) of the Act (15 U.S.C. 78g(f)), the purpose of which is to require that credit obtained within or outside the United States complies with the limitations of the Board's Margin Regulations G, T, and U (12 CFR 207, 220, and 221, respectively).

(b) *Scope and exemptions.* The Act and this part apply the Board's margin regulations to United States persons and foreign persons controlled by or acting on behalf of or in conjunction with United States persons (hereinafter borrowers), who obtain credit outside the United States to purchase or carry United States securities, or within the United States to purchase or carry any securities (both types of credit are hereinafter referred to as purpose credit). The following borrowers are exempt from the Act and this part:

(1) any borrower who obtains purpose credit within the United States, unless the borrower willfully causes the credit to be extended in contravention of Regulations G, T, or U.

(2) any borrower whose permanent residence is outside the United States and who does not obtain or have outstanding, during any calendar year, a total of more than $100,000 in purpose credit obtained outside the United States; and

(3) any borrower who is exempt by Order upon terms and conditions set by the Board.

Section 224.2—Definitions

The terms used in this part have the meanings given to them in sections 3(a) and 7(f) of the Act, and in Regulations G, T, and U. Section 7(f) of the Act contains the following definitions:

(a) "United States person" includes a person which is organized or exists under the laws of any State or, in the case of a natural person, a citizen or resident of the United States; a domestic estate; or a trust in which one or more of the foregoing persons has a cumulative direct or indirect beneficial interest in excess of 50 per centum of the value of the trust.

(b) "United States security" means a security (other than an exempted security) issued by a person incorporated under the laws of any State, or whose principal place of business is within a State.

(c) "Foreign person controlled by a United States person" includes any noncorporate entity in which United States persons directly or indirectly have more than a 50 per centum beneficial interest, and any corporation in which one or more United States persons, directly or indirectly, own stock possessing more than 50 per centum of the total combined voting power of all classes of stock entitled to vote, or more than 50 per centum of the total value of shares of all classes of stock.

Section 224.3—Margin Regulations to be Applied by Nonexempted Borrowers

(a) *Credit Transactions Outside the United States.* No borrower shall obtain purpose credit from outside the United States unless it conforms to the following margin regulations:

(1) Regulation T (12 CFR 220) if the credit is obtained from a foreign branch of a broker-dealer;

(2) Regulation U (12 CFR 221) if the credit is obtained from a foreign branch of a bank, except for the requirement of a purpose statement (12 CFR 221.3(b) and (c)); and

(3) Regulation G (12 CFR 207) if the credit is obtained from any other lender outside the United States, except for the requirement of a purpose statement (12 CFR 207.3(e) and (f)).

(b) *Credit Transactions Within the United States.* Any borrower who willfully causes credit to be extended in contravention of Regulations G, T, or U, and who, therefore, is not exempted by section 224.1(b)(1) of this part, must conform the credit to the margin regulation that applies to the lender.

(c) *Inadvertent noncompliance.* No borrower who inadvertently violates this part and who acts to remedy the violation as soon as practicable shall be deemed in violation of this part.

Amendment to Rules Regarding Delegation of Authority

The Board is amending 12 C.F.R. Part 265, its Rules Regarding Delegation of Authority, to delegate to the Federal Reserve Banks authority to act on notifications by bank holding companies to invest in export trading companies. It is anticipated that this delegation of authority would aid in the expeditious processing of export trading company notifications.

Effective December 20, 1983, the Board of Governors amends its Rules Regarding Delegation of Authority (12 C.F.R. Part 265) by adding a new section, 265.2(f)(58), and by revising section 265.2(a)(2) to read as follows:

Part 265—Rules Regarding Delegation of Authority

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

(a) ***

(2) Under the provisions of sections 18(c) and 18(c)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c) and 1828(c)(4)), sections 3(a), 4(c)(8) and 4(c)(14) of the Bank Holding Company Act (12 U.S.C. 1842(a), 1843(c)(8) and (14)), the Change in Bank Control Act (12 U.S.C. 1817(j)) and section 25 and 25(a) of the Federal Reserve Act (12 U.S.C. 601–604a and 611 et seq.), and sections 225.3(b) and (c), and 225.4(a) and (b) and 225.7 of Regulation Y (12 C.F.R. 225.3(b) and (c), 225.4(a) and (b), and 225.7), sections 211.3(a), 211.4(c), 211.5(c) and 211.34 of Regulation K (12 C.F.R. 211.3(a), 211.4(c), 211.5(c) and 211.34), to furnish reports on competitive factors involved in a bank merger to the Comptroller of the Currency and the Federal Deposit Insurance Corporation and to take actions the Reserve Bank could take except for the fact that the Reserve Bank may not act because a director or senior officer of any holding company, bank, or company involved in the transaction is a director of a Federal Reserve Bank or branch.

* * * * *

(f) ***

(58) Under section 4(c)(14) of the Bank Holding Company Act and Subpart C of the Board's Regulation K, to issue a notice of intention not to disapprove a proposed investment in an export trading company if all the following criteria are met:

(i) the proposed export trading company will be a wholly-owned subsidiary of a single investor, or ownership will be shared with an individual or individuals involved in the operation of the export trading company;

(ii) a bank holding company investor and its lead bank meet the minimum capital adequacy guidelines of the Board and the Comptroller of the Currency or have enacted capital enhancement plans that have been determined by the appropriate supervisory authority to be acceptable;

(iii) the proposed export trading company will take title to goods only against firm orders, except that the company may maintain inventory of goods worth up to $2 million;

(iv) the proposed activities of the export trading company do not include product research or design, product modification, or activities not specifically covered by the list of services contained in section 4(c)(14)(F)(ii) of the BHC Act;

(v) the proposed leveraging ratio of the ETC (assets: capital) does not exceed 10:1, and

(vi) no other significant policy issue is raised on which the Board has not previously expressed its view.

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

Orders Issued Under Section 3 of Bank Holding Company Act

The Commercial Bank of Korea, Ltd., Seoul, Korea

Order Approving Formation of Bank Holding Company

The Commercial Bank of Korea, Ltd., Seoul, Korea, 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)) to become a bank holding company by acquiring all of the voting shares of Korea Commercial Bank of New York, New York, New York ("Bank"), a proposed new bank.

Notice of the application, affording the 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, with total assets of $10.5 billion, is the second largest of five commercial banks engaged in general banking business in Korea.[1] Applicant has 130 offices in Korea, branches in London, Singapore, and Tokyo, and a finance company in Hong Kong. Commercial Bank's operations in the United States consist of agencies in New York and Los Angeles and a non-insured branch office in Chicago.[2]

1. All banking data are as of December 31, 1982.
2. Applicant's Chicago branch is limited in scope, accepting only such deposits as are permissible for an Edge Act Corporation. Applicant has chosen New York as its "home state" for purposes of the International Banking Act of 1978.

Bank, a proposed new institution, will provide a full range of commercial banking services in the Metropolitan New York banking market.[3] Applicant has an agency in New York, but the agency is relatively small and, moreover, it is not authorized to accept domestic deposits. In view of the de novo status of Bank and based upon the facts in the record, the Board concludes that the proposed transaction will have no adverse effect on existing or probable future competition, nor will it increase the concentration of resources in any relevant market. Thus, competitive considerations are consistent with approval of the application.

Section 3(c) of the Act requires in every case that the Board consider the financial resources of the applicant organization and the bank to be acquired. In this case, the Board noted that the primary capital ratio of Applicant is below the minimum capital guidelines for U.S. multinational bank holding companies. The Board also noted, however, that Bank is being established de novo, will initially be small in relation to Applicant, and will be strongly capitalized. As Bank's size increases, the Board will expect Applicant to maintain Bank among the more strongly capitalized banking organizations of comparable size in the United States. In view of these and other facts of record, the Board finds that considerations relating to banking factors are consistent with approval.

In reaching this conclusion, the Board noted that the application raises the general question of whether the capital standards applicable to domestic bank holding companies should also be applied to foreign banking organizations having, or seeking to acquire, domestic banking operations. This question presents a number of complex issues that the Board believes requires careful consideration and that the Board has under review.

Applicant has a 9.1 percent interest in Korea Associates Securities, Inc., a company engaged in general securities business in the United States. While this interest appears to meet the requirements for the grandfather privileges under section 8(c) of the International Banking Act of 1978 (the "IBA")(12 U.S.C. § 3106(c)), the Board has previously determined that an otherwise grandfathered foreign banking organization loses that status upon the acquisition of a U.S. subsidiary bank.[4] Under section 4(a)(2) of the Act and section 8(e) of the IBA, a company may not retain, for more than two years after becoming a bank holding company, in excess of 5 percent of the shares of a company that engages in the business of underwriting, selling or distributing securities in the United States. Consistent with this requirement, Applicant has committed to reduce its interest in Korea Associates Securities, Inc., to less than 5 percent within two years of consummation of the proposed transaction.

The Board has also determined that considerations relating to the convenience and needs of the community to be served are consistent with approval. Based on the foregoing and other facts of record, the Board has determined that consummation of the transaction would be consistent with the public interest and that the application should be and hereby is approved. 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 New York pursuant to delegated authority.

By order of the Board of Governors, effective December 21, 1983.

Voting for this action: Chairman Volcker and Governors Martin, Wallich, Partee, Teeters, Rice, and Gramley.

JAMES MCAFEE,
[SEAL] *Associate Secretary of the Board*

Commercial Bankshares Corp., Adrian, Michigan

Order Approving Acquisition of a Bank

Commercial Bankshares Corp., Adrian, Michigan, a bank holding company within the meaning of the Bank Holding Company Act of 1956, as amended (the "Act")(12 U.S.C. § 1841 et seq.), 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 of The Jipson-Carter State Bank, Blissfield, Michigan ("Bank").

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, with one subsidiary bank, controls total deposits of $102.7 million, representing 0.22 percent of

3. The Metropolitan New York banking market is defined to include New York City, Nassau, Westchester, Rockland, Putnam, and western Suffolk Counties in New York; portions of Bergen and Hudson Counties in New Jersey; and a portion of Fairfield County in Connecticut.

4. *Midland Bank Limited*, 67 FEDERAL RESERVE BULLETIN 729, 733 n. 9 (1981).

total deposits in commercial banks in the state.[1] Bank controls total deposits of $27.8 million, representing 0.06 percent of total deposits in commercial banks in the state. Both Applicant and Bank are among the smaller commercial banking organizations in Michigan. Upon consummation of this proposal, Applicant would control total deposits of $130.5 million, representing 0.28 percent of total commercial bank deposits in the state. Applicant's acquisition of Bank would have no significant adverse effect on the concentration of banking resources in Michigan.

Applicant and Bank both compete in the Lenawee County banking market.[2] Applicant is the largest of 11 commercial banking organizations in the market, controlling 22.5 percent of total deposits in commercial banks in the market. Bank is the seventh largest commercial banking organization in the market, controlling 6.1 percent of total deposits in commercial banks in the market. Upon consummation of this proposal, Applicant will remain the largest commercial banking organization in the market controlling 28.6 percent of total deposits in commercial banks in the market.

The Lenawee County banking market is moderately concentrated, with a four-firm concentration ratio of 65.6 percent and a Herfindahl-Hirschman Index ("HHI") of 1353 points based on deposits in commercial banks in the market.[3] Upon consummation of this proposal, the four-firm concentration ratio would increase by 6.1 percentage points to 71.7 percent and the HHI would increase by 275 points to 1628.

The acquisition of the seventh largest banking organization in the market by the largest banking organization in the market could well be cause for denial of an application, where, after the merger, the applicant would control 28.6 percent of total deposits in commercial banks in the market, were it not for certain mitigating circumstances.

The structure of the Lenawee County banking market and competition from thrifts are important mitigating factors. First, upon consummation of this proposal, nine commercial banking alternatives would remain in the market. Second, in its evaluation in previous cases of the competitive effects of a proposal, the Board has indicated that thrift institutions have become, or at least have the potential to become, major competitors of commercial banks.[4] On this basis, the Board has accorded substantial weight to the influence of thrift institutions in its evaluation of the competitive effects of a proposal. In this case, the increase in concentration in the market is alleviated by the presence of two savings and loans in the market, one of which is the largest depository institution in the market, controlling 21.9 percent of total deposits in commercial banks and saving and loans in the market. Both savings and loans in the banking market offer a full range of consumer services and transaction accounts.[5] Consequently, while consummation of the proposal would eliminate some existing competition in the relevant banking market, the Board has determined that in view of all of the facts of record, consummation of this proposal would not have a significant adverse effect on existing competition in the Lenawee County banking market.

The financial and managerial resources of Applicant and Bank are considered generally satisfactory, and their future prospects appear favorable. Applicant has stated that upon consummation of this proposal, it will cause Bank to offer new services and products as well improve its existing services and products. Applicant will cause Bank to increase its loan and deposit solicitation program, expand its commercial, agricultural, and mortgage lending programs, and offer credit cards and revolving lines of credit which are not currently available at Bank. Affiliation with Applicant will also allow Bank to offer discount brokerage and trust services to its customers through Applicant's subsidiary bank. Further, Applicant proposes to broaden Bank's current line of checking plans and types of certificates of deposits. Accordingly, factors relating to the convenience and needs of the communities to be served lend some weight toward approval and outweigh any adverse competitive effects that might result from consummation of this proposal.

Based on the foregoing and other considerations reflected in the record, the Board has determined that this proposal should be and hereby is approved. The

1. Banking data are as of December 31, 1982.

2. The Lenawee County banking market is approximated by Lenawee County, Michigan.

3. Under the United States Justice Department Merger Guidelines (June 14, 1982), a market with an HHI between 1000 and 1800 points is moderately concentrated. The Justice Department Guidelines state that where a post-merger market HHI is between 1000 and 1800 and the merger produces an increase in the HHI of 100 points or more, the Justice Department is more likely than not to challenge such a merger.

4. *Comerica (Bank of the Commonwealth),* 69 FEDERAL RESERVE BULLETIN 797 (1983); *General Bancshares Corporation,* 69 FEDERAL RESERVE BULLETIN 802 (1983); *First Tennessee National Corporation,* 69 FEDERAL RESERVE BULLETIN 298 (1983).

5. If the deposits of the savings and loans were taken into account in computing market shares, Applicant's market share would be 16.9 percent, Bank's market share would be 4.6 percent, the four-firm concentration ratio would be 64.3 percent, and the HHI would be 1276. Upon consummation of this proposal, Applicant's market share would increase by 4.6 percent to 21.5 percent, the four-firm concentration level would increase by 4.6 percent to 68.9 percent, and the HHI would increase by 155 points to 1431.

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 period is extended for good cause by the Board or the Federal Reserve Bank of Chicago, acting pursuant to delegated authority.

By order of the Board of Governors, effective December 27, 1983.

Voting for this action: Chairman Volcker and Governors Wallich, Partee, Rice, and Gramley. Absent and not voting: Governors Martin and Teeters.

[SEAL]

WILLIAM W. WILES,
Secretary of the Board

Community Bank System, Inc., Canton, New York

Order Approving Formation of a Bank Holding Company

Community Bank System, Inc., Canton, New York, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) to become a bank holding company by acquiring the successors by merger to The St. Lawrence National Bank, Canton, New York ("St. Lawrence Bank"), and The First National Bank of Ovid, Ovid, New York ("Ovid Bank").

Notice of the application, affording opportunity for interested persons to submit comments, has been given in accordance with section 3(b) of the Act. The time for filing comments 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.

Applicant, a nonoperating Delaware corporation, was organized for the purpose of becoming a bank holding company by acquiring St. Lawrence Bank and Ovid Bank, which hold deposits of $191.3 million and $21.4 million, respectively.[1] Upon acquisition of the banks, Applicant would control the 33rd and 116th largest commercial banks in New York that together hold approximately 0.1 percent of the total deposits in commercial banks in the state. In the Board's view, consummation of this proposal would not result in a significant increase in the concentration of commercial banking resources in the state.

St. Lawrence Bank operates in five banking markets. Ovid Bank's sole office operates in one of these markets, the Geneva banking market.[2] St. Lawrence Bank is the fourth largest commercial banking organization in this market and operates three offices, controlling 15.3 percent of the total deposits in commercial banks in the market. Ovid Bank is the smallest of five commercial banks in the Geneva banking market, with 8.8 percent of the total deposits in commercial banks in the market. Upon consummation of the proposal, Applicant would become the second largest commercial banking organization in the market and would control 24.1 percent of the total deposits in commercial banks in the market. The Geneva banking market is highly concentrated, with the four largest commercial banking organizations controlling 91.3 percent of the total deposits in commercial banks in the market, and a Herfindahl-Hirschman Index ("HHI") of 2262.[3] Upon consummation of the proposed transaction, the four-firm concentration ratio would increase to 100 percent and the HHI would increase by 269 points to 2531.[4]

While the competitive effects of the proposed transaction are of concern to the Board, the Board believes that the anticompetitive effects of the proposal are mitigated by the role of thrift institutions in the market. The Board has previously indicated that thrift institutions have become, or at least have the potential to become, major competitors of commercial banks.[5] In a number of recent cases, the Board has considered the presence and extent of competition offered by thrift institutions in the relevant banking market.[6] The Board believes that thrift institutions exert a considerable competitive influence in the Geneva banking market inasmuch as they are providers of NOW accounts, other transction accounts, and consumer loans. In addition, thrift institutions in this market have the power to and are in fact engaged in the business of making commercial loans and provide an alternative for such services for customers in the Geneva banking market. There are four thrift institutions in the Geneva banking market, which control $173.3 million in deposits, representing approximately

1. Data are as of June 30, 1983.

2. The Geneva banking market is approximated by Seneca County and a portion of Ontario County in New York.

3. Market data are as of June 30, 1982.

4. Under the Department of Justice Merger Guidelines, a market in which the post-merger HHI over 1,800 is considered highly concentrated. In such markets, the Department is more likely than not to challenge a merger that produces an increase in the HHI of 100 points or more.

5. *Comerica Inc.*, 69 FEDERAL RESERVE BULLETIN 797 (1983); *General Bancshares Corporation*, 69 FEDERAL RESERVE BULLETIN 802 (1983); *First Tennessee National Corporation*, 69 FEDERAL RESERVE BULLETIN 298 (1983).

6. *Sun Banks Inc.*, 69 FEDERAL RESERVE BULLETIN 934 (1983); *Monmouth Financial Services, Inc.*, 69 FEDERAL RESERVE BULLETIN 867 (1983). *United Bank Corporation of New York*, 67 FEDERAL RESERVE BULLETIN 861 (1981).

44.4 percent of the total deposits in the market. In view of the size and commercial activity of these institutions in the market, the Board considers the presence of thrift institutions in the Geneva banking market as a significant factor in assessing the competitive effects of this transaction. If the deposits held by thrift institutions in the market are considered, the four-firm concentration ratio would decline to 53.8 percent and the HHI would be reduced to 1290 points. Upon consummation of the transaction, Applicant would become the fifth largest of eight depository institutions in the market, with 13.4 percent of total deposits and the HHI would increase by only 83 points.

Consequently, while consummation of the proposal would eliminate some existing competition in the relevant banking market, the Board has determined that in view of all of the facts of record, consummation of this proposal would not have a significant adverse effect on existing competition in the Geneva banking market.[7] Thus, competitive effects are consistent with approval.

The financial and managerial resources of Applicant, St. Lawrence Bank and Ovid Bank are regarded as satisfactory and their prospects appear favorable. Although no new banking services would be introduced to the Geneva banking market as a result of the proposed transaction, the customers of Ovid Bank would benefit from the addition of new services, including a broad range of trust services, data processing and international banking services that are currently being offered by St. Lawrence Bank. Thus, considerations relating to convenience and needs of the community to be served are consistent with approval. Based upon the foregoing and all the facts of record, it is the Board's judgment that consummation of the transaction would be consistent with the public interest and should be approved.

On the basis of the record and for the reasons discussed above, the Board has determined that the application should be, and hereby is, approved. The transaction shall not be consummated before the thirtieth 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 New York, pursuant to delegated authority.

By order of the Board of Governors, effective December 20, 1983.

Voting for this action: Vice Chairman Martin and Governors Wallich, Partee, Rice, and Gramley. Dissenting from this action: Governor Teeters. Absent and not voting: Chairman Volcker.

JAMES MCAFEE,
[SEAL] *Associate Secretary of the Board*

Dissenting Statement of Governor Teeters

I would deny this application because I believe that consummation of the proposal would tend substantially to lessen competition in the Geneva market.

After consummation of this proposal, Applicant will become the second largest commercial banking institution in the market and control 24.1 percent of the total deposits in commercial banks in the market. The Geneva banking market is already highly concentrated, and, upon consummation of the proposal, the four-firm concentration ratio would increase to 100 percent and the Herfindahl-Hirschman Index would increase by 269 points, from 2262 to 2531.

In view of these facts, I believe the elimination of a competitor by placing the market's fourth and fifth largest commercial banking organizations under common control would have significantly adverse effects on competition in the Geneva banking market.

December 20, 1983

Corporation for International Agricultural Production Limited, Ramat-Gan, Israel

H.S. Holding Company, Ltd., Tel Aviv, Israel

S.H. Resources and Development Corporation, Los Angeles, California

Order Denying Applications to Become Bank Holding Companies

Corporation for International Agricultural Production Limited, Ramat-Gan, Israel ("CIAP"); H.S. Holding Company, Ltd., Tel Aviv, Israel ("H.S. Ltd."); and, S.H. Resources and Development Corporation, Los

7. The Board has also considered the effect of consummation of this proposal on probable future competition in the four markets where St. Lawrence Bank, but not Ovid Bank, compete. Because of Ovid Bank's size, the Board does not consider Ovid Bank to be a probable future entrant into any of the markets where St. Lawrence Bank competes. Accordingly, consummation of this proposal would have no effect on probable future competition in any relevant market.

Angeles, California ("S.H. Resources"), have applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) to become bank holding companies by acquiring, through S.H. Resources, 80 percent of the voting shares of Empire State Bank of Layton, Layton, Utah.

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 application and all comments received in light of the factors set forth in section 3(c) of the Act.

CIAP and H.S. Ltd. are nonoperating Israeli holding companies organized for the purpose of owning shares of S.H. Resources. S.H. Resources is currently a domestic nonbanking organization with interests in real estate, a shopping center, and various mining leases and oil-related partnerships.[1] S.H. Resources does not own or operate any banking institutions.

Bank, with total assets of $3 million, is among the smaller commercial banking institutions in Utah.[2] Bank controls approximately $2.3 million in deposits, representing 0.5 percent of the deposits in commercial banking institutions in the Ogden, Utah, banking market, making Bank the smallest commercial banking institution in the relevant banking market.[3]

None of the Applicants conducts any banking activities in Utah and none of the principals of the Applicants are affiliated with any other banking organization in Utah. Thus, consummation of the proposed transaction would not result in any adverse effects upon competition or in an increase in the concentration of banking resources in Utah or in any other relevant area. Accordingly, the Board concludes that competitive considerations are consistent with approval.

The Board has indicated on previous occasions that a holding company should serve as a source of financial and managerial strength to its subsidiary bank and that the Board would closely examine the condition of an applicant in each case with this consideration in mind.

In this case, the acquisition of Bank would deplete the cash resources of S.H. Resources and leave it dependent upon the sale of assets to service its acquisition debt. CIAP and H.S. Ltd. are shell companies that are not sources of strength to S.H. Resources. Moreover, CIAP, H.S. Ltd., and the individual Israeli shareholders of these companies are subject to Israeli capital export controls that restrict their ability to add capital to S.H. Resources. Applicants are similarly restricted by the Israeli capital export controls in their ability to serve as sources of financial strength to Bank.

The Board's concern regarding the Applicants' ability to serve as sources of financial strength to Bank is heightened by Bank's recent overall performance and other facts of record. Applicants are also without any previous banking experience and their plans for Bank appear to be unrealistic. Based on all of the facts of record, it does not appear likely that Applicants would serve as sources of strength to Bank, or would have the financial and managerial resources to meet unforeseen problems that might arise with Bank.

Applicants do not propose to make any significant changes in Bank's services. Accordingly, convenience and needs factors are consistent with, but lend no weight toward, approval of these applications.

On the basis of all of the facts of record, the Board concludes that the banking considerations involved in this proposal present adverse factors bearing upon the financial and managerial resources and future prospects of Applicants and Bank. Such adverse factors are not outweighed by any procompetitive effects or by benefits that would result in better serving the convenience and needs of the community. Accordingly, the Board concludes that approval of these applications would not be in the public interest and the applications should be denied.

On the basis of the facts of record, the applications are hereby denied for the reasons summarized above.

By order of the Board of Governors, effective December 23, 1983.

Voting for this action: Chairman Volcker and Governors Wallich, Partee, Rice, and Gramley. Absent and not voting: Governors Martin and Teeters.

JAMES MCAFEE,
[SEAL] *Associate Secretary of the Board*

Harris Bankcorp, Inc., Chicago, Illinois

Order Approving Acquisitions of Bank Holding Companies and Banks

Harris Bankcorp, Inc., Chicago, Illinois, a bank holding company within the meaning of the Bank Holding Company Act ("Act"), has applied for approval under section 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire The Hinsdale Capital Corporation, Hinsdale,

1. S.H. Resources has committed to conform its activities to the requirements of section 4 of the Bank Holding Company Act (12 U.S.C. § 1843) within two years of obtaining approval to acquire the shares of bank.
2. All banking data are as of June 30, 1983.
3. The relevant banking market is approximated by the Ogden, Utah, SMSA.

Illinois, and its subsidiary, The First National Bank of Hinsdale, Hinsdale, Illinois ("Hinsdale Bank"); Firstwin Corporation, Winnetka, Illinois, and its subsidiary, The First National Bank of Winnetka, Winnetka, Illinois ("Winnetka Bank"); The Glencoe Capital Corporation, Glencoe, Illinois, and its subsidiary, Glencoe National Bank, Glencoe, Illinois ("Glencoe Bank"); and First National Bank of Wilmette, Wilmette, Illinois ("Wilmette Bank").

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 applications 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 controls four banking subsidiaries with aggregate deposits of approximately $4.7 billion.[1] As a result of this proposal, Applicant would acquire Hinsdale Bank ($126.1 million in deposits), Winnetka Bank ($99.6 million in deposits), Glencoe Bank ($83.8 million in deposits), and Wilmette Bank ($15.7 million in deposits). In connection with the applications, the Secretary of the Board has taken into consideration the competitive effects of the proposed transactions, the financial and managerial resources and future prospects of the companies and banks concerned, and the convenience and needs of the communities to be served. Having considered the record of these applications in light of the factors contained in the Act, the Secretary of the Board has determined that consummation of the transactions would be in the public interest. On the basis of these considerations, the applications are approved.

The transactions shall not be consummated 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 Secretary of the Board, acting pursuant to delegated authority for the Board of Governors, effective December 15, 1983.

JAMES MCAFEE,
[SEAL] *Associate Secretary of the Board*

1. All banking data are as of September 30, 1983, and also include Applicant's acquisition of Bank of Naperville, Naperville, Illinois, approved by Board Order of October 20, 1983.

Independent Bankshares, Inc., Abilene, Texas

Order Approving Acquisitions of Bank Holding Companies and Banks

Independent Bankshares, Inc., Abilene, Texas, a bank holding company within the meaning of the Bank Holding Company Act ("Act") (12 U.S.C. § 1841 et seq.), has applied for the Board's approval under section 3 of the Act (12 U.S.C. § 1842) to acquire Stamford Bancshares, Inc., Fort Worth, Texas, thereby indirectly acquiring Stamford Financial Corporation, Fort Worth, Texas, and its subsidiary, The First National Bank in Stamford, Stamford, Texas ("Stamford Bank"). Applicant has also applied under section 3 of the Act to acquire the successor by merger of State Bancshares, Inc., Littlefield, Texas, thereby indirectly acquiring its subsidiaries, Security State Bank, Littlefield, Texas ("Littlefield Bank"); Olton State Bank, Olton, Texas ("Olton Bank"); and West Texas Bancshares, Inc., Muleshoe, Texas, which controls Muleshoe State Bank, Muleshoe, Texas ("Muleshoe Bank").[1] As a result of these acquisitions, Applicant will control four additional banks.

Notice of these applications, affording opportunity for interested persons to submit comments, has been given in accordance with section 3(b) of the Act. The time for filing comments 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 15th largest banking organization in Texas, controls four subsidiary banks with aggregate deposits of $572.7 million, representing 0.48 percent of total deposits in commercial banks in the state.[2] Stamford Bank, with deposits of $27.9 million, representing 0.02 percent of deposits in commercial banks in Texas, is the 502nd largest banking organization in the state. Littlefield Bank, with deposits of $43.6 million, representing 0.03 percent of deposits in commercial banks in the state, ranks 295th among banking organizations in Texas. Olton Bank, with deposits of $30.5 million, representing 0.02 percent of deposits in commercial banks in Texas, is the 460th largest banking organization in the state. Finally, Muleshoe Bank,

1. The holding company into which State Bancshares will be merged will exist only as a means to facilitate the acquisition of the voting shares of the State Bancshares. Accordingly, the proposed acquisition of shares of the successor organization is treated herein as the proposed acquisition of shares of State Bancshares.

2. All banking data are as of December 31, 1982 and reflect all acquisitions and holding company formations as of June 30, 1983. The data, however, do not reflect Applicant's recent acquisition of the successor to National Bank of Odessa, Odessa, Texas (assets of $82 million).

with deposits of $34.9 million, representing 0.03 percent of deposits in commercial banks in Texas, ranks 402nd among banking organizations statewide. Upon consummation of the proposed transaction, Applicant will become the 14th largest commercial banking organization in the state controlling deposits of $709.6 million, representing 0.58 percent of total deposits in commercial banks statewide. Based on the record, the Board concludes that consummation of this proposal will have no significant effects upon the concentration of banking resources in Texas.

Applicant's subsidiary banks operate in the Abilene banking market and the Odessa banking markets. None of the four banks Applicant proposes to acquire operates in the Abilene or Odessa banking markets, and each is located in a rural market that is a separate and distinct banking market from each of the others.[3] Accordingly, consummation of this transaction will not eliminate any existing competition between Applicant's subsidiary bank and any of the banks to be acquired.

The Board has also considered the effect of this transaction on probable future competition in the four markets in which the banks to be acquired operate in light of the Board's proposed guidelines for determining whether an intensive examination of a proposed market extension merger or acquisition is warranted.[4] None of the four markets meets the criteria in the Board's guidelines for considering a market attractive for de novo entry, since none is located in an SMSA and each market has total deposits of less than $250 million. Accordingly, the Board concludes that an intensive review of the effects of the proposed transaction on probable future competition is not warranted, and that consummation of this proposal would not have any significant adverse effects on probable future competition in any relevant market.

The financial and managerial resources of Applicant, its subsidiaries, and each of the banking organizations to be acquired are considered generally satisfactory. In view of certain financial commitments made by Applicant in connection with the proposed transactions, the future prospects of Applicant, its subsidiaries and the banking organizations to be acquired are favorable. Affiliation with Applicant will provide the banks to be acquired with greater opportunity to meet the credit needs of both small and large customers. Accordingly, factors relating to the convenience and needs of the communities to be served are consistent with approval of the applications.

Based on the foregoing and other facts of record, the Board has determined that the applications should be and are hereby approved. The proposed acquisitions shall not be consummated 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 periods are extended for good cause by the Board or the Federal Reserve Bank of Dallas, acting pursuant to delegated authority.

By order of the Board of Governors, effective December 19, 1983.

Voting for this action: Vice Chairman Martin and Governors Wallich, Partee, Teeters, Rice, and Gramley. Absent and not voting: Chairman Volcker.

JAMES MCAFEE,
[SEAL] *Associate Secretary of the Board*

IVB Financial Corporation, Philadelphia, Pennsylvania

Order Approving Formation of a Bank Holding Company

IVB Financial Corporation, Philadelphia, Pennsylvania, has applied for Board approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) to become a bank holding company by acquiring shares of 1700 Bank, Jenkintown, Pennsylvania, and for Board approval under section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. § 1828(c)) to effect a merger between 1700 Bank and Industrial Valley Bank and Trust Company, Philadelphia, Pennsylvania ("Bank").

Notice of the applications, affording interested persons an opportunity to submit comments, has been given in accordance with section 3(b) of the Bank Holding Company Act. The time for filing comments 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 Bank Holding Company Act, and section 18(c)(5) of the Federal Deposit Insurance Act.

Applicant is a nonoperating corporation that was organized for the purpose of acquiring Bank. Bank is the 13th largest commercial banking organization in Pennsylvania, with $1.4 billion in deposits, represent-

3. Stamford Bank's market is defined as northern Jones and southern Haskell Counties, Texas; Littlefield Bank's market is southern Lamb County plus Anton in Hockley County, Texas; Olton Bank's market is northern Lamb County, Texas; and Muleshoe Bank's market is Bailey County, Texas.

4. "Proposed Policy Statement of the Board of Governors of the Federal Reserve System for Assessing Competitive Factors Under the Bank Merger Act and the Bank Holding Company Act." 47 *Federal Register* 9017 (March 3, 1982). Although the proposed policy statement has not been adopted by the Board, the Board is using the policy guidelines in its analysis of the effects of a proposal on probable future competition.

ing 1.9 percent of the deposits held by commercial banking organizations in the state.[1]

Bank is the seventh largest commercial banking organization in both the Philadelphia banking market [2] and the Allentown-Bethlehem-Easton banking market,[3] with respective market shares of 5.8 percent and 3.5 percent of the deposits held by commercial banking organizations in those two markets. Neither Applicant nor its principals control another banking institution or conduct banking business in the same banking markets as Bank. Thus, consummation of the proposed transaction would have no adverse effects on either existing or potential competition in any relevant market and would not increase the concentration of resources in any relevant area. Accordingly, the Board has concluded that competitive considerations are consistent with approval of the applications.

The financial and managerial resources of Applicant and Bank are satisfactory, and their future prospects appear favorable, especially in light of commitments and undertakings made by Applicant. Based on the record, including the commitments and undertakings made by Applicant, the Board has determined that considerations relating to banking factors are consistent with approval. Considerations relating to the convenience and needs of the communities to be served are also consistent with approval. Thus, the Board has determined that consummation of the transaction would be consistent with the public interest and that the applications should be approved.

Accordingly, on the basis of the record and for the reasons summarized above, the applications hereby are approved The transaction should not be consummated before the thirtieth 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 the Federal Reserve Bank of Philadelphia under delegated authority.

By order of the Board of Governors, effective November 14, 1983.

Voting for this action: Chairman Volcker and Governors Martin, Wallich, Partee, Teeters, Rice, and Gramley.

JAMES MCAFEE,
[SEAL] *Associate Secretary of the Board*

1. Bank deposit data are as of December 31, 1982; market share data are as of June 30, 1981.

2. The Philadelphia banking market is approximated by the Philadelphia SMSA.

3. The Allentown-Bethlehem-Easton banking market is approximated by the Allentown-Bethlehem-Easton SMSA.

Korea First Bank, Seoul, Korea

Order Approving Formation of Bank Holding Company

Korea First Bank, Seoul, Korea, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act ("the Act") (12 U.S.C. § 1842(a)(1)) to become a bank holding company by acquiring all of the voting shares of Korea First Bank of New York, New York ("Bank"), a de novo bank.

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, with total assets of approximately $8.9 billion, is the fourth largest commercial banking institution in South Korea, operating 126 offices throughout South Korea.[1] Applicant also operates branches in Japan and England; representative offices in Japan, Singapore, West Germany, Hong Kong, and Australia; and a finance company in Hong Kong. In the United States, Applicant operates a branch in Chicago, Illinois, and agencies in New York City and Los Angeles, California. Although the International Banking Act of 1978 ("IBA") (12 U.S.C. § 3101 et seq.) generally prohibits a foreign bank from operating branches in more than one state, the Chicago branch of Applicant is permitted under section 5(b) of the IBA because it was opened before July 27, 1978. Applicant has selected New York as its home state under the Board's Regulation K (12 C.F.R. § 211.22(b)). Accordingly, the Board concludes that the acquisition of Bank by Applicant is also consistent with Section 5 of the IBA (12 U.S.C. § 3103).

Bank, a de novo institution, will provide a full range of commercial banking services in the Metropolitan New York banking market.[2] Applicant operates an agency in New York, but the agency is relatively small and, moreover, it is not authorized to accept domestic deposits. In view of the de novo status of Bank and based upon the facts in the record, the Board concludes that the proposed transaction will have no

1. All banking data are as of December 31, 1982.

2. The Metropolitan New York banking market is defined to include New York City; Nassau, Westchester, Rockland, Putnam, and western Suffolk Counties in New York; portions of Bergen and Hudson Counties in New Jersey; and a portion of Fairfield County in Connecticut.

adverse effects on existing or probable future competition, and will not increase the concentration of resources in any relevant market. Thus, competitive considerations are consistent with approval of the application.

Section 3(c) of the Act requires in every case that the Board consider the financial resources of the applicant organization and the bank to be acquired. In this case, the Board noted that the primary capital ratio of Applicant is below the minimum capital guidelines for U.S. multinational bank holding companies. The Board also noted, however, that Bank is being established de novo, will initially be small in relation to Applicant and will be strongly capitalized. As Bank's size increases, the Board will expect Applicant to maintain Bank among the more strongly capitalized banking organizations of comparable size in the United States. In view of these and other facts of record, the Board finds that considerations relating to banking factors are consistent with approval.

In reaching this conclusion, the Board noted that the application raises the general question of whether the capital standards applicable to domestic bank holding companies should also be applied to foreign banking organizations having, or seeking to acquire, domestic banking operations. This question presents a number of complex issues that the Board believes requires careful consideration and that the Board has under review.

Applicant owns 9.1 percent of the voting shares of Korea Associates Securities, Inc., a company engaged in the general securities business in the United States. While this investment appears to meet the requirements for the grandfather privileges under section 8(c) of the IBA (12 U.S.C. § 3106(c)), the Board has previously determined that an otherwise grandfathered foreign banking organization loses that status upon the acquisition of a U.S. subsidiary bank.[3] Under section 4(a)(2) of the Act and section 8(e) of the IBA, a company may not retain, for more than two years after becoming a bank holding company, shares representing in excess of 5 percent of the shares of a company that engages in the business of underwriting, selling or distributing securities in the United States. Consistent with this requirement, Applicant has committed to reduce its interest in Korea Associates Securities, Inc., to 5 percent or less within two years of consummation of the proposed transaction.

The Board has also determined that considerations relating to the convenience and needs of the community to be served are consistent with approval. Based on the foregoing and other facts of record, the Board has determined that consummation of the transaction would be consistent with the public interest. Accordingly, the Board has determined that the application should be and hereby is approved. 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 New York pursuant to delegated authority.

By order of the Board of Governors, effective December 21, 1983.

Voting for this action: Chairman Volcker and Governors Martin, Wallich, Partee, Teeters, Rice, and Gramley.

JAMES MCAFEE,
[SEAL] *Associate Secretary of the Board*

3. *Midland Bank Limited*, 67 FEDERAL RESERVE BULLETIN 729, 733 n. 9 (1981).

KSAD, Inc., Council Bluffs, Iowa

Order Approving Formation of a Bank Holding Company

KSAD, Inc., Council Bluffs, Iowa, 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)), to become a bank holding company by acquiring at least 80 percent of the voting shares of First National Bank of Council Bluffs, Council Bluffs, Iowa ("Bank"). As part of the transaction, KSAD plans to sell its nonvoting common stock, equivalent to about 27.2 percent of its total equity, to Omaha National Corporation, Omaha, Nebraska ("ONC"), a Nebraska bank holding company. The nonvoting stock has no contingent voting rights and is not convertible into voting stock.

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, including those from the Iowa Superintendent of Banking, in light of the factors set forth in section 3(c) of the Act. The Superintendent urges the Board to disapprove this application on the grounds that:

1) ONC's nonvoting equity investment in KSAD would violate the interstate banking prohibition of section 3(d) of the BHC Act (the Douglas Amendment); and,
2) Iowa law actually prohibits interstate investments of this kind.

The Board has carefully considered the issues raised by the Superintendent concerning the permissibility of ONC's investment in KSAD,[1] and, based upon the record in this case, the Board concludes that ONC's investment is not barred by either state or federal law.

The Douglas Amendment provides that no "application" under section 3 of the BHC Act shall be approved that would permit a bank holding company to acquire any voting securities, interest in, or all or substantially all of the assets of a bank located in another state. The Board has interpreted the Douglas Amendment to prohibit those interstate investments in banks that are of such significance as to require an application under the BHC Act; that is, where the investment would constitute the acquisition of voting shares or "control" of a bank under the BHC Act.

The Superintendent takes the position that, because KSAD's "application" is pending before the Board, an investment by *any* out-of-state bank holding company in KSAD would be prohibited by the Douglas Amendment, regardless of the extent or nature of the investment. This interpretation of the Douglas Amendment would prohibit an interstate nonvoting equity investment proposed in conjunction with an application pending before the Board, while permitting the identical investment in a bank or bank holding company proposed independently of a bank holding company application and perhaps consummated shortly thereafter. It is the Board's view, based on the language and legislative history of the Act, that unless ONC's investment in KSAD would require an application under section 3 of the BHC Act, the Douglas Amendment would not bar the investment.

Based on the facts and circumstances in this case, the Board concludes that ONC is not required to file for the Board's prior approval under section 3 of the Act to acquire the nonvoting common stock of KSAD. The BHC Act requires a bank holding company to obtain the Board's prior approval before acquiring more than 5 percent of the voting shares of a bank or control of the bank.[2] (12 U.S.C. § 1842(a)). As indicated, ONC is not acquiring directly or indirectly more than 5 percent of KSAD's or Bank's voting shares, and there is no evidence that ONC would control in any manner the election of a majority of KSAD's or Bank's board of directors.[3] Moreover, ONC's nonvoting common stock investment in KSAD is not convertible into voting stock, represents only slightly over (only 27.2) 25 percent of KSAD's total equity capital, and does not limit in any manner KSAD's or Bank's management or policies. Thus, ONC's proposed investment in KSAD is consistent with the guidelines in the Board's policy statement on nonvoting equity investments by bank holding companies in out-of-state banks and Board decisions thereunder. (See, 68 FEDERAL RESERVE BULLETIN 413 (1982)).

The Superintendent, however, has raised a number of factual circumstances which, in his view, indicate that ONC would exercise a controlling influence over the management or policies of KSAD and thus would control KSAD under the BHC Act.[4] Among these are the facts that: the father of Applicant's four owner/shareholders is a director and the second largest shareholder of ONC, controlling 7.34 percent of ONC's stock; a team of lenders from ONB assisted Bank in revising its lending policies in 1982 on a one-time one-fee basis; a trust relationship exists between ONB and each of KSAD's four owners; the owners have lines of credit with ONB; ONB and Bank are correspondents; and Bank employs an individual previously employed by ONB.

The Board is of the view that none of these factors, when considered separately or together, are of sufficient weight in the circumstances of this case to establish the existence of a controlling influence under the BHC Act. There is no evidence that the owners of KSAD, or their father, are acting in any manner as agents for, or on behalf of, ONC in their acquisition of KSAD or that they were asked by ONC to make this investment. Further, there are no director interlocks between ONC and KSAD, and a family relationship does not by itself provide evidence of control. Indeed, none of KSAD's owners is an officer or director of KSAD. Further, the one-time consulting contract between employees of ONB and Bank does not indicate that ONB "exercises significant influence with respect

1. Under *Whitney National Bank in Jefferson Parish* v. *Bank of New Orleans Trust Company*, 379 U.S. 411 (1965), the Board is prohibited from approving an application by a bank holding company if consummation of the proposal contemplated by such application would be prohibited by a valid state law.

2. The Act defines control as the ownership of 25 percent or more of the voting securities of a bank, control over the election of a majority of its directors or the power to exercise a controlling influence over the management or policies of the bank. (12 U.S.C. § 1841(a)(2)).

3. During the processing of this application, ONC purchased nonvoting preferred stock of Bank for $2.4 million, and 4.9 percent of Bank's voting common stock, for a total capital contribution of $2.8 million. Upon consummation of this proposal, ONC will exchange its shares of Bank for the shares of KSAD's nonvoting, nonconvertible common stock, equivalent to 27.2 percent of KSAD's total equity.

4. In addition, the Superintendent has requested a formal hearing so that the Board can make a controlling influence determination. However, the Board is not required by the BHC Act or Regulation Y to hold a hearing when there are no factual issues in dispute and it has determined not to issue a preliminary determination of control. (Cf. 12 C.F.R. § 225.2(c)).

to the general management or overall operations. . ." of Bank, as would be required to trigger the rebuttable presumption of control in § 225.2(b)(3) of Regulation Y (12 C.F.R. § 225.2(b)(3)).

Accordingly, based on the above and other facts of record, including ONC's commitment not to exercise control over KSAD or Bank, the Board concludes that none of the relationships discussed above demonstrate that ONC would exercise control or a controlling influence over KSAD or Bank under the BHC Act, so as to require ONC to apply to the Board under the BHC Act to acquire a nonvoting interest in KSAD. Because ONC's proposed investment in KSAD would not require a separate application under the BHC Act, it is the Board's determination that the Douglas Amendment does not bar ONC's investment.

In addition to his challenge to the application under the Douglas Amendment, the Superintendent asserts that section 524.1805 of the Iowa state code prohibits bank holding companies located outside of Iowa from acquiring "any interest in" an Iowa bank, even where that interest would not be prohibited by the Douglas Amendment.[5] Under this interpretation, the Iowa statute would prohibit *any* nonvoting equity investment in an Iowa banking organization by an out-of-state bank holding company, either in the form of preferred stock or nonvoting common stock, no matter how small the investment and regardless of whether or not the holding company was acquiring any voting shares or "control" of the Iowa bank.

The Board has considered the Superintendent's arguments concerning the permissibility under Iowa law of ONC's proposed investment in KSAD, and has concluded that Iowa law does not prohibit a bank holding company from making an equity investment in an Iowa bank, which does not involve the acquisition of 5 percent or more of the voting shares of or control of an Iowa banking organization. Moreover, it is doubtful that a state has the authority to impose a more stringent burden on interstate commerce than that contained in the Douglas Amendment.[6]

KSAD, a nonoperating corporation with no subsidiaries, was organized under the laws of Iowa for the purpose of becoming a bank holding company by acquiring Bank, which controls deposits of approximately \$95.4 million.[7] Upon acquisition of Bank, KSAD would control the 28th largest of 550 commercial banking organizations in Iowa and approximately 0.4 percent of the total deposits in commercial banks in the state. Consummation of this proposal would have no significant effects on the concentration of banking resources in Iowa.

Bank is the fifth largest of 36 banking organizations in the relevant banking market,[8] and holds 3.1 percent of the total deposits in commercial banks in the market. Neither Applicant nor any of its principals is affiliated with any other banking organization in the market and, therefore, consummation of the proposal would not result in any adverse effects upon competition in any relevant area. Accordingly, the Board concludes that competitive considerations are consistent with approval of the application.

The financial and managerial resources of KSAD and Bank are regarded as generally satisfactory, particularly in view of the fact that KSAD will incur no debt in this proposal, and a capital injection will be made into Bank as a result of this transaction. In addition, Bank's future prospects have improved since Bank was acquired by KSAD's principals in 1982. Thus, considerations relating to banking factors are consistent with approval of the application. Although KSAD does not anticipate any immediate changes in the services offered by Bank, considerations relating to the convenience and needs of the community to be served are consistent with approval of the application. Accordingly, the Board has determined that consummation of the 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 consummated before the thirtieth calendar day following the effective date of this Order or later than three months after the effective date of

5. Section 524.1805 provides: "Nothing in this division shall be construed to authorize a bank holding company which is with respect to the state of Iowa an 'out-of-state bank holding company' as defined or referred to in 12 U.S.C. § 1842(d), as amended to January 1, 1971, to acquire any of the voting shares of, any interest in, all or substantially all of the assets of, or power to control in any manner the election of any of the directors of any bank in this state, unless such bank holding company was on January 1, 1971, registered with the Federal Reserve Board as a bank holding company, and on that date owned at least two banks in this state."

6. See, *Lewis* v. *B.T. Investment Managers, Inc.*, 447 U.S. 27 (1980).

7. All banking data are as of December 31, 1982.

8. The relevant banking market is approximated by the Omaha-Council Bluffs RMA and contiguous areas east of the Elkhorn River in Douglas County, Nebraska, and all but the eastern two tiers of townships in Pottawattamie County, Iowa.

this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Chicago, acting pursuant to delegated authority.

By order of the Board of Governors, effective November 8, 1983.

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

JAMES MCAFEE,
[SEAL] *Associate Secretary of the Board*

New Mexico Bank Holding Company, Ruidoso, New Mexico

Order Approving Formation of a Bank Holding Company

New Mexico Bank Holding Company, Ruidoso, New Mexico, has applied for the Board's approval, pursuant to section 3(a)(1) of the Bank Holding Company Act ("Act") (12 U.S.C. § 1842(a)(1)), to become a bank holding company by acquiring all of the voting shares of Security Bank, Ruidoso, New Mexico ("Bank").

Notice of the application, affording an 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 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, a nonoperating corporation with no subsidiaries, was organized for the purpose of becoming a bank holding company by acquiring Bank, which holds total deposits of $16.5 million.[1] Upon consummation of this proposal, Applicant would control the 57th largest banking organization in New Mexico and approximately .24 percent of total deposits in commercial banks in the state. Consummation of this proposal would not result in any increase in the concentration of banking resources in New Mexico.

Bank is the second largest of three banking organizations in the Lincoln County banking market,[2] and controls 18.6 percent of total deposits in commercial banks in the market. Consummation of this proposal would not result in any significant adverse effects upon competition, either existing or potential, or increase the concentration of banking resources in any relevant area.

This proposal represents a change of ownership of Bank. In approving this application, the Board noted that in recent years Bank's loan loss experience increased and its earnings declined markedly. Accordingly, the Board took into consideration Applicant's plan to reduce substantially Bank's loan losses and operating expenses and improve Bank's earnings upon consummation of the proposal. Applicant's principals have demonstrated a satisfactory history of managerial performance that suggests Bank's overall performance will improve under their ownership. Also, Applicant has committed to inject $400 thousand of new equity capital into Bank upon consummation of this proposal. On balance, the financial and managerial resources of Applicant and Bank are considered to be consistent with approval and their future prospects appear favorable.

Although Applicant has proposed no new services or activities for Bank, there is no evidence in the record that the banking needs of the community to be served are not being met.

Based on the foregoing and other facts of record, including certain commitments made by Applicant to the Board, the Board has determined that this application should be and hereby is approved. This transaction shall not be consummated 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 the Federal Reserve Bank of Dallas, acting pursuant to delegated authority.

By order of the Board of Governors, effective December 8, 1983.

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

WILLIAM W. WILES,
[SEAL] *Secretary of the Board*

Dissenting Statement of Governor Rice

I would deny the application of New Mexico Bank Holding Company, Ruidoso, New Mexico, to become a bank holding company by acquiring Security Bank, Ruidoso, New Mexico ("Bank"). The Board has previously indicated that a bank holding company should serve as a source of financial and managerial strength to its subsidiary bank and that the Board

1. Banking data are as of December 31, 1982.
2. The Lincoln County banking market is defined as Lincoln County, New Mexico.

would closely examine the condition of an applicant in each case with this consideration in mind.[1]

The Board has also cautioned against the assumption of substantial amounts of debt in a bank holding company formation because of concern that the bank holding company would no longer have the financial flexibility to meet unexpected problems of its subsidiary bank or would be forced to place substantial demands on its subsidiary bank to meet its debt servicing requirements.[2]

In connection with this proposal, Applicant would incur a sizeable debt. Bank is Applicant's only asset and sole source of income to service its debt. Based on its recent earnings record, Bank would be unable to service Applicant's debt and maintain adequate capital.[3] Applicant has submitted to the Board an operating plan to reduce the expenses and increase the return on assets of Bank, which would be implemented upon consummation of this proposal. The success of this operating plan in improving Bank's earnings is uncertain, particularly in the face of strong competition from local banks.

In view of this uncertainty, I believe that the Board has placed too much weight on the prospective improvement of Bank's earnings. In my view, it is imprudent to permit so much debt in a bank holding company when the servicing of that debt is uncertain. Had Applicant been capitalized more conservatively, with less debt and more equity, my difficulties with this proposal could have been overcome. Accordingly, I believe that considerations relating to financial and managerial factors required to be considered under the Bank Holding Company Act warrant denial of this application.

December 8, 1983

1. *Cambridge Financial Corporation*, 69 FEDERAL RESERVE BULLETIN 796 (1983); *Holcomb Bancshares, Inc.*, 69 FEDERAL RESERVE BULLETIN 804 (1983).

2. Id.

3. Federal Reserve Board Policy Statement for Assessing Financial Factors In the Formation of Small One-Bank Holding Companies," 66 FEDERAL RESERVE BULLETIN 320 (1980); Federal Reserve Regulatory Service ¶¶ 4–855 and 4–856.

One Valley Bancorp of West Virginia, Inc., Charleston, West Virginia

The Bank of St. Albans, St. Albans, West Virginia

Order Approving Acquisition and Merger of Banks

One Valley Bancorp of West Virginia, Inc., Charleston, West Virginia ("One Valley"), a bank holding company within the meaning of the Bank Holding Company Act of 1956, as amended (12 U.S.C. § 1841 et seq.)("BHC Act"), has applied for the Board's approval under section 3(a)(3) of the BHC Act (12 U.S.C. § 1842(a)(3)) to acquire all of the voting shares of Citizens National Bank of Martinsburg, Martinsburg, West Virginia ("Citizens Bank"), and The Bank of St. Albans, St. Albans, West Virginia ("St. Albans Bank"). In addition, St. Albans Bank has applied for the Board's approval under the Bank Merger Act ("BMA")(12 U.S.C. § 1828(c)) to merge with Kanalban Bank Co., St. Albans, West Virginia ("Bank"), an interim bank formed for the sole purpose of effecting One Valley's acquisition of St. Albans Bank.[1]

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 BHC Act and the BMA. As required by the BMA, reports of the competitive effects of the merger were requested from the United States Attorney General, the Comptroller of the Currency and the Federal Deposit Insurance Corporation. 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 BHC Act (12 U.S.C. § 1842(c)) and under the BMA (12 U.S.C. § 1828(c)(5)).

One Valley, the largest banking organization in West Virginia, controls four banks with aggregate deposits of $495.1 million, representing approximately five percent of total commercial bank deposits in the state. St. Albans Bank, with deposits of $86.7 million, is the 26th largest commercial bank in West Virginia, holding approximately 0.9 percent of commercial bank deposits in the state. Citizens Bank, with deposits of $52.9 million, is the 51st largest commercial bank in West Virginia, holding approximately 0.5 percent of commercial bank deposits in the state. Upon consummation of the proposed transactions, One Valley would remain the largest commercial banking organization in the state and control 6.4 percent of the total deposits in the state.[2] Acquisition of St. Albans Bank and Citizens Bank would have no significant effect upon the concentration of banking resources in West Virginia.

1. The surviving bank will operate under the charter and name of St. Albans Bank.

2. Except as otherwise noted, banking data are as of December 31, 1982.

St. Albans Bank, with market deposits of $84.5 million, is the sixth largest bank in the Kanawha-Putnam Counties banking market, controlling 5.4 percent of commercial bank deposits in the market.[3] Two of One Valley's four bank subsidiaries, Kanawha Valley Bank, N.A., and One Valley National Bank of Kanawha City, a newly chartered bank, operate in this market.[4] One Valley, with $333.1 million in market deposits, is the largest of 23 commercial banking organizations in the market, controlling 21.1 percent of total deposits in commercial banks in the market. The offices of One Valley's lead bank are approximately 13 miles from St. Albans Bank.

Upon consummation of the proposal, One Valley will control 26.5 percent of the commercial bank deposits in the market. The relevant banking market is moderately concentrated, with a four-firm concentration ratio of 58.7 percent and a Herfindahl-Hirschman Index ("HHI") equal to 1150. Following consummation of the proposed transactions, the four-firm concentration ratio would increase to 64.1 percent and the HHI would increase by 228 points to 1378. In reviewing the effect of this proposal on competition, the Board has considered the fact that the relevant banking market is only moderately concentrated and will remain only moderately concentrated upon consummation of the proposed acquisition of St. Albans Bank.

Moreover, in view of the significant expansion of the commercial lending powers of federal thrift institutions authorized in the Garn–St Germain Depository Institutions Act of 1982, the Board has, in a number of recent cases, considered the presence and extent of competition of thrift institutions in the relevant banking market as a mitigating factor.[5] There are six thrift institutions in the relevant banking market, the largest of which holds deposits of $106.1 million and has five market-area offices. Together, the thrift institutions control $232.8 million in deposits, representing approximately 12.7 percent of the total deposits in thrift institutions and commercial banks in the Kanawha-Putnam Counties banking market. The thrift institutions are aggressively marketing NOW accounts and similar instruments and are active in making commercial loans. As of June 1982, thrifts held 18.5 percent of the commercial loans, including commercial real estate loans, in the market. On the basis of these facts, the Board considers the presence of thrift institutions in the relevant banking market a significant mitigating factor in assessing the competitive effects of this transaction.[6]

Although consummation of the proposal would eliminate some existing competition in the relevant banking market, the Board has determined that, in view of all of the facts of record, consummation of this proposal would not have a significant adverse effect on existing competition in the Kanawha-Putnam Counties banking market.

Citizens Bank is the second largest commercial bank located in the Martinsburg banking market and holds approximately 15.2 percent of commercial bank deposits in that market.[7] Applicant currently does not operate in the Martinsburg market, and Citizens Bank is nearly 300 miles distant from Applicant's nearest banking subsidiary. The proposed acquisition, therefore, would not eliminate any existing competition. The transactions also would not have any significant adverse effects upon potential competition because the Martinsburg banking market is not highly concentrated.

The financial and managerial resources of One Valley, its subsidiaries, Citizens Bank, and St. Albans Bank are regarded as generally satisfactory and their future prospects appear favorable, especially in light of certain capital commitments made by One Valley. As a result of the proposed transactions, the customers of St. Albans Bank and Citizens Bank would benefit from the addition of new services, including trust services, expanded credit programs and availability, and automated teller machines. Thus, considerations relating to convenience and needs of the community to be served are consistent with approval of the applications.

On the basis of the record and for the reasons discussed above, the Board has determined that the applications under the BHC Act and the BMA should be, and hereby are, approved. The transactions shall not be consummated before the thirtieth day following

3. The relevant banking market is defined as Kanawha County and Putnam County, West Virginia, which includes nearly all of the Charleston Ranally Metro Area (RMA). Banking data for the Kanawha-Putnam Counties banking market are as of June 30, 1982.

4. On September 26, 1983, the Federal Reserve Bank of Richmond approved One Valley's proposal to acquire this bank.

5. See, e.g., *Barnett Banks of Florida,* 69 FEDERAL RESERVE BULLETIN 44 (1983); *First Tennessee National Corporaton,* 69 FEDERAL RESERVE BULLETIN 298 (1983); *Midlantic Banks, Inc.,* 69 FEDERAL RESERVE BULLETIN 652 (1983).

6. If the presence of thrift institutions in the market were given full weight, the post-acquisition HHI would be reduced to 1093 points. Upon consummation of the transaction, the HHI would increase by 173 points. Applicant would be the largest depository institution in the market with 18.4 percent of market deposits, and upon consummation of the transaction, would hold 23.1 percent of market deposits. The four-firm concentration ratio would be 51.3 percent, pre-acquisition, and 56 percent, post-acquisition.

7. Both of Citizens Bank's offices are located in the Martinsburg market, which includes Berkeley County and Jefferson County.

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 Richmond, pursuant to delegated authority.

By order of the Board of Governors, effective December 12, 1983.

Voting for this action: Vice Chairman Martin and Governors Partee, Rice, and Gramley. Absent and not voting: Chairman Volcker and Governors Wallich and Teeters.

WILLIAM W. WILES,
Secretary of the Board

[SEAL]

Orders Issued Under Section 4 of Bank Holding Company Act

Fuji Bank, Limited, Tokyo, Japan

Order Approving Acquisition of Walter E. Heller and Company and Commencement of Various Nonbanking Activities

Fuji Bank, Limited, Tokyo, Japan, a registered bank holding company within the meaning of the Bank Holding Company Act ("BHC Act") (12 U.S.C. § 1841 et seq.), has applied for the Board's approval under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) to acquire voting shares of Walter E. Heller and Company, Chicago, Illinois ("Company"), a wholly-owned subsidiary of Walter E. Heller International Corporation, Chicago, Illinois, and through Company to engage, to the same extent and subject to the same conditions, in the activities conducted by Company. Company engages primarily in the business of commercial finance, factoring, commercial real estate finance and servicing, and leasing activities, and also engages to a more limited extent in commercial loan servicing, real estate appraisal and investment advisory activities, and credit-related insurance agency activities. These activities have been determined by the Board to be closely related to banking and thus permissible for banking holding companies. (12 C.F.R. §§ 225.4(a)(1), (3), (5), (6), (9), and (14)). Applicant has also applied for the Board's approval under section 4(c)(8) of the BHC Act to engage in arranging equity financing for certain types of income-producing properties. While this activity has not been specified by the Board in Regulation Y as permissible for bank holding companies, the Board has previously determined by order that arranging equity financing for certain types of income-producing properties, subject to certain conditions, is closely related to banking.[1] Moreover, the Board has by order approved an application by Walter E. Heller International Corporation to engage in this activity subject to certain conditions.[2]

Notice of the applications, affording opportunity for interested persons to submit comments and views, has been duly published in the *Federal Register*.[3] 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 4(c)(8) of the BHC Act.

Applicant, with consolidated assets of approximately $99.8 billion, is the second largest commercial banking institution in Japan and the thirteenth largest commercial banking institution in the world.[4] Applicant is a registered bank holding company by virtue of its ownership of The Fuji Bank and Trust Company, New York, New York, which holds approximately $1.8 billion in total assets. Applicant also operates a branch in Chicago, Illinois; agencies in New York City and Los Angeles, California; representative offices in Atlanta, Georgia, Houston, Texas, Seattle, Washington, and San Francisco, California; and an Edge Corporation, Fuji Bank International, San Francisco, California.

Walter E. Heller International Corporation, with total assets of approximately $6.5 billion, is engaged in many aspects of commercial finance and commercial banking, and is a bank holding company by virtue of its ownership of American National Bank, Chicago, Illinois, which has total assets of approximately $3.0 billion. Company, with total assets of approximately $2.8 billion, is a wholly owned subsidiary of Walter E. Heller International Corporation and is engaged through 67 offices throughout the United States in the permissible nonbanking activities listed above.

In every case involving an acquisition by a bank holding company under section 4 of the Act, the Board considers the effect of the acquisition on the financial condition and resources of the applicant. In evaluating this application, the Board noted that the primary capital ratio of Applicant as publicly reported is well

1. See, e.g., *BankAmerica Corporation* 68 FEDERAL RESERVE BULLETIN 647 (October 1982).
2. *Walter E. Heller International Corporation*, Order dated September 12, 1983.
3. 48 *Federal Register* 39,699 (September 1, 1983).
4. Applicants' asset data are as of March 31, 1983; other banking data are as of June 30, 1983.

below the Board's capital guidelines for U.S. multinational bank holding companies. However, after reviewing all the facts of record relating to the overall financial condition of Applicant and its U.S. banking operations, the Board has determined that the financial factors relating to this application are consistent with approval. In reaching this conclusion, the Board also took into account the fact that the proposal involved the acquisition of nonbank companies.

In making this determination, the Board notes that the application raises the general question of whether the capital standards applicable to domestic bank holding companies should also be applied to foreign banking organizations making acquisitions in the United States, including the acquisition of nonbanking companies. This question presents a number of complex issues which the Board believes requires careful consideration and which the Board has under review.

Applicant does not engage in the United States in real estate loan servicing, factoring, commercial loan servicing, real estate investment advisory or real estate appraisal services, or credit-related insurance agency activities. Applicant does engage in the United States in commercial finance, leasing, and real estate lending. In each of these cases, the overlapping market share is insignificant in comparison with the total market volume. Moreover, there are a large number of competitors in each of the overlapping markets, and the elimination of Applicant or Company as a competitor would not have any significant adverse effects on competition. Accordingly, the Board has determined that consummation of the proposal would not result in significant adverse effects on competition in any relevant market.

The Board notes that affiliation with Applicant will provide financial strength to Heller. Moreover, there is no evidence in the record to indicate that approval of this proposal would result in undue concentration of resources, decreased or unfair competition, conflicts of interests, unsound banking practices, or other effects adverse to the public interest. Accordingly, the Board has determined that considerations relating to the public interest factors under section 4 of the Act are consistent with approval of this application.

Applicant has also applied under section 4(c)(8) of the Act to engage in arranging equity financing on behalf of institutional investors for commercial and industrial income-producing realty. Applicant proposes to engage in this activity in the same manner and subject to the same commitments as in the proposal by Walter E. Heller International Corporation to engage in performing this activity that was approved by the Board by Order on September 12, 1983. The Board has determined that, subject to the conditions stated in the Board's Order of September 12, 1983, regarding the proposal by Walter E. Heller International Corporation, equity financing is closely related to banking.[5]

The Board previously has found that the arrangement of equity financing by bank holding companies would enhance competition, provide greater convenience to investors, increase efficiencies, and lower costs. These conclusions appear to be applicable to Applicant's proposal as well. There is no evidence in the record to indicate that Applicant's performance of equity financing would result in any undue concentration of resources, decreased or unfair competition, unsound banking practices, conflicts of interests or other adverse effects. Based upon these and other considerations reflected in the record, the Board has determined that the balance of public interest factors it is required to consider under section 4(c)(8) of the Act is favorable. This determination is conditioned upon Applicant's strictly limiting its equity financing activities as provided in this Order, and the Board's Order of September 12, 1983.

Applicant has applied to engage in the sale of property and casualty insurance through a subsidiary of Company, Abacus Insurance Agency, Chicago, Illinois ("Abacus"). Abacus provides insurance agency services in connection with certain loans extended by two other wholly-owned subsidiaries of Company, Abacus Real Estate Finance Company and Abacus Mortgage Investment Company. Under Title VI of the Garn-St Germain Depository Institutions Act of 1982, Abacus is entitled to continue to engage in the sale of credit-related property and casualty insurance in Illinois and in certain other states because Abacus and its bank holding company parent, Walter E. Heller International Corporation, obtained the Board's approval for such activity under the BHC Act prior to May 1, 1982. The legislative history of Title VI indicates that Congress intended the grandfather rights available in Title VI to accrue to the entity actually conducting the relevant insurance agency activity. (S. Rep. No. 536, 97th Cong., 2d Sess. 40 (1982)).

Abacus, which is the entity that conducted these insurance agency activities on May 1, 1982, will remain an independent and separate subsidiary of Applicant. Abacus will conduct property and casualty insurance agency activities only from its office in Chicago, Illinois; only to the extent it currently conducts these activities; and only in connection with loans extended by Abacus Real Estate Finance Company and Abacus Mortgage Investment Company. Moreover, Walter E. Heller International Corporation will not conduct these credit-related insurance agency activities after

5. *Walter E. Heller International Corporation*, 69 FEDERAL RESERVE BULLETIN 817 (September 12, 1983).

consummation of the proposal. Applicant does not seek approval for Applicant or its present subsidiaries to engage in these activities through existing offices of Applicant or its subsidiaries. Accordingly, the Board concludes that, under Title VI of the Garn–St Germain Depository Institutions Act of 1982, Abacus may continue to engage in these insurance agency activities after its acquisition by Applicant.

Based on the foregoing, the Board has determined that the applications should be and hereby are approved. This determination is subject to the limitations set forth in this Order, the conditions set forth in section 225.4(c) of Regulation Y, and 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 proposed activities shall be commenced 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 New York acting pursuant to delegated authority.

By order of the Board of Governors, effective December 20, 1983.

Voting for this action: Chairman Volcker and Governors Martin, Wallich, Partee, Teeters, Rice, and Gramley. Governor Wallich abstained from the insurance portion of these applications.

JAMES MCAFEE,
[SEAL] *Associate Secretary of the Board*

Norstar Bancorp Inc., Albany, New York

Order Approving Application to Expand the Service Area of a Subsidiary Offering Credit Life, Health and Accident Insurance

Norstar Bancorp, Inc., Albany, New York, a bank holding company within the meaning of the Bank Holding Company Act of 1956, as amended (12 U.S.C. § 1841 et seq.)(the "Act"), has applied under section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(1) of the Board's Regulation Y (12 C.F.R. § 225.4(b)(1)) for approval of expansion of the service area of its subsidiary, Norlife Reinsurance Company, Phoenix, Arizona, to reinsure credit life, health and accident insurance sold in connection with extensions of credit by the bank subsidiaries of Applicant's subsidiary, Northeast Bancshare Association, Portland, Maine ("Bancshare"). The Board has found such activities to be closely related to banking (12 C.F.R. § 225.4(a)(10)).

Notice of the application, affording interested persons an opportunity to submit comments was published in the *Federal Register* (48 *Federal Register* 46854 (1983)). The time for filing comments has expired and the Board has considered this application and all comments received in light of the public interest factors set forth in section 4(c)(8) of the Act.

Applicant, with total consolidated assets of $4.8 billion,[1] is the 12th largest commercial banking organization in New York. Applicant controls six subsidiary banks in New York that hold 1.8 percent of total deposits in commercial banks in the state (as of December 31, 1982). Through Bancshare, Applicant also has indirect control of six bank subsidiaries in Maine and is the fifth largest banking organization in Maine with 11.2 percent of total deposits in commercial banks in the state. In addition, Applicant has a number of subsidiaries engaged in nonbanking activities, including data processing services, equipment leasing, mortgage banking, and reinsuring credit life, accident and health insurance. Through Bancshare, Applicant controls two nonbank subsidiaries engaged in providing automated customer service support to affiliated banks, and administering and acting as agent for credit card and check guarantee programs for affiliated and other banks. Applicant's nonbank subsidiaries account for less than 1 percent of its total consolidated assets.

Applicant proposes to engage in insurance underwriting activities as authorized by the Board's Regulation Y. Section 225.4(a)(10) of Regulation Y authorizes bank holding companies to underwrite credit life insurance and credit accident and health insurance that is directly related to extensions of credit by the bank holding company system. The regulation requires that an applicant must offer premium rate reductions or equivalent public benefits in order to engage in this activity. (12 C.F.R. § 225.4(a)(10) n.10a.) Applicant has committed to offer the required rate reduction.[2]

1. All banking data are as of June 30, 1983, unless otherwise indicated.

2. In that regard, the Board has recently sought public comment regarding the proposed elimination of the rate reduction requirement from this activity. (48 *Federal Register* 53125 (Nov. 25, 1983)). Any final action taken by the Board with respect to this rule would be applicable to Applicant.

There is no evidence in the record indicating that consummation of the proposal would result in any undue concentration of resources, adverse effects on competition, conflicts of interests, unsound banking practices, or any other adverse effects. Moreover, the Board also has determined that the balance of the public interest factors the Board is required to consider under section 4(c)(8) of the Act is favorable.

Accordingly, based upon the foregoing and other facts of record, the application is hereby approved. This determination is subject to the conditions set forth in section 225.4(c) 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 proposal shall be effectuated 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 New York, pursuant to delegated authority.

By order of the Board of Governors, effective December 21, 1983.

Voting for this action: Vice Chairman Martin, and Governors Partee, Teeters, Rice, and Gramley. Abstaining from this action: Governor Wallich. Absent and not voting: Chairman Volcker.

JAMES MCAFEE,
[SEAL] *Associate Secretary of the Board*

PNC Financial Corp., Pittsburgh, Pennsylvania

Order Approving Expansion of Data Processing Activities

PNC Financial Corp., Pittsburgh, Pennsylvania, a bank holding company within the meaning of the Bank Holding Company Act of 1956, as amended (12 U.S.C. § 1841 et seq.), has applied for approval under section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) to expand the data processing activities of its indirect nonbank subsidiary, L.S. Consulting Corp., doing business as Littlewood, Shain & Company, Wayne, Pennsylvania, to include the sale to depository institutions and on-site installation of a software package called Money Decisions. These activities have been determined by the Board to be closely related to banking (12 C.F.R. § 225.4(a)(8)(ii)).

Notice of the application, affording opportunity for interested persons to submit comments, has been duly published (48 *Federal Register* 51862 (November 14, 1983)). The time for filing comments has expired, and the application and all comments received have been considered in light of the public interest factors set forth in section 4(c)(8) of the Act.

Applicant, the second largest commercial banking organization in Pennsylvania, controls three bank subsidiaries with aggregate domestic deposits of $7.0 billion, representing 9.5 percent of the total deposits in the state.[1]

In connection with this application, the Secretary has taken into consideration whether the activity to be performed by Applicant can reasonably be expected to produce benefits to the public that outweigh possible adverse effects. Having considered the record of this application in light of the factors contained in the Act, it is the Secretary's judgment that the balance of the public interest factors under section 4(c)(8) is favorable. On the basis of these considerations, 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 bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

The activity shall be commenced 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, acting pursuant to delegated authority.

By order of the Secretary of the Board, acting pursuant to delegated authority for the Board of Governors, effective December 21, 1983.

JAMES MCAFEE,
[SEAL] *Associate Secretary of the Board*

Security Pacific Corporation, Los Angeles, California

Order Approving Application to Engage in Certain Futures Commission Merchant and Broker/Dealer Activities

Security Pacific Corporation, Los Angeles, California, a bank holding company within the meaning of the

1. Banking data are as of December 31, 1982.

Bank Holding Company Act ("BHC Act"), has applied for the Board's approval under section 4(c)(8) of the BHC 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 wholly-owned indirect subsidiary, Security Pacific Mortgage Services, Inc.[1] ("Mortgage Services"), in the following activities: the execution and clearance on behalf of nonaffiliated persons, of financial futures contracts including futures on securities issued or guaranteed by the U.S. government and its agencies and on U.S. and foreign money market instruments; and the execution and clearance of options on these financial futures contracts on behalf of nonaffiliated persons; acting as a broker and dealer on behalf of nonaffiliated persons with respect to securities issued or guaranteed by the U.S. government and its agencies; and acting as a broker with respect to options on securities issued or guaranteed by the U.S. government and its agencies and with respect to options on U.S. and foreign money market instruments. In addition, Mortgage Services proposes to offer incidental investment advice in connection with its FCM and broker/dealer activities.

Notice of the application, affording interested persons an opportunity to submit comments on the relation of the proposed activities to banking and on the balance of the public interest factors regarding the application has been duly published (48 *Federal Register* 23910 (May 27, 1983)). The time for filing comments has expired and the Board has considered the application and all comments received in light of the public interest factors set forth in section 4(c)(8) of the BHC Act.[2]

Applicant is a bank holding company by virtue of its control of Security Pacific National Bank, Los Angeles, California ("Bank"). Bank holds deposits of approximately $26.0 billion[3] and is the second largest banking organization in California. Applicant, through its subsidiaries, engages in various permissible nonbanking activities. Applicant's financial and managerial resources, and in particular, its capitalization are adequate for it to engage in additional nonbanking activities.

In order to approve an application submitted pursuant to section 4(c)(8) of the BHC Act, the Board is first required to determine that the proposed activities are closely related to banking or managing or controlling banks. The Board has determined previously that certain FCM activities are closely related to banking: the execution and clearance of futures contracts in bullion, foreign exchange, U.S. government and agency securities, and money market instruments,[4] and execution and clearance of options on futures contracts in gold bullion and U.S. government securities.[5] Applicant's proposal to act as an FCM with respect to futures contracts on securities issued or guaranteed by the U.S. government and its agencies and on U.S. and foreign money market instruments is substantially similar to proposals to engage in these activities previously approved by the Board. The record indicates that Applicant, Bank and Mortgage Corporation have been active in the cash and futures markets for these instruments and have the expertise to provide these services to customers.[6] In addition, Mortgage Services has developed the requisite controls to monitor customer credit risk.[7] Thus, the Board has determined that in the manner proposed, these activities are closely related to banking.

The Board also has determined by order that underwriting and dealing in certain government securities and money market instruments is closely related to banking. The Board's finding that the activity is closely related to banking was premised on the facts that national and State member banks are expressly authorized by statute to engage in the activity, 12 U.S.C. § 24 (Seventh), and that many banks in fact engage in the activity.[8] The Board finds Mortgage Services' proposal to broker and deal in government securities and money market instruments is substantially similar to proposals the Board has previously approved. Accordingly, the Board concludes that in the manner proposed, Mortgage Services' proposal to broker and deal in U.S. government and agency securities and money market instruments is closely related to banking.

Mortgage Services proposes to engage in several activities not previously determined by the Board to

1. Security Pacific Mortgage Services, Inc. is a wholly-owned direct subsidiary of Security Pacific Mortgage Corporation ("Mortgage Corporation") a direct nonbank subsidiary of Applicant engaged primarily in mortgage banking activities. Mortgage Corporation is the third largest issuer of GNMA securities in the United States.

2. The Dealer Bank Association submitted a comment in favor of the proposal.

3. All banking data are as of June 30, 1983.

4. E.g., *J.P. Morgan & Company, Incorporated,* 68 FEDERAL RESERVE BULLETIN 514 (1982); *Citicorp,* 68 FEDERAL RESERVE BULLETIN 776 (1982).

5. E.g., *J.P. Morgan & Company, Incorporated,* 69 FEDERAL RESERVE BULLETIN 773 (1983) *("Morgan II").*

6. Indeed, Mortgage Corporation has used financial futures to reduce the risks associated with its mortgage banking activities since such futures were first traded in 1975.

7. Pursuant to a formal service agreement, Mortgage Corporation will provide certain services to Mortgage Services, including the following; assessing customer credit risk, monitoring customer positions and margin accounts and providing administrative and data processing services. These services will assist Mortgage Services in establishing appropriate position limits for customers.

8. 41 *Federal Register* 47083 (1976); 43 *Federal Register* 5382 (1978).

be closely related to banking. Specifically, Mortgage Services proposes to execute and clear options on futures on U.S. and foreign money market instruments and to broker options on securities issued or guaranteed by the U.S. Government and its agencies and options on money market instruments.

With respect to Applicant's proposal to execute and clear options on futures on U.S. and foreign money market instruments, the Board has previously determined that options on futures are functionally and operationally similar to a futures contract for the same commodity.[9] As noted above, the Board has determined previously that executing and clearing futures on money market instruments is closely related to banking, and Applicant's prior experience in the cash and futures markets for these instruments demonstrates that Mortgage Services would have the expertise to provide the proposed options services with respect to these financial futures contracts. Accordingly, the Board concludes that Mortgage Services' proposal with respect to options on financial futures contracts is closely related to banking.

Mortgage Services also proposes to engage in brokerage activities with respect to options on certain physicals; i.e., securities issued or guaranteed by the U.S. Government and its agencies and U.S. and foreign money market instruments.[10] Although an option on a physical differs somewhat from a future or an option on a future, an option on a physical appears to serve the same function as these other instruments since it offers the investor a means to hedge portfolio risk.

The Board has previously approved applications to engage in discount securities brokerage for retail customers with respect to corporate securities and has added discount securities brokerage to the list of permissible nonbanking activities for bank holding companies generally.[11] As a broker for options on physicals, Mortgage Services will act solely as agent on behalf of nonaffiliated persons for the purchase and sale of such options. The Board notes that a broker of options on U.S. government and agency securities and of options on money market instruments is a securities broker under the securities laws. Moreover, the services performed by a broker of options on U.S. Government and agency securities and on money market instruments appear to be similar to those of other brokers. Accordingly, the Board concludes that Mortgage Services' proposal to broker options on U.S. Government and agency securities and options on U.S. and foreign money market instruments is closely related to banking.

In addition, Mortgage Services proposes to offer incidental investment advice in connection with its FCM activities. Mortgage Services will provide general research and advice on market conditions and trading strategies, client account information, reconciliation of trades and communication linkage between customers and the exchange floor. These functions would be performed for Mortgage Services' customers only as part of its FCM services and would not be offered separately or on a fee basis. The Board has determined previously that the offering of investment advice is incidental to FCM services.[12] Mortgage Services' proposal to offer advice in connection with its FCM activities is substantially similar to and consistent with other proposals approved by the Board. Based on the foregoing, the Board concludes that the advice Mortgage Services will offer in connection with its FCM activities is incidental to such activities.

In order to approve this application, the Board is also required to determine that the performance of the proposed activities by Mortgage Services "can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices" (12 U.S.C. § 1843(c)(8)).

Consummation of Applicant's proposal would provide added convenience to those clients of Applicant and its subsidiaries that trade in the cash, forward and futures markets for these instruments. The Board expects that the de novo entry of Mortgage Services

9. *Morgan II*, supra.

10. Pursuant to an accord between the SEC and the CFTC, options on securities are considered securities and are regulated by the SEC. The substance of this accord was subsequently adopted by Congress, Pub. L. No. 97–444, 96 Stat. 2294 (codified as amended at 7 U.S.C. § 2(a)) (January 11, 1982) and Pub. L. No. 97-303, 96 Stat. 1409 (codified as amended at 15 U.S.C. § 77b) (October 13, 1982). Thus, Mortgage Services will be required to register as a broker/dealer under the Securities Exchange Act of 1934 in connection with its brokering of options on government securities and of options on money market instruments.

11. *BankAmerica Corporation*, 69 FEDERAL RESERVE BULLETIN 105 (1983). Codified at 12 C.F.R. § 225.4(a)(15). The Board's decision was subsequently upheld by the Court of Appeals in *Securities Industry Association* v. *Board of Governors*, 716 F.2d 92 (2nd Cir. 1983). The Board notes that the brokerage activities proposed by Mortgage Services are similar to those the Board has previously approved. While the Banking Act of 1933, commonly known as the Glass-Steagall Act, prohibits a commercial bank from engaging in or being affiliated with a firm engaged in certain securities activities, Courts have concluded that a commercial bank may act as a securities broker, i.e., execute purchases and sales of securities as agent for customers. Accordingly, the Board does not believe Mortgage Services' proposed brokerage activities with respect to options on securities issued or guaranteed by the U.S. government and its agencies and money market instruments would violate the prohibitions of the Glass-Steagall Act.

12. E.g., *Citicorp*, 68 FEDERAL RESERVE BULLETIN 776, 778 (1982).

into the market for these services would increase the level of competition among providers of these services already in operation. Accordingly, the Board concludes that the performance of the proposed activities by Mortgage Services can reasonably be expected to produce benefits to the public.

The Board has considered several issues with respect to possible adverse effects. The Board recognizes that the activities of executing futures contracts and options with regard to futures contracts involve various types of financial risks and potential conflicts of interests, and are susceptible to anticompetitive and manipulative practices. In approving proposals to act as an FCM, the Board has relied in the past on action taken by Congress to address these types of possible adverse effects through the passage of the Commodity Exchange Act[13] and the creation of the Commodity Futures Trading Commission ("CFTC"). The Board has relied also on the regulations adopted by the CFTC to effectuate the provisions of the Commodity Exchange Act.[14]

The Board has placed particular reliance on the following aspects of Applicant's proposal to act as an FCM.

1. Mortgage Services generally will not trade futures for its own account except for purposes of hedging its positions in securities.[15]
2. Mortgage Services shall not, without the prior consent of the Board, become a clearing member of any futures or securities exchange whose rules require the parent corporation of a clearing member to also become a clearing member, unless the requirement is waived with respect to Applicant.
3. Mortgage Services has committed that it will, in addition to time-stamping orders of all customers to the nearest minute, execute all orders, to the extent consistent with customers' specifications, in strictly chronological sequence, and that it will execute all orders with reasonable promptness with due regard to market conditions.
4. Mortgage Services will not extend credit to customers for the purpose of meeting initial or maintenance margin required of customers, subject to the limited exception of posting margin on behalf of customers in advance of prompt reimbursement.
5. Mortgage Services has and will maintain a capitalization fully adequate to meet its own commitments and commitments of its customers, including its affiliates.

In addition, in evaluating Applicant's proposal to act as a broker of options on U.S. Government and government-backed securities and options on U.S. and foreign money market instruments, the Board has taken into account and has relied upon the regulatory framework established pursuant to law by the SEC for such trading which embodies the considerations outlined in points 1–5 above as well as other prudential considerations.

The Board has considered also the potential for adverse effects associated with Mortgage Services' proposed broker/dealer activities with regard to U.S. government securities and money market instruments. The Board notes that as a nonbank subsidiary of Applicant, Mortgage Services would be engaging in underwriting and dealing in government securities without being subject to many of the rules that currently apply to Bank's conduct of the activity and the resulting potential for unsound banking practices.

Accordingly, the Board expects that Mortgage Services will conduct the proposed activities subject to the same rules and prudential limitations under which Bank would conduct such activities.[16] Any breach of these restrictions by Mortgage Services would constitute an unsafe or unsound banking practice that could be the subject of formal supervisory action by the Board.

There is no evidence in the record that consummation of the proposal would result in any effects that would be adverse to the public interest.

13. 7 U.S.C. §§ 1–24.

14. 17 C.F.R. § 33.4.

15. The Board notes that Mortgage Services may trade for its own account to a limited extent and solely for purposes of hedging its portfolio of U.S. Government and government-backed securities. In order to insure that Mortgage Services so limits its trading, however, and does not engage in speculative transactions, the Board expects Mortgage Services to comply with the Board's Policy Statement Regarding the use of Futures, Forward and Standby Contracts, 12 C.F.R. § 225.142. Thus, the policy objectives of its trading must be specific enough to outline permissible risk-reducing contract strategies and their relationship to Mortgage Services' other business activities, and sufficiently detailed to permit internal auditors and examiners to determine whether operations personnel have acted in accordance with authorized objectives. Operating personnel are expected to be able to describe and document in detail how the contract positions they have taken contribute to the attainment of Mortgage Services' stated objectives.

16. For example, member banks by statute are permitted to underwrite certain types of public housing and dormitory bonds of states and municipalities, provided that the amount of such securities of a single issuer held by the bank does not exceed ten percent of the bank's capital and surplus. (12 U.S.C. § 24 Seventh.) Such securities are designated "Type II" securities in regulations of the Comptroller of the Currency. (12 C.F.R. § 1.3(a)). Mortgage Services should not underwrite, deal in, or hold Type II securities by any issuer in amounts that would not be permitted if such activities were conducted by Bank and should not sell securities to trust accounts of affiliated banks except as permitted by regulations of the Comptroller of the Currency.

Based upon a consideration of all the relevant facts, the Board concludes that the balance of the public interest factors that 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 bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

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

By order of the Board of Governors, effective December 8, 1983.

Voting for this action: Vice Chairman Martin and Governors Wallich, Partee, Rice, and Gramley. Absent and not voting: Chairman Volcker and Governor Teeters.

WILLIAM W. WILES,
[SEAL] *Secretary of the Board*

Orders Issued Under Sections 3 and 4 of Bank Holding Company Act

Key Banks, Inc., Albany, New York

Order Approving Acquisition of a Bank Holding Company and of Companies Engaged in Commercial Lending, Leasing, and Mortgage Banking

Key Banks, Inc., Albany, New York, a bank holding company within the meaning of the Bank Holding Company Act of 1956, as amended ("Act") (12 U.S.C. § 1841 et seq.), 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 shares of Depositors Corporation, Augusta, Maine ("Company"). As a result of the acquisition, Applicant would acquire Company's four subsidiary banks, which are all located in Maine: Depositors Trust Company, Augusta; Depositors Trust Company of Southern Maine, Portland; Depositors Trust Company of Aroostock, Fort Fairfield; and Depositors Trust Company of Eastern Maine, Bangor.

Applicant has also 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 acquire Company's nonbanking subsidiaries, Firestone Financial Corp., Newton Centre, Massachusetts ("Firestone"), and Homeowners Mortgage Company, Nashua, New Hampshire ("Homeowners"). Firestone engages in commercial lending and leasing activities and Homeowners engages in the activity of originating 1–4 family residential mortgage loans for sale to investors in the secondary market. All of these activities have been determined by the Board to be closely related to banking under section 225.4(a)(1), and (6) of Regulation Y (12 C.F.R. § 225.4(a)(1) and (6)).[1]

Notice of these applications, affording an opportunity for interested persons to submit comments has been given in accordance with sections 3 and 4 of the Act (48 *Federal Register* 50162 & 50164 (1983)). The time for filing comments 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)).

Applicant, with seven bank subsidiaries, has consolidated assets of \$3.2 billion and deposits of \$2.6 billion.[2] It is the 15th largest banking organization in New York State. Upon acquisition of Company, with total assets of \$960 million and deposits of \$774 million, Applicant would control the largest banking organization in Maine.

Section 3(d) of the Act (12 U.S.C. § 1842(d)) prohibits the Board from approving any application by a bank holding company to acquire any bank located outside of the state in which operations of the bank holding company's subsidiaries are principally conducted, unless such acquisition is "specifically authorized by statute laws of the state in which such bank is located, by language to that effect and not merely by implication." The statute laws of Maine authorize the acquisi-

1. Company does not now hold the shares of Homeowners pursuant to section 4(c)(8) of the Act, but rather holds them pursrant to the exemption in section 4(c)(1)(C) of the Act for shares of companies that perform services for bank holding companies or their banking subsidiaries. Under Homeowners' current operating procedures, funds for mortgage loans are provided directly by the investor to whom such loans are sold. Because Homeowners plans to expand its activities to include the provision of funds and warehousing of loans until they are sold, Depositors will no longer be able to rely on the exemption in section 4(c)(1)(C) of the Act to hold the shares of Homeowners. After Homeowners modifies its activities, they would continue to be of the type permissible under section 225.4(a)(1) of Regulation Y, and, accordingly, Applicant has applied to acquire, and Company has applied to retain, ownership of Homeowners under section 4(c)(8) of the Act.

2. Banking data are as of June 30, 1983.

tion of a banking institution in Maine by a bank holding company that controls a bank located in another state, if that other state authorizes the acquisition of a banking institution in that state by a Maine bank holding company under terms no more restrictive than those imposed under Maine law.[3] Similarly, New York law authorizes the acquisition of a banking institution in New York by a bank holding company that controls a bank located in another state, if that other state authorizes the acquisition of a banking institution in that state by a New York bank holding company.[4] The Board has previously concluded that the conditions for approval of interstate acquisitions under the New York statute are not more restrictive than those provided for under the Maine statute.[5] Based on the foregoing, the Board has determined, as required under section 3(d) of the Act, that the proposed acquisition conforms with Maine law and is expressly authorized by the statute laws of Maine.

Company's banking subsidiaries operate 90 offices in 20 different markets in Maine. Inasmuch as none of Applicant's subsidiary banks operates in Maine, the proposed transaction would not eliminate existing competition in any relevant market. The Board has considered the effects of this proposal on probable future competition and has also examined the proposal in light of its proposed guidelines for assessing the competitive effects of market-extension mergers or acquisitions.[6] In evaluating the effects of a proposal on probable future competition, the Board considers market concentration, the number of probable future entrants into the market, the size of the bank to be acquired, and the attractiveness of the market for entry on a de novo or foothold basis absent approval of the acquisition. After consideration of these factors in the context of the specific facts of this case, the Board concludes that consummation of this proposal would not have any significant adverse effects on probable future competition in any relevant market.

With respect to the 20 banking markets in which Company operates, the record shows that in 19 of these markets, either Company is not a market leader or the market is not attractive for de novo entry. In addition, in view of the fact that Maine permits the acquisition of banks in Maine by out-of-state bank holding companies, there are a number of commercial banking organizations, including 18 commercial banking organizations in New York with assets of over $1 billion each, that can be identified as probable future entrants into each of the 20 relevant markets. On the basis of these and other facts of record, the Board concludes that the elimination of Applicant as a probable future entrant into the 20 markets served by Company would not have a substantial anticompetitive effect in those markets.

Applicant's seven banking subsidiaries operate 200 offices in 25 markets throughout New York State. There are at least six probable future entrants into each of the markets in which Applicant operates, and in view of this, and other facts of record, the Board concludes that elimination of Company as a probable future entrant into the markets served by Applicant would not have a substantial anticompetitive effect in those markets.

Based on the foregoing and other facts of record, the Board concludes that consummation of the proposed acquisition of Company's banking subsidiaries would not have any significant adverse effects on existing or probable future competition and would not increase the concentration of banking resources in any relevant area.

The financial and managerial resources of Applicant, Company, and their subsidiaries are considered satisfactory and their prospects appear favorable. Affiliation with Applicant would enable Company's banking subsidiaries to expand the scope and array of their banking services. New and expanded services would include automobile leasing, discount brokerage services, retail store point-of-sale banking, venture capital loans, and credit life, accident and health insurance.

Applicant has also applied to acquire two nonbanking subsidiaries of Company, Homeowners and Firestone. Homeowners currently is a wholly-owned subsidiary of one of Company's banking subsidiaries, Depositors Trust Company. Applicant anticipates, however, that in the near future, Mortgage Company of New Hampshire, Londonderry, New Hampshire ("MCNH"), will convert an outstanding debenture that it currently holds into 50 percent of the capital stock of Homeowners. Thus, the application to acquire Homeowners contemplates that Homeowners' activities will be performed as a joint venture with MCNH.

MCNH is owned by a group of residential home builders who desire to have an outlet that provides permanent financing for the sale of homes that they build in New Hampshire. MCNH is currently an inactive mortgage company that has no operating

3. Me. Rev. Stat. Ann. tit. 9-B, § 1013 (Supp 1980).

4. N.Y. Banking Law § 142-b (McKinney Supp. 1982).

5. *Norstar Bancorp Inc.* (Northeast Bancshare Association) (69 FEDERAL RESERVE BULLETIN 306 (1983)).

6. "Proposed Policy Statement of the Board of Governors of the Federal Reserve System for Assessing Competitive Factors under the Bank Merger Act and the Bank Holding Company Act,"(47 *Federal Register* 9017 (March 3, 1982)). Although the proposed policy statement has not been adopted by the Board, the Board is using the policy guidelines in its analysis of the effects of a proposal on probable future competition.

personnel. The Board has expressed its concern regarding the potential for undue concentration of resources or other adverse effects that result through the combination in a joint venture of banking and nonbanking companies[7] and has analyzed this proposal with respect to its probable effects on existing and potential competition between MCNH, Homeowners and Applicant in the residential mortgage market.

MCNH is not an operating company, and Homeowners and Applicant do not compete in this line of commerce in any relevant market. Therefore, formation of the joint venture and its acquisition by Applicant would not eliminate any existing competition in any relevant market. With respect to the effect of this transaction on potential competition in the relevant product market, while MCNH can enter the markets served by Homeowners and Applicant separately, it does not appear to be a likely candidate for such entry in view of its size and the fact that it has been inactive for a number of years. In addition, while Applicant and Homeowners can enter each others' markets, in view of the number of competitors in the residential mortgage market and the unconcentrated nature of the market, the Board concludes that the proposed acquisition of Homeowners is not likely to have significant adverse effects on probable future competition.

Consummation of the joint venture proposal and its acquisition by Applicant may be expected to result in public benefits. The combination of Applicant's and Company's financial resources and expertise in the origination and sale of mortgages, with MCNH's familiarity and building contacts in the market area served by Homeowners would make Homeowners a stronger competitor in a highly competitive market.

With respect to Applicant's proposed acquisition of Firestone, Applicant and Firestone compete in the relevant product and geographic market, and thus some existing competition would be eliminated through consummation of this proposal. However, both Applicant and Firestone have relatively small market shares and, therefore, the amount of existing competition that would be eliminated is not significant. There is no evidence in the record to indicate that approval of Applicant's proposal to acquire Firestone and Homeowners would result in undue concentration of resources, conflicts of interest, unsound banking practices or other adverse effects. Accordingly, the Board has determined that the balance of public interest factors it must consider under section 4(c)(8) of the Act is consistent with approval of the application.

Based on the foregoing and other facts of record, the Board has determined that the applications under section 3 and 4 of the Act, should be and hereby are approved for the reasons set forth above. The acquisition of Company's banking subsidiaries pursuant to section 3 of the Act shall not be made before the thirtieth calendar day following the effective date of this Order, and neither the acquisition of Company's banking subsidiaries nor the acquisition of its nonbank subsidiaries shall occur later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of New York, pursuant to delegated authority. The approval of Applicant's proposal to acquire Depositors' nonbank subsidiaries and to engage in commercial lending and leasing, and mortgage loan origination and sale activities is subject to the conditions set forth in section 225.4(c) of Regulation Y and to the Board's authority to require 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 Board's regulations and orders issued thereunder, or to prevent evasion thereof.

By order of the Board of Governors, effective December 27, 1983.

Voting for this action: Chairman Volcker and Governors Wallich, Partee, Rice, and Gramley. Absent and not voting: Governors Martin and Teeters.

JAMES MCAFEE,
[SEAL] *Associate Secretary of the Board*

7. See, e.g., *Area Bancshares Corporation*, 69 FEDERAL RESERVE BULLETIN 33 (1983).

Orders Issued Under Section 5 of Bank Service Corporation Act

Liberty National Bank and Trust Company of Louisville, Louisville, Kentucky

Order Approving Acquisition of a Bank Service Corporation

Liberty National Bank and Trust Company of Louisville, ("Bank"), Louisville, Kentucky, a national bank chartered by the Comptroller of the Currency, has applied for the Board's approval under section 5(b) of the Bank Service Corporation Act, as amended ("BSCA") (12 U.S.C. § 1861 et seq.), to acquire all of the shares of a bank service corporation, LNB Life Insurance Company, Louisville, Kentucky ("Company"). Company would engage in the activity of underwriting, as reinsurer, credit life and credit accident and health insurance written in connection with extensions of credit by Bank.

The BSCA was amended by Section 709 of the Garn-St Germain Act [1] to require prior Board approval of the investment by an insured bank in the capital stock of a bank service corporation that performs any "service" under authority of section 4(f) of the Act. 12 U.S.C. § 1864(f). Section 4(f) of the BSCA provides that:

> a bank service corporation may perform at any geographic location any service, other than deposit taking, that the Board has determined, by regulation, to be permissible for a bank holding company under section 4(c)(8) of the Bank Holding Company Act.[2]

Applicant proposes to engage in insurance underwriting activities to the extent those activities are generally permissible for bank holding companies in the Board's Regulation Y, 12 C.F.R. § 225.4(a)(10). Section 225.4(a)(10) of Regulation Y authorizes bank holding companies to underwrite credit life insurance and credit accident and health insuranee that is directly related to extensions of credit by the bank holding company system. The regulation requires that an applicant must offer premium rate reductions or equivalent public benefit in order to engage in this activity. (12 C.F.R. § 225.4(a)(10) n.10a). Applicant has committed to offer the required rate reductions.

Section 5(c) of the BSCA authorizes the Board, in acting upon applications to invest in bank service corporations, to consider the financial and managerial resources of the institutions involved and possible adverse effects, such as undue concentration of resources, unfair or decreased competition, conflicts of interest, or unsafe or unsound banking practices. (12 U.S.C. § 1865(c)). The Board has reviewed the financial and managerial resources and future prospects of Bank and Company, including the financial capability of Bank to make a proposed investment under this Act and has determined that such factors are consistent with approval. Additionally, the Board has found no adverse effects which would warrant disapproval of the application.

Accordingly, the Board has determined to approve this application. This determination is subject to the Board's authority to require such modification or termination of the activities of a bank service corporation as the Board finds necessary to assure compliance with the provisions and purposes of the Bank Service Corporation Act or to prevent evasions thereof.[3]

By order of the Board of Governors, effective December 19, 1983.

Voting for this action: Vice Chairman Martin and Governors Partee, Teeters, Rice, and Gramley. Abstaining from this action: Governor Wallich. Absent and not voting: Chairman Volcker.

JAMES MCAFEE,
[SEAL] *Associate Secretary of the Board*

1. Garn-St Germain Depository Institutions Act of 1982, Pub. L. No. 97-320, 96 Stat. 1469 (1982), as amended by, S.J. Res. 271, Pub. L. No. 97-457, 96 Stat. 2508 (1983). ("Garn-St Germain Act").
2. Under section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. § 1841 et seq.) ("BHC Act"), a bank holding company may engage in activities determined by the Board to be closely related to banking.
3. In that regard, the Board has recently sought public comment regarding the proposed elimination of the rate reduction requirement from this activity. 48 *Federal Register* 53125 (Nov. 25, 1983). Any final action taken by the Board with respect to this rule would be applicable to Applicant.

Michigan National Bank of Detroit, Detroit, Michigan

Order Approving Acquisition of a Bank Service Corporation

Michigan National Bank of Detroit, Detroit, Michigan ("Bank"), a national bank chartered by the Comptroller of the Currency, has applied for the Board's approval under section 5(b) the Bank Service Corporation Act, as amended ("BSCA") (12 U.S.C. § 1861 et seq.), to acquire all of the shares of a bank service corporation, MNC Mortgage & Realty Advisors, Inc., Southfield, Michigan ("Company"). Company would provide real estate investment advice through offices located in Michigan and Florida to investors throughout the United States.

The BSCA was recently amended by Section 709 of the Garn-St Germain Act [1] to require prior Board approval of any investment by an insured bank in the capital stock of a bank service corporation that performs any "service" under authority of section 4(f) of the Act. Section 4(f) of the BSCA [2] provides that:

1. Garn-St Germain Depository Institutions Act of 1982, Pub. L. No. 97-320, 96 Stat. 1469 (1982), as amended by S.J. Res. 271, Pub. L. No. 97-457, 96 Stat. 2508 (1983).
2. 12 U.S.C. § 1864(f).

a bank service corporation may perform at any geographic location any service, other than deposit taking, that the Board has determined, by regulation, to be permissible for a bank holding company under section 4(c)(8) of the Bank Holding Company Act.[3]

Applicant proposes to engage in real estate investment advisory activities to the extent those activities are generally permissible for bank holding companies under the Board's Regulation Y, 12 C.F.R. § 225.4(a)(5)(iii).

Section 5(c) of the BSCA authorizes the Board, in acting upon applications to invest in bank service corporations, to consider the financial and managerial resources of the institutions involved, their future prospects, and possible adverse effects, such as undue concentration of resources, unfair or decreased competition, conflicts of interest, or unsafe or unsound banking practices. 12 U.S.C. § 1865(c). The Board finds that considerations relating to these factors are consistent with approval and that there is no evidence of adverse effects.

Accordingly, on the basis of the record, the application is approved for the reasons summarized above.

By order of the Board of Governors, effective December 7, 1983.

Voting for this action: Chairman Volcker and Governors Wallich, Partee, and Gramley. Absent and not voting: Governors Martin, Teeters, and Rice.

WILLIAM W. WILES,
Secretary of the Board

[SEAL]

3. Under section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. § 1841 et seq.), a bank holding company may engage in activities determined by the Board to be closely related to banking and a proper incident thereto.

ORDERS APPROVED UNDER BANK HOLDING COMPANY ACT

By the Board of Governors

During December 1983 the Board of Governors approved the applications listed below. Copies are available upon request to Publications Services, Division of Support Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551

Section 3

Applicant	Bank(s)	Board action (effective date)
ASB Bank Holding Campany, Pierre, South Dakota	American State Bank of Pierre, Pierre, South Dakota	December 30, 1983
Barnett Banks of Florida, Inc., Jacksonville, Florida	Southern Banks of Florida, Inc., High Springs, Florida	December 1, 1983
Citizens National Corporation, Paintsville, Kentucky	Citizens National Bank of Paintsville, Paintsville, Kentucky	December 13, 1983
D.L. Shares Limited Partnership, Detroit Lakes, Minnesota	D.L. Bancshares, Inc., Detroit Lakes, Minnesota First National Bank of Detroit Lakes, Detroit, Lakes, Minnesota	December 27, 1983
First Arkansas Bankstock Corporation, Little Rock, Arkansas	Peoples Bank & Trust Company, Russellville, Arkansas	December 1, 1983
PNC Financial Corp, Pittsburgh, Pennsylvania	Marine Bancorp, Inc., Erie, Pennsylvania	December 22, 1983
Stillwater Bancorporation, Inc., Stillwater, Minnesota	Cosmopolitan State Bank of Stillwater, Stillwater, Minnesota	December 6, 1983

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
American Bancorporation, Inc., Sapulpa, Oklahoma	Mannford State Bank, Mannford, Oklahoma	Kansas City	December 12, 1983
American Eagle Bancorp., Inc., Glen Carbon, Illinois	Cottonwood Bank and Trust Company, Glen Carbon, Illinois	St. Louis	December 8, 1983
Army National Bancshares, Inc., Chillicothe, Missouri	Exchange National Bank of Cottonwood Falls, Cottonwood Falls, Kansas	Kansas City	December 12, 1983
Aurelia FT & S Bankshares, Inc., Aurelia, Iowa	The First Trust & Savings Bank, Aurelia, Iowa	Chicago	December 14, 1983
B.B. Bancshares, Inc., Shell Knob, Missouri	Table Rock Bancshares, Inc., Shell Knob, Missouri	St. Louis	November 23, 1983
Borresen Investments, Inc., Westbrook, Minnesota	State Bank of Darfur, Darfur, Minnesota	Minneapolis	December 14, 1983
The Carroll Bancorp., Norfolk, Nebraska	Farmers State Insurance Agency, Carroll, Nebraska	Kansas City	November 21, 1983
CB&T Financial Corp., Fairmont, West Virginia	Community Bank & Trust, N.A., Fairmont, West Virginia	Richmond	December 9, 1983
Central Banc System, Inc., Granite City, Illinois	First Bank of Marine, Marine, Illinois	St. Louis	December 12, 1983
Central Wisconsin Bankshares, Inc., Wausau, Wisconsin	The Union National Bank of Ashland, Ashland, Wisconsin	Chicago	November 30, 1983
Charter Financial Corporation, Framingham, Massachusetts	Framingham Trust Company, Framingham, Massachusetts	Boston	November 25, 1983
The Citizens State Bank, Keenesburg, Colorado Citizens Holding Corporation Employees' Stock Ownership Plan, Keenesburg, Colorado	Citizens Holding Corporation, Keenesburg, Colorado	Kansas City	November 14, 1983
City National Bancshares of Weatherford, Inc., Weatherford, Oklahoma	City National Bank of Weatherford, Weatherford, Oklahoma	Kansas City	November 22, 1983
Clarkel, Inc., Kesley, Iowa	Iowa State Bank, Clarksville, Iowa	Chicago	December 9, 1983
Community Bancshares, Inc., McArthur, Ohio	The First Bremen Bank, Bremen, Ohio	Cleveland	December 7, 1983
East River Bancshares, Inc., Benton, Louisiana	Bank of Benton, Benton, Louisiana	Dallas	December 2, 1983
Elm Bancshares, Inc., Elmhurst, Illinois	Bank of Clarendon Hills, Clarendon Hills, Illinois	Chicago	December 2, 1983
Everly State Bank, Everly, Iowa	Peterson State Bank, Peterson, Iowa	Chicago	November 21, 1983

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Farmers and Merchants Bancorp., Winterset, Iowa	Farmers and Merchants State Bank, Winterset, Iowa	Chicago	December 16, 1983
Farmers and Merchants Bancorp, Inc., Hill City, Kansas	The Farmers and Merchants Bank of Hill City, Hill City, Kansas	Kansas City	November 18, 1983
Fidelity Kansas Bankshares, Inc., Topeka, Kansas	Fidelity Bankshares, Inc., Topeka, Kansas Fidelity State Bank and Trust Company, Topeka, Kansas	Kansas City	December 15, 1983
First American Corporation, Dundee, Illinois	State Bank of Hampshire, Hampshire, Illinois First American Bank of Lake County, Lake Villa, Illinois	Chicago	December 12, 1983
First Bancshares, Incorporated, Bartlesville, Oklahoma	Exchange National Bank, Tulsa, Oklahoma	Kansas City	December 16, 1983
First Financial Associates, Inc., Kenosha, Wisconsin	The First National Bank of Kenosha, Kenosha, Wisconsin	Chicago	November 22, 1983
First Railroad & Banking Company of Georgia, Augusta, Georgia	Commercial & Exchange Bank, Bremen, Georgia	Atlanta	December 9, 1983
First Sioux Bancshares, Ltd., Sioux Center, Iowa	The First National Bank of Sioux Center, Sioux Center, Iowa	Chicago	December 7, 1983
First Southern Bank Corp, Englewood, Florida	Englewood Bank of Charlotte County, Englewood, Florida	Atlanta	November 23, 1983
General Educational Fund, Inc., Burlington, Vermont,	Merchants Bancshares, Inc., Burlington, Vermont	Boston	December 9, 1983
Golden Plains Bankshares, Inc., Phillipsburg, Kansas	First National Bank, Phillipsburg, Kansas	Kansas City	November 22, 1983
Gulf Coast Bancshares, Inc., Abbeville, Louisiana	Gulf Coast Bank, Abbeville, Louisiana	Atlanta	November 25, 1983
Hopkins Bankcorp, Inc., Wickliffe, Kentucky	The Citizens State Bank, Wickliffe, Kentucky	St. Louis	December 2, 1983

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Illini Community Bancorp, Inc., Springfield, Illinois	First State Bank & Trust Company of Springfield, Springfield, Illinois Mechanicsburg Citizens Bank, Mechanicsburg, Illinois Illini Community Bancgroup, Inc., Springfield, Illinois South Sangamon Banc Shares, Inc., Divernon, Illinois Stonington Banc Shares, Inc., Stonington, Illinois	Chicago	December 12, 1983
International Bancshares Corporation, Laredo, Texas	International Bank of Commerce, N.A., Zapata, Texas	Dallas	November 21, 1983
International Bancshares, Inc., Gladstone, Missouri Metro Bancshares, Inc., Kansas City, Missouri	MBI Bancshares, Inc., Kansas City, Missouri	Kansas City	December 1, 1983
Kansas Bank System, Inc., Topeka, Kansas	Kansas State Bank of Manhattan, Manhattan, Kansas	Kansas City	November 30, 1983
Kansas City Bancshares, Inc., Kansas City, Missouri	Citizens Bank of Appleton City, Appleton City, Missouri Citizens State Bank of Polk County, Bolivar, Missouri Osceola Bank, Osceola, Missouri Tri-County State Bank of El Dorado Springs, El Dorado Springs, Missouri The Lowry City Bank, Lowry City, Missouri Humansville Bank, Humansville, Missouri	Kansas City	November 30, 1983
Knox City Bancshares, Inc., Knox City, Texas	The Citizens State Bank, Knox City, Texas	Dallas	December 14, 1983
LaFayette Bankshares, Inc., LaFayette, Georgia	The Bank of LaFayette, LaFayette, Georgia	Atlanta	December 6, 1983
Learner Financial Corporation, Orinda, California	Bank of Contra Costa, Walnut Creek, California Scott Valley Bank, Yreka, California	San Francisco	November 30, 1983
Lexington Bancshares, Inc., New Ulm, Texas	Lexington State Bank, Lexington, Texas	Dallas	December 12, 1983
The Marine Corporation, Milwaukee, Wisconsin	The Fidelity Savings Bank of Antigo, Antigo, Wisconsin	Chicago	November 30, 1983

Section 3—Continued

Applicant	Banks(s)	Reserve Bank	Effective date
MBI Bancshares, Inc., Kansas City, Missouri	The Merchants Bank, Kansas City, Missouri The University Bank, Kansas City, Missouri Broadway Bancshares, Inc., Kansas City, Missouri Metropolitan Bancshares, Inc., Kansas City, Missouri TBI Bancshares, Inc., Kansas City, Missouri	Kansas City	December 1, 1983
Merchants Bancshares, Inc., Burlington, Vermont	The Merchants Bank, Burlington, Vermont	Boston	December 9, 1983
Mid-America Bancshares, Inc., Pleasant Hill, Missouri	Citizens Bank of Norborne, Norborne, Missouri	Kansas City	December 1, 1983
NCB Financial Corporation, Williamsport, Pennsylvania	Tri-County National Bank, Middleburg, Pennsylvania	Philadelphia	December 1, 1983
Nodaway Valley Bancshares, Inc., Maryville, Missouri	The Nodaway Valley Bank, Maryville, Missouri	Kansas City	December 15, 1983
North Texas Bancshares, Inc., Fort Worth, Texas	Hurst National Bank, Hurst, Texas	Dallas	November 30, 1983
Northwest Florida Banking Corporation, Quincy, Florida	Citizens Commercial Bank of Tallahassee, Tallahassee, Florida	Atlanta	November 30, 1983
Oak Forest Bancshares, Inc., Houston, Texas	Oak Forest Bank, Houston, Texas Doctor's Center International Bank, Houston, Texas	Dallas	November 25, 1983
Pan American Banks, Inc., Miami, Florida	The International Bank of Miami, N.A., Miami, Florida	Atlanta	December 1, 1983
Peoples Bankshares, Ltd., Waterloo, Iowa	La Porte City State Bank, La Porte City, Iowa	Chicago	November 30, 1983
Plainville Bancshares, Inc., Plainville, Kansas	Plainville State Bank, Plainville, Kansas	Kansas City	November 16, 1983
Planters United Bancshares, Inc., Rosebud, Texas	The Planters National Bank of Rosebud, Rosebud, Texas	Dallas	December 2, 1983
Plaza Bancorporation, Inc., Dallas, Texas	Plaza National Bank, Dallas, Texas	Dallas	December 1, 1983
PSB Financial Corporation, Many, Louisiana	The Peoples State Bank, Many, Louisiana	Dallas	November 30, 1983

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Seacoast Banking Corporation of Florida, Stuart, Florida	First National Bank and Trust Company, Stuart, Florida	Atlanta	November 22, 1983
Seattle Bancorporation, Seattle, Washington	The Bank of Seattle, Seattle, Washington	San Francisco	December 1, 1983
Society Corporation, Cleveland, Ohio	The First National Bank of Salem, Salem, Ohio	Cleveland	December 6, 1983
Southeast Mississippi Corporation, Quitman, Mississippi	Southeast Mississippi Bank, Quitman, Mississippi	Atlanta	December 2, 1983
Steeleville Bancshares, Inc., Steeleville, Illinois	First National Bank of Steeleville, Steeleville, Illinois	St. Louis	December 1, 1983
T N Bancshares, Inc., El Paso, Texas	Texas National Bank, El Paso, Texas	Dallas	December 19, 1983
United Bankers, Inc., Waco, Texas	The First National Bank of Commerce, Commerce, Texas	Dallas	November 30, 1983
United Texas Bancshares, Inc., Austin, Texas	CenTex Bancshares, Inc., Cranfills Gap, Texas	Dallas	December 1, 1983
VH Bancorporation, Inc., Minneapolis, Minnesota	Grand Marais State Bank, Grand Marais, Minnesota	Minneapolis	November 30, 1983
The Weatherford Foundation of Red Bay, Inc., Red Bay, Alabama	Bank of Red Bay, Red Bay, Alabama	Atlanta	December 2, 1983
Western Commercial, Fresno, California	Continential Bancorp, Fresno, California	San Francisco	December 6, 1983
Wyoming Bancshares, Inc., Wyoming, Minnesota	First State Bank of Wyoming, Wyoming, Minnesota	Minneapolis	November 22, 1983

Section 4

Applicant	Nonbanking company	Reserve Bank	Effective date
First Union Corporation, Charlotte, North Carolina	Dis-Com Securities, Inc., Hallandale, Florida	Richmond	December 19, 1983

Sections 3 and 4

Applicant	Bank(s)/Nonbanking Company	Reserve Bank	Effective date
American Republic Bancshares, Inc., Belen, New Mexico	The First National Bank of Belen, Belen, New Mexico Scientific Management Systems, Inc., Belen, New Mexico	Kansas City	December 9, 1983
Deerwood Bancorporation, Inc., Deerwood, Minnesota	First National Bank of Deerwood, Deerwood, Minnesota general insurance activities	Minneapolis	November 23, 1983
Sharp Bancshares, Inc., Cave City, Arkansas	Bank of Cave City, Cave City, Arkansas to engage de novo, in real estate appraising	St. Louis	December 14, 1983

ORDERS APPROVED UNDER BANK MERGER ACT

By Federal Reserve Banks

Applicant	Bank(s)	Reserve Bank	Effective date
Davenport Bank and Trust Company, Davenport, Iowa	Security State Trust and Savings Bank, Bettendorf, Iowa	Chicago	December 9, 1983
First Virginia Bank-Central, Charlottesville, Virginia	First Virginia Bank of Orange, Orange, Virginia	Richmond	December 1, 1983
First Virginia Bank–Eastern Shore, Onancock, Virginia	The Peoples Trust Bank, Exmore, Virginia	Richmond	December 6, 1983
Farmers State Bank of Irene, Irene, South Dakota	Viborg Branch, United National Bank, Sioux Falls, South Dakota	Minneapolis	December 9, 1983
First Georgia Bank, Atlanta, Georgia	Capital City Bank, Hopeville, Georgia	Atlanta	November 20, 1983
Northwestern Bank of Commerce, Duluth, Minnesota	North Shore State Bank, Duluth, Minneosta	Minneapolis	November 29, 1983
Northwest Interim Bank, Tallahassee, Flordia	Citizens Commercial Bank of Tallahassee, Tallahassee, Florida	Atlanta	November 30, 1983

Pending Cases Involving the Board of Governors

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

Independent Insurance Agents of America, Inc. and Independent Insurance Agents of Missouri, Inc. v. *Board of Governors,* filed June 1983, U.S.C.A. for the Eighth Circuit (two cases).

The Committee for Monetary Reform, et al., v. *Board of Governors,* filed June 1983, U.S.D.C. for the District of Columbia.

Dakota Bankshares, Inc. v. *Board of Governors,* filed May 1983, U.S.C.A. for the Eighth Circuit.

Jet Courier Services, Inc., et al. v. *Federal Reserve Bank of Atlanta, et al.* filed February 1983, U.S.C.A. for the Sixth Circuit.

Securities Industry Association v. *Board of Governors, et al.,* filed February 1983, U.S.C.A. for the Second Circuit.

Flagship Banks, Inc. v. *Board of Governors,* filed January 1983, U.S.D.C. for the District of Columbia.

Flagship Banks, Inc. v. *Board of Governors,* filed October 1982, U.S.D.C. for the District of Columbia.

Association of Data Processing Service Organizations, Inc., et al. v. *Board of Governors,* filed August 1982, U.S.C.A. for the District of Columbia.

Richter v. *Board of Governors, et al.* filed May 1982, U.S.D.C. for the Northern District of Illinois.

Wyoming Bancorporation v. *Board of Governors,* filed May 1982, U.S.C.A. for the Tenth Circuit.

First Bancorporation v. *Board of Governors,* filed April 1982, U.S.C.A. for the Tenth Circuit.

Charles G. Vick v. *Paul A. Volcker, et al.,* filed March 1982, U.S.D.C. for the District of Columbia.

Jolene Gustafson v. *Board of Governors,* filed March 1982, U.S.C.A. for the Fifth Circuit.

Edwin F. Gordon v. *Board of Governors, et al.,* filed October 1981, U.S.C.A. for the Eleventh Circuit (two consolidated cases).

Allen Wolfson v. *Board of Governors,* filed September 1981, U.S.D.C. for the Middle District of Florida.

Bank Stationers Association, Inc., et al. v. *Board of Governors,* filed July 1981, U.S.D.C. for the Northern District of Georgia.

Public Interest Bounty Hunters v. *Board of Governors, et al.,* filed June 1981, U.S.D.C. for the Northern District of Georgia.

First Bank & Trust Company v. *Board of Governors,* filed February 1981, U.S.D.C. for the Eastern District of Kentucky.

9 to 5 Organization for Women Office Workers v. *Board of Governors,* filed December 1980, U.S.D.C. for the District of Massachusetts.

Securities Industry Association v. *Board of Governors, et al.,* filed October 1980, U.S.C.A. for the District of Columbia.

A. G. Becker, Inc. v. *Board of Governors, et al.,* filed October 1980, U.S.C.A. for the District of Columbia.

A. G. Becker, Inc. v. *Board of Governors, et al.,* filed August 1980, U.S.C.A. for the District of Columbia.

Berkovitz, et al. v. *Government of Iran, et al.,* filed June 1980, U.S.D.C. for the Northern District of California.

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INTEREST AND EXCHANGE RATES

1.10 MONETARY AGGREGATES AND INTEREST RATES

Item	Monetary and credit aggregates (annual rates of change, seasonally adjusted in percent)[1]								
	1982	1983			1983				
	Q4	Q1	Q2	Q3	July	Aug.	Sept.	Oct.	Nov.
Reserves of depository institutions									
1 Total	11.8	4.1	12.4	4.7	6.0	−3.4	.7	−3.0	−6.9
2 Required	10.8	3.8	12.6	4.6	5.2	−1.5	−1.5r	−3.2	−7.8
3 Nonborrowed	13.6	3.5	6.2	1.8	12.4	−6.6	4.2	16.7	−9.1
4 Monetary base[2]	8.2	9.5	11.1	7.6	5.1	6.4	9.1	7.6	6.1
Concepts of money and liquid assets[3]									
5 M1	13.1	14.1	12.2	8.9	8.9	2.8	.9	1.9	.7
6 M2	9.3	20.3	10.1	7.8	6.8	6.0	4.8	9.1r	7.8
7 M3	9.5	10.2	8.1	8.3	5.5	8.6	7.4	8.3r	12.0
8 L	8.6	12.5r	9.5r	10.8r	11.5r	10.8r	n.a.	n.a.	n.a.
Time and savings deposits									
Commercial banks									
9 Total	5.3	14.2	3.0	6.1	6.6	5.7	6.0	3.1	13.8
10 Savings[4]	13.4	−43.4	−14.8	−6.8	−10.2	−11.2	−8.7	−10.5	−7.9
11 Small-denomination time[5]	−.5	−48.5	24.1	14.9	24.8	22.4	17.3	23.1	21.7
12 Large-denomination time[6]	−2.0	−53.9	−24.8	−8.5	−8.8	−2.9	−3.8	21.6	11.2
13 Thrift institutions[7]	6.2	12.1	16.0	13.7	14.6	13.5	12.5	13.1	11.3
14 Total loans and securities at commercial banks[8]	6.3	10.7	9.9	8.6	9.7	11.2	4.9	9.9	13.7
	Interest rates (levels, percent per annum)								
	1983				1983				
	Q1	Q2	Q3	Q4	Aug.	Sept.	Oct.	Nov.	Dec.
Short-term rates									
15 Federal funds[9]	8.65	8.80	9.46	9.43	9.56	9.45	9.48	9.34	9.47
16 Discount window borrowing[10]	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50
17 Treasury bills (3-month, secondary market)[11]	8.11	8.40	9.14	8.80	9.34	9.00	8.64	8.76	9.00
18 Commercial paper (3-month)[11,12]	8.34	8.62	9.34	9.21	9.54	9.24	8.99	9.10	9.53
Long-term rates									
Bonds									
19 U.S. government[13]	10.87	10.81	11.79	11.90	11.96	11.82	11.77	11.92	12.02
20 State and local government[14]	9.43	9.23	9.61	9.77	9.72	9.58	9.66	9.75	9.89
21 Aaa utility (new issue)[15]	11.89	11.46	12.39	12.51	12.25	12.53	12.43	12.64	12.62
22 Conventional mortgages[16]	13.26	13.16	13.83	13.47	13.90	13.60	13.52	13.48	13.41

1. Unless otherwise noted, rates of change are calculated from average amounts outstanding in preceding month or quarter.
2. Includes reserve balances at Federal Reserve Banks in the current week plus vault cash held two weeks earlier used to satisfy reserve requirements at all depository institutions plus currency outside the U.S. Treasury, Federal Reserve Banks, the vaults of depository institutions, and surplus vault cash at depository institutions.
3. M1: Averages of daily figures for (1) currency outside the Treasury, Federal Reserve Banks, and the vaults of commercial banks; (2) travelers checks of nonbank issuers; (3) demand deposits at all commercial banks other than those due to domestic banks, the U.S. government, and foreign banks and official institutions less cash items in the process of collection and Federal Reserve float; and (4) negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at banks and thrift institutions, credit union share draft (CUSD) accounts, and demand deposits at mutual savings banks.

M2: M1 plus money market deposit accounts (MMDAs), savings and small-denomination time deposits at all depository institutions, overnight repurchase agreements at commercial banks, overnight Eurodollars held by U.S. residents other than banks at Caribbean branches of member banks, and balances of money market mutual funds (general purpose and broker/dealer).

M3: M2 plus large-denomination time deposits at all depository institutions and term RPs at commercial banks and savings and loan associations and balances of institution-only money market mutual funds.

L: M3 plus other liquid assets such as term Eurodollars held by U.S. residents other than banks, bankers acceptances, commercial paper, Treasury bills and other liquid Treasury securities, and U.S. savings bonds.

4. Savings deposits exclude NOW and ATS accounts at commercial banks and thrifts and CUSD accounts at credit unions.
5. Small-denomination time deposits—including retail RPs—are those issued in amounts of less than $100,000.
6. Large-denomination time deposits are those issued in amounts of $100,000 or more.
7. Savings and loan associations, mutual savings banks, and credit unions.
8. Changes calculated from figures shown in table 1.23. Beginning December 1981, growth rates reflect shifts of foreign loans and securities from U.S. banking offices to international banking facilities.
9. Averages of daily effective rates (average of the rates on a given date weighted by the volume of transactions at those rates).
10. Rate for the Federal Reserve Bank of New York.
11. Quoted on a bank-discount basis.
12. Unweighted average of offering rates quoted by at least five dealers.
13. Market yields adjusted to a 20-year maturity by the U.S. Treasury.
14. *Bond Buyer* series for 20 issues of mixed quality.
15. 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.
16. Average rates on new commitments for conventional first mortgages on new homes in primary markets, unweighted and rounded to nearest 5 basis points, from Department of Housing and Urban Development.

NOTE. Revisions in reserves of depository institutions reflect the transitional phase-in of reserve requirements as specified in the Monetary Control Act of 1980.

1.11 RESERVES OF DEPOSITORY INSTITUTIONS, RESERVE BANK CREDIT

Millions of dollars

Factors	Monthly averages of daily figures			Weekly averages of daily figures for week ending						
	1983			1983						
	Oct.	Nov.	Dec.	Nov. 16	Nov. 23	Nov. 30	Dec. 7	Dec. 14	Dec. 21p	Dec. 28p
SUPPLYING RESERVE FUNDS										
1 **Reserve Bank credit outstanding**	**169,202**	**167,773r**	**171,531**	**168,222**	**168,623r**	**169,040**	**168,837**	**169,687**	**173,460**	**172,988**
2 U.S. government securities[1]	149,300	148,005	151,679	147,910	149,723	149,688	150,402	150,671	153,770	151,498
3 Bought outright	147,045	147,775	151,517	147,910	148,737	149,688	150,402	150,671	153,770	151,498
4 Held under repurchase agreements	2,255	230	162	0	986	0	0	0	0	0
5 Federal agency securities	8,936	8,762	8,673	8,729	8,935	8,659	8,647	8,646	8,645	8,645
6 Bought outright	8,734	8,714	8,646	8,729	8,730	8,659	8,647	8,646	8,645	8,645
7 Held under repurchase agreements	202	48	27	0	205	0	0	0	0	0
8 Acceptances	131	54	34	0	233	0	0	0	0	0
9 Loans	837	912r	748	1,021	813r	877r	438	629	1,059	757
10 Float	1,313	1,592r	2,127	2,012	1,095r	1,736r	1,343	1,583	1,684	3,610
11 Other Federal Reserve assets	8,685	8,448	8,270	8,551	7,824	8,081	8,008	8,159	8,301	8,479
12 Gold stock	11,127	11,123	11,123	11,123	11,123	11,123	11,123	11,123	11,123	11,123
13 Special drawing rights certificate account	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618
14 Treasury currency outstanding	13,786	13,786	13,786	13,786	13,786	13,786	13,786	13,786	13,786	13,786
ABSORBING RESERVE FUNDS										
15 Currency in circulation	162,578	165,317	168,284	165,634	165,646	166,430	166,612	167,713	168,295	169,685
16 Treasury cash holdings	475	481	471	484	483	479	474	473	473	471
Deposits, other than reserves, with Federal Reserve Banks										
17 Treasury	6,916	2,905	3,591	3,207	2,441	2,881	3,143	3,266	4,108	3,729
18 Foreign	216	238	220	235	239	258	221	197	237	224
19 Other	614	596	594	592	551	612	589	581	620	528
20 Service-related balances and adjustment	1,185	1,237	1,477	1,347	1,252r	1,237	1,254	1,484	1,504	1,351
21 Other Federal Reserve liabilities and capital	5,689	5,584	5,598	5,550	5,604	5,542	5,464	5,617	5,682	5,654
22 Reserve accounts[2]	21,059	20,943r	20,822	20,700	21,935r	21,127	20,605	19,883	22,067	20,873

Factors	End-of-month figures			Wednesday figures						
	1983			1983						
	Oct.	Nov.	Dec.	Nov. 16	Nov. 23	Nov. 30	Dec. 7	Dec. 14	Dec. 21	Dec. 28
SUPPLYING RESERVE FUNDS										
23 **Reserve Bank credit outstanding**	**165,267**	**168,481**	**172,460**	**167,698**	**171,750**	**168,481**	**169,694**	**171,971**	**174,928**	**174,318**
24 U.S. government securities[1]	146,096	149,439	151,942	147,158	151,512	149,439	149,545	150,055	152,379	152,570
25 Bought outright	146,096	149,439	150,558	147,158	151,512	149,439	149,545	150,055	152,379	152,570
26 Held under repurchase agreements	0	0	1,384	0	0	0	0	0	0	0
27 Federal agency securities	8,731	8,647	8,853	8,730	8,730	8,647	8,647	8,645	8,645	8,645
28 Bought outright	8,731	8,647	8,645	8,730	8,730	8,647	8,647	8,645	8,645	8,645
29 Held under repurchase agreements	0	0	208	0	0	0	0	0	0	0
30 Acceptances	0	0	418	0	0	0	0	0	0	0
31 Loans	387	1,059	918	1,534	1,489	1,059	491	2,431	1,132	1,311
32 Float	750	898	1,563	2,434	1,698	898	2,840	2,522	4,232	3,055
33 Other Federal Reserve assets	9,303	8,438	8,766	7,842	8,321	8,438	8,171	8,318	8,540	8,737
34 Gold stock	11,126	11,123	11,121	11,123	11,123	11,123	11,123	11,123	11,123	11,123
35 Special drawing rights certificate account	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618
36 Treasury currency outstanding	13,786	13,786	13,786	13,786	13,786	13,786	13,786	13,786	13,786	13,786
ABSORBING RESERVE FUNDS										
37 Currency in circulation	162,515	166,682	170,005	165,665	166,330	166,682	167,197	168,146	169,033	170,616
38 Treasury cash holdings	478	475	463	483	480	475	473	473	472	462
Deposits, other than reserves, with Federal Reserve Banks										
39 Treasury	4,841	2,896	3,661	3,315	2,689	2,896	4,162	2,839	4,621	3,636
40 Foreign	339	360	191	269	197	360	309	232	287	263
41 Other	749	610	845	572	553	610	579	540	531	597
42 Service-related balances and adjustment	956	983	1,013	984	986	983	1,004	1,018	1,023	1,018
43 Other Federal Reserve liabilities and capital	5,691	5,432	5,394	5,420	5,440	5,432	5,439	5,432	5,499	5,496
44 Reserve accounts[2]	19,227	20,569	20,413	20,517	24,602	20,569	20,057	22,817	22,989	21,756

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. Excludes required clearing balances.

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

1.12 RESERVES AND BORROWINGS Depository Institutions

Millions of dollars

Reserve classification	1981 Dec.	1982 Dec.	1983 May	June	July	Aug.	Sept.	Oct.	Nov.[p]	Dec.[p]
	Monthly averages of daily figures									
1 Reserve balances with Reserve Banks[1]	26,163	24,804	22,010	21,808	22,139	21,965	20,585	21,059	20,943	20,822
2 Total vault cash (estimated)	19,538	20,392	19,710	20,098	20,413	20,035	20,798	20,471	20,558	21,210
3 Vault cash at institutions with required reserve balances[2]	13,577	14,292	13,339	13,593	13,647	13,656	13,927	13,866	14,014	14,692
4 Vault cash equal to required reserves at other institutions	2,178	2,757	2,933	3,014	3,161	3,039	3,404	3,212	3,187	3,211
5 Surplus vault cash at other institutions[3]	3,783	3,343	3,438	3,491	3,605	3,340	3,467	3,393	3,357	3,307
6 Reserve balances + total vault cash[4]	45,701	45,196	41,720	41,906	42,552	42,000	41,383	41,530	41,501	42,032
7 Reserve balances + total vault cash used to satisfy reserve requirements[4,5]	41,918	41,853	38,282	38,415	38,947	38,660	37,916	38,137	38,144	38,725
8 Required reserves (estimated)	41,606	41,353	37,833	37,935	38,440	38,214	37,418	37,632	37,615	38,327
9 Excess reserve balances at Reserve Banks[4,6]	312	500	449	480	507	446	498	505	529	398
10 Total borrowings at Reserve Banks	642	697	902	1,714	1,382	1,573	1,441	837	912	748
11 Seasonal borrowings at Reserve Banks	53	33	98	121	172	198	191	142	119	96
12 Extended credit at Reserve Banks	149	187	514	964	572	490	515	255	6	2
	Weekly averages of daily figures for week ending									
	1983 Oct. 26	Nov. 2	Nov. 9	Nov. 16	Nov. 23	Nov. 30	Dec. 7	Dec. 14	Dec. 21[p]	Dec. 28[p]
13 Reserve balances with Reserve Banks[1]	22,028	20,689	20,081	20,700	21,935	21,127	20,605	19,883	22,067	20,873
14 Total vault cash (estimated)	19,676	20,910	20,949	20,956	19,190	21,036	20,929	20,348	20,357	21,362
15 Vault cash at institutions with required reserve balances[2]	13,737	14,175	14,014	13,936	13,650	14,409	14,355	14,715	14,516	14,975
16 Vault cash equal to required reserves at other institutions	2,867	3,337	3,341	3,397	2,672	3,298	3,216	3,843	2,862	3,168
17 Surplus vault cash at other institutions[3]	3,072	3,398	3,594	3,623	2,868	3,329	3,358	1,790	2,979	3,219
18 Reserve balances + total vault cash[4]	41,704	41,599	41,030	41,656	41,125	42,163	41,534	40,231	42,424	42,235
19 Reserve balances + total vault cash used to satisfy reserve requirements[4,5]	38,632	38,201	37,436	38,033	38,257	38,834	38,176	38,441	39,445	39,016
20 Required reserves (estimated)	38,178	37,827	36,856	37,388	37,958	38,198	37,671	37,954	38,749	38,540
21 Excess reserve balances at Reserve Banks[4,6]	454	374	580	645	299	636	505	487	696	476
22 Total borrowings at Reserve Banks	565	440	1,042	1,021	813	877	438	629	1,059	757
23 Seasonal borrowings at Reserve Banks	144	128	123	112	123	123	89	89	100	115
24 Extended credit at Reserve Banks	5	5	3	4	4	13	2	1	1	3

1. As of Aug. 13, 1981, excludes required clearing balances of all depository institutions.
2. Before Nov. 13, 1980, the figures shown reflect only the vault cash held by member banks.
3. Total vault cash at institutions without required reserve balances less vault cash equal to their required reserves.
4. 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 merged 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.
5. Reserve balances with Federal Reserve Banks, which exclude required clearing balances plus vault cash at institutions with required reserve balances plus vault cash equal to required reserves at other institutions.
6. Reserve balances with Federal Reserve Banks, which exclude required clearing balances plus vault cash used to satisfy reserve requirements less required reserves. (This measure of excess reserves is comparable to the old excess reserve concept published historically.)

1.13 FEDERAL FUNDS AND REPURCHASE AGREEMENTS Large Member Banks[1]

Averages of daily figures, in millions of dollars

By maturity and source	1983, week ending Wednesday Nov. 2	Nov. 9	Nov. 16	Nov. 23	Nov. 30	Dec. 7	Dec. 14	Dec. 21	Dec. 28
One day and continuing contract									
1 Commercial banks in United States	57,632	62,938	61,398	58,521	56,874[r]	63,144	60,397	57,272	55,384
2 Other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies	24,771	25,933	25,820	25,938	24,783	25,258	24,655	23,800	21,435
3 Nonbank securities dealers	5,476	5,573	5,668	5,294	4,792	5,174	5,479	5,577	5,382
4 All other	26,346	25,643	26,210	25,907	23,464	26,838	26,580	26,514	23,791
All other maturities									
5 Commercial banks in United States	5,728	6,768	6,571	6,328	6,917	6,034	6,314	6,348	6,464
6 Other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies	8,484	9,505	9,194	9,509	10,040	9,889	10,242	9,835	10,095
7 Nonbank securities dealers	6,433	7,353	7,446	7,427	7,564	6,724	6,740	6,826	6,786
8 All other	9,453	9,932	9,901	10,934	13,546	10,359	10,069	8,795	12,788
MEMO: Federal funds and resale agreement loans in maturities of one day or continuing contract									
9 Commercial banks in United States	24,825	25,385	24,614	23,948	23,504	25,143	23,381	22,443	22,921
10 Nonbank securities dealers	4,933	4,857	5,022	5,428	4,286	4,514	4,712	4,634	4,319

1. Banks with assets of $1 billion or more as of Dec. 31, 1977.

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per annum

Current and previous levels

Federal Reserve Bank	Short-term adjustment credit and seasonal credit			Extended credit[1]						
				First 60 days of borrowing		Next 90 days of borrowing		After 150 days		Effective date for current rates
	Rate on 12/31/83	Effective date	Previous rate	Rate on 12/31/83	Previous rate	Rate on 12/31/83	Previous rate	Rate on 12/31/83	Previous rate	
Boston	8½	12/14/82	9	8½	9	9½	10	10½	11	12/14/82
New York		12/15/82								12/15/82
Philadelphia		12/17/82								12/17/82
Cleveland		12/15/82								12/15/82
Richmond		12/15/82								12/15/82
Atlanta		12/14/82								12/14/82
Chicago		12/14/82								12/14/82
St. Louis		12/14/82								12/14/82
Minneapolis		12/14/82								12/14/82
Kansas City		12/15/82								12/15/82
Dallas		12/14/82								12/14/82
San Francisco	8½	12/14/82	9	8½	9	9½	10	10½	11	12/14/82

Range of rates in recent years[2]

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1973	7½	7½
1974— Apr. 25	7½–8	8
30	8	8
Dec. 9	7¾–8	7¾
16	7¾	7¾
1975— Jan. 6	7¼–7¾	7¾
10	7¼–7¾	7¼
24	7¼	7¼
Feb. 5	6¾–7¼	6¾
7	6¾	6¾
Mar. 10	6¼–6¾	6¼
14	6¼	6¼
May 16	6–6¼	6
23	6	6
1976— Jan. 19	5½–6	5½
23	5½	5½
Nov. 22	5¼–5½	5¼
26	5¼	5¼
1977— Aug. 30	5¼–5¾	5¼
31	5¼–5¾	5¾
Sept. 2	5¾	5¾
Oct. 26	6	6
1978— Jan. 9	6–6½	6½
20	6½	6½
May 11	6½–7	7
12	7	7

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
1978— July 3	7–7¼	7¼
10	7¼	7¼
Aug. 21	7¾	7¾
Sept. 22	8	8
Oct. 16	8–8½	8½
20	8½	8½
Nov. 1	8½–9½	9½
3	9½	9½
1979— July 20	10	10
Aug. 17	10–10½	10½
20	10½	10½
Sept. 19	10½–11	11
21	11	11
Oct. 8	11–12	12
10	12	12
1980— Feb. 15	12–13	13
19	13	13
May 29	12–13	13
30	12	12
June 13	11–12	11
16	11	11
July 28	10–11	10
29	10	10
Sept. 26	11	11
Nov. 17	12	12
Dec. 5	12–13	13
8	13	13

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
1981— May 5	13–14	14
8	14	14
Nov. 2	13–14	13
6	13	13
Dec. 4	12	12
1982— July 20	11½–12	11½
23	11½	11½
Aug. 2	11–11½	11
3	11	11
16	10½	10½
27	10–10½	10
30	10	10
Oct. 12	9½–10	9½
13	9½	9½
Nov. 22	9–9½	9
26	9	9
Dec. 14	8½–9	9
15	8½–9	8½
17	8½	8½
In effect Dec. 31, 1983	8½	8½

1. Applicable to advances when exceptional circumstances or practices involve only a particular depository institution and to advances when an institution is under sustained liquidity pressures. See section 201.3(b)(2) of Regulation A.

2. Rates for short-term adjustment credit. 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, 1970–1979, 1980,* and *1981.*

In 1980 and 1981, the Federal Reserve applied a surcharge to short-term adjustment credit borrowings by institutions with deposits of $500 million or more that had borrowed in successive weeks or in more than 4 weeks in a calendar quarter. A 3 percent surcharge was in effect from Mar. 17, 1980, through May 7, 1980. There was no surcharge until Nov. 17, 1980, when a 2 percent surcharge was adopted; the surcharge was subsequently raised to 3 percent on Dec. 5, 1980, and to 4 percent on May 5, 1981. The surcharge was reduced to 3 percent effective Sept. 22, 1981, and to 2 percent effective Oct. 12. As of Oct. 1, the formula for applying the surcharge was changed from a calendar quarter to a moving 13-week period. The surcharge was eliminated on Nov. 17, 1981.

1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS[1]

Percent of deposits

Type of deposit, and deposit interval	Member bank requirements before implementation of the Monetary Control Act	
	Percent	Effective date
Net demand[2]		
$0 million–$2 million	7	12/30/76
$2 million–$10 million	9½	12/30/76
$10 million–$100 million	11¾	12/30/76
$100 million–$400 million	12¾	12/30/76
Over $400 million	16¼	12/30/76
Time and savings[2,3]		
Savings	3	3/16/67
Time[4]		
$0 million–$5 million, by maturity		
30–179 days	3	3/16/67
180 days to 4 years	2½	1/8/76
4 years or more	1	10/30/75
Over $5 million, by maturity		
30–179 days	6	12/12/74
180 days to 4 years	2½	1/8/76
4 years or more	1	10/30/75

Type of deposit, and deposit interval[5]	Depository institution requirements after implementation of the Monetary Control Act[6]	
	Percent	Effective date
Net transaction accounts[7,8]		
$0–$28.9 million	3	12/29/83
Over $28.9 million	12	12/29/83
Nonpersonal time deposits[9]		
By original maturity		
Less than 1½ years	3	10/6/83
1½ years or more	0	10/6/83
Eurocurrency liabilities		
All types	3	11/13/80

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. Under provisions of the Monetary Control Act, depository institutions include commercial banks, mutual savings banks, savings and loan associations, credit unions, agencies and branches of foreign banks, and Edge Act corporations.

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

The Federal Reserve Act as amended through 1978 specified different ranges of requirements for reserve city banks and for other banks. Reserve cities were designated under a criterion adopted effective Nov. 9, 1972, by which a bank having net demand deposits of more than $400 million was considered to have the character of business of a reserve city bank. The presence of the head office of such a bank constituted designation of that place as a reserve city. Cities in which there were Federal Reserve Banks or branches were also reserve cities. Any banks having net demand deposits of $400 million or less were considered to have the character of business of banks outside of reserve cities and were permitted to maintain reserves at ratios set for banks not in reserve cities.

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 of borrowings from unrelated banks abroad was also reduced to zero from 4 percent.

Effective with the reserve computation period beginning Nov. 16, 1978, domestic deposits of Edge corporations were 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 were subject to the same requirements as savings deposits.

The average reserve requirement on savings and other time deposits before implementation of the Monetary Control Act had to be at least 3 percent, the minimum specified by law.

4. 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. This supplementary requirement was eliminated with the maintenance period beginning July 24, 1980.

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. This marginal requirement was increased to 10 percent beginning Apr. 3, 1980, was decreased to 5 percent beginning June 12, 1980, and was eliminated beginning July 24, 1980. 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 was originally the greater of (a) $100 million or (b) 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 reserve computation periods ending Sept. 26, 1979. For the computation period beginning Mar. 20, 1980, the base was lowered by (a) 7 percent or (b) the decrease in an institution's U.S. office gross loans to foreigners and gross balances due from foreign offices of other institutions between the base period (Sept. 13–26, 1979) and the week ending Mar. 12, 1980, whichever was greater. For the computation period beginning May 29, 1980, the base was increased by 7½ percent above the base used to calculate the marginal reserve in the statement week of May 14–21, 1980. In addition, beginning Mar. 19, 1980, the base was reduced to the extent that foreign loans and balances declined.

5. The Garn–St Germain Depository Institutions Act of 1982 (Public Law 97–320) provides that $2 million of reservable liabilities (transaction accounts, nonpersonal time deposits, and Eurocurrency liabilities) of each depository institution be subject to a zero percent reserve requirement. The Board is to adjust the amount of reservable liabilities subject to this zero percent reserve requirement each year for the next succeeding calendar year by 80 percent of the percentage increase in the total reservable liabilities of all depository institutions, measured on an annual basis as of June 30. No corresponding adjustment is to be made in the event of a decrease. Effective Dec. 9, 1982, the amount of the exemption was established at $2.1 million. Effective with the reserve maintenance period beginning Jan. 12, 1984, the amount of the exemption is $2.2 million. In determining the reserve requirements of a depository institution, the exemption shall apply in the following order: (1) nonpersonal money market deposit accounts (MMDAs) authorized under 12 CFR section 1204.122; (2) net NOW accounts (NOW accounts less allowable deductions); (3) net other transaction accounts; and (4) nonpersonal time deposits or Eurocurrency liabilities starting with those with the highest reserve ratio. With respect to NOW accounts and other transaction accounts, the exemption applies only to such accounts that would be subject to a 3 percent reserve requirement.

6. For nonmember banks and thrift institutions that were not members of the Federal Reserve System on or after July 1, 1979, a phase-in period ends Sept. 3, 1987. For banks that were members on or after July 1, 1979, but withdrew on or before Mar. 31, 1980, the phase-in period established by Public Law 97–320 ends on Oct. 24, 1985. For existing member banks the phase-in period is about three years, depending on whether their new reserve requirements are greater or less than the old requirements. All new institutions will have a two-year phase-in beginning with the date that they open for business, except for those institutions that have total reservable liabilities of $50 million or more.

7. Transaction accounts include all deposits on which the account holder is permitted to make withdrawals by negotiable or transferable instruments, payment orders of withdrawal, and telephone and preauthorized transfers (in excess of three per month) for the purpose of making payments to third persons or others. However, MMDAs and similar accounts offered by institutions not subject to the rules of the Depository Institutions Deregulation Committee (DIDC) that permit no more than six preauthorized, automatic, or other transfers per month of which no more than three can be checks—are not transaction accounts (such accounts are savings deposits subject to time deposit reserve requirements.)

8. The Monetary Control Act of 1980 requires that the amount of transaction accounts against which the 3 percent reserve requirement applies be modified annually by 80 percent of the percentage increase in transaction accounts held by all depository institutions determined as of June 30 each year. Effective Dec. 31, 1981, the amount was increased accordingly from $25 million to $26 million; and effective Dec. 30, 1982, to $26.3 million; and effective Dec. 29, 1983, to $28.9 million.

9. In general, nonpersonal time deposits are time deposits, including savings deposits, that are not transaction accounts and in which a beneficial interest is held by a depositor that is not a natural person. Also included are certain transferable time deposits held by natural persons, and certain obligations issued to depository institution offices located outside the United States. For details, see section 204.2 of Regulation D.

NOTE. Required reserves must be held in the form of deposits with Federal Reserve Banks or vault cash. Nonmembers may maintain reserve balances with a Federal Reserve Bank indirectly on a pass-through basis with certain approved institutions.

1.16 MAXIMUM INTEREST RATES PAYABLE on Time and Savings Deposits at Federally Insured Institutions[1]

Percent per annum

Type of deposit	Commercial banks		Savings and loan associations and mutual savings banks (thrift institutions)[1]	
	In effect Dec. 31, 1983		In effect Dec. 31, 1983	
	Percent	Effective date	Percent	Effective date
1 Savings	5¼	7/1/79	5½	7/1/79
2 Negotiable order of withdrawal accounts	5¼	12/31/80	5¼	12/31/80
3 Negotiable order of withdrawal accounts of $2,500 or more[2]	....	1/5/83	....	1/5/83
4 Money market deposit account[2]	............[3]	12/14/82	............[3]	12/14/82
Time accounts by maturity				
5 7–31 days of less than $2,500[4]	5¼	9/1/82	5½	9/1/82
6 7–31 days of $2,500 or more[2]	....	1/5/83	....	1/5/83
7 More than 31 days	....	10/1/83	....	10/1/83

1. Effective Oct. 1, 1983, restrictions on the maximum rates of interest payable by commercial banks and thrift institutions on various categories of deposits were removed. For information regarding previous interest rate ceilings on all categories 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* before November 1983.
2. Effective Dec. 1, 1983, IRA/Keogh (HR10) Plan accounts are not subject to minimum deposit requirements.
3. Effective Dec. 14, 1982, depository institutions are authorized to offer a new account with a required initial balance of $2,500 and an average maintenance balance of $2,500 not subject to interest rate restrictions. No minimum maturity period is required for this account, but depository institutions must reserve the right to require seven days notice before withdrawals. When the average balance is less than $2,500, the account is subject to the maximum ceiling rate of interest for NOW accounts; compliance with the average balance requirement may be determined over a period of one month. Depository institutions may not guarantee a rate of interest for this account for a period longer than one month or condition the payment of a rate on a requirement that the funds remain on deposit for longer than one month.
4. Deposits of less than $2,500 issued to governmental units continue to be subject to an interest rate ceiling of 8 percent.

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS

Millions of dollars

Type of transaction	1980	1981	1982	1983						
				May	June	July	Aug.	Sept.	Oct.	Nov.
U.S. GOVERNMENT SECURITIES										
Outright transactions (excluding matched transactions)										
Treasury bills										
1 Gross purchases	7,668	13,899	17,067	516	1,721	666	1,768	3,184	309	1,435
2 Gross sales	7,331	6,746	8,369	0	0	0	289	214	0	0
3 Exchange	0	0	0	0	0	0	0	0	0	0
4 Redemptions	3,389	1,816	3,000	0	0	0	0	500	0	700
Others within 1 year										
5 Gross purchases	912	317	312	173	0	156	0	0	0	155
6 Gross sales	0	23	0	0	0	0	0	0	0	0
7 Maturity shift	12,427	13,794	17,295	1,795	1,398	1,162	2,212	902	529	2,828
8 Exchange	−18,251	−12,869	−14,164	−1,842	−916	0	−5,344	−753	−636	−2,930
9 Redemptions	0	0	0	0	87	0	0	0	0	0
1 to 5 years										
10 Gross purchases	2,138	1,702	1,797	595	0	481	0	0	0	820
11 Gross sales	0	0	0	0	0	0	0	0	0	0
12 Maturity shift	−8,909	−10,299	−14,524	−41	−1,398	−1,121	−2,212	−902	−256	−1,689
13 Exchange	13,412	10,117	11,804	1,367	916	0	3,130	753	636	1,796
5 to 10 years										
14 Gross purchases	703	393	388	326	0	215	0	0	0	349
15 Gross sales	0	0	0	0	0	0	0	0	0	0
16 Maturity shift	−3,092	−3,495	−2,172	−1,754	0	−41	516	0	−273	−980
17 Exchange	2,970	1,500	2,128	300	0	0	1,300	0	0	700
Over 10 years										
18 Gross purchases	811	379	307	108	0	124	0	0	0	151
19 Gross sales	0	0	0	0	0	0	0	0	0	0
20 Maturity shift	−426	0	−601	0	0	0	−516	0	0	−159
21 Exchange	1,869	1,253	234	175	0	0	914	0	0	434
All maturities										
22 Gross purchases	12,232	16,690	19,870	1,719	1,721	1,642	1,768	3,184	309	2,909
23 Gross sales	7,331	6,769	8,369	0	0	0	289	214	0	0
24 Redemptions	3,389	1,816	3,000	0	87	0	0	500	0	700
Matched transactions										
25 Gross sales	674,000	589,312	543,804	43,404	50,086	40,934	45,989	48,193	53,751	56,858
26 Gross purchases	675,496	589,647	543,173	45,001	47,783	43,037	44,480	47,667	53,367	57,991
Repurchase agreements										
27 Gross purchases	113,902	79,920	130,774	0	7,891	7,816	2,263	37,211	19,247	3,257
28 Gross sales	113,040	78,733	130,286	3,687	6,730	8,978	0	30,223	28,499	3,257
29 Net change in U.S. government securities	3,869	9,626	8,358	−371	493	2,583	2,234	8,933	−9,326	3,342
FEDERAL AGENCY OBLIGATIONS										
Outright transactions										
30 Gross purchases	668	494	0	0	0	0	0	0	0	0
31 Gross sales	0	0	0	0	0	0	0	0	0	0
32 Redemptions	145	108	189	*	17	10	138	5	6	84
Repurchase agreements										
33 Gross purchases	28,895	13,320	18,957	0	678	558	189	2,871	1,960	497
34 Gross sales	28,863	13,576	18,638	248	463	773	0	2,510	2,510	497
35 Net change in federal agency obligations	555	130	130	−248	198	−225	51	356	−557	−84
BANKERS ACCEPTANCES										
36 Repurchase agreements, net	73	−582	1,285	−704	203	−203	209	913	−1,122	0
37 **Total net change in System Open Market Account**	**4,497**	**9,175**	**9,773**	**−1,322**	**893**	**2,155**	**2,493**	**10,203**	**−11,005**	**3,258**

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					End of month		
	1983					1983		
	Nov. 30	Dec. 7	Dec. 14	Dec. 21	Dec. 28	Oct.	Nov.	Dec.
	Consolidated condition statement							
ASSETS								
1 Gold certificate account	11,123	11,123	11,123	11,123	11,123	11,126	11,123	11,121
2 Special drawing rights certificate account	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618
3 Coin	428	433	439	416	409	468	428	415
Loans								
4 To depository institutions	1,059	491	2,431	1,132	1,311	387	1,059	918
5 Other	0	0	0	0	0	0	0	0
Acceptances—Bought outright								
6 Held under repurchase agreements	0	0	0	0	0	0	0	418
Federal agency obligations								
7 Bought outright	8,647	8,647	8,645	8,645	8,645	8,731	8,647	8,645
8 Held under repurchase agreements	0	0	0	0	0	0	0	208
U.S. government securities								
Bought outright								
9 Bills	64,691	64,797	65,307	67,631	67,822	62,823	64,691	65,810
10 Notes	63,934	63,934	63,934	63,934	63,934	63,044	63,934	63,934
11 Bonds	20,814	20,814	20,814	20,814	20,814	20,229	20,814	20,814
12 Total bought outright[1]	149,439	149,545	150,055	152,379	152,570	146,096	149,439	150,558
13 Held under repurchase agreements	0	0	0	0	0	0	0	1,384
14 Total U.S. government securities	149,439	149,545	150,055	152,379	152,570	146,096	149,439	151,942
15 **Total loans and securities**	**159,145**	**158,683**	**161,131**	**162,156**	**162,526**	**155,214**	**159,145**	**162,131**
16 Cash items in process of collection	8,947	10,141	10,191	11,983	11,877	6,792	8,947	9,708
17 Bank premises	551	552	553	551	551	553	551	547
Other assets								
18 Denominated in foreign currencies[2]	3,867	3,714	3,729	3,730	3,735	3,763	3,867	3,688
19 All other[3]	4,020	3,905	4,036	4,259	4,451	4,987	4,020	4,531
20 **Total assets**	**192,699**	**193,169**	**195,820**	**198,836**	**199,290**	**187,521**	**192,699**	**196,759**
LIABILITIES								
21 Federal Reserve notes	153,800	154,318	155,273	156,135	157,702	149,676	153,800	157,097
Deposits								
22 To depository institutions	21,581	21,102	23,860	24,047	22,813	20,227	21,581	21,446
23 U.S. Treasury—General account	2,896	4,162	2,839	4,621	3,636	4,841	2,896	3,661
24 Foreign—Official accounts	360	309	232	287	263	339	360	191
25 Other	581	538	515	496	558	705	581	825
26 **Total deposits**	**25,418**	**26,111**	**27,446**	**29,451**	**27,270**	**26,112**	**25,418**	**26,123**
27 Deferred availability cash items	8,049	7,301	7,669	7,751	8,822	6,042	8,049	8,145
28 Other liabilities and accrued dividends[4]	2,369	2,223	2,212	2,271	2,266	2,270	2,369	2,464
29 **Total liabilities**	**189,636**	**189,953**	**192,600**	**195,608**	**196,060**	**184,100**	**189,636**	**193,829**
CAPITAL ACCOUNTS								
30 Capital paid in	1,458	1,459	1,461	1,464	1,465	1,447	1,458	1,465
31 Surplus	1,359	1,359	1,359	1,359	1,359	1,359	1,359	1,465
32 Other capital accounts	246	398	400	405	406	615	246	0
33 **Total liabilities and capital accounts**	**192,699**	**193,169**	**195,820**	**198,836**	**199,290**	**187,521**	**192,699**	**196,759**
34 MEMO: Marketable U.S. government securities held in custody for foreign and international account	111,906	111,880	113,454	113,897	112,846	112,181	111,906	114,619
	Federal Reserve note statement							
35 Federal Reserve notes outstanding	178,700	179,371	179,869	179,612	179,111	175,946	178,700	178,875
36 LESS: Held by bank[5]	24,900	25,053	24,596	23,477	21,497	26,270	24,900	21,778
37 Federal Reserve notes, net	153,800	154,318	155,273	156,135	157,614	149,676	153,800	157,097
Collateral held against notes net:								
38 Gold certificate account	11,123	11,123	11,123	11,123	11,123	11,126	11,123	11,121
39 Special drawing rights certificate account	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618
40 Other eligible assets	0	0	0	0	0	0	0	0
41 U.S. government and agency securities	138,059	138,577	139,532	140,394	141,873	133,932	138,059	141,358
42 **Total collateral**	**153,800**	**154,318**	**155,273**	**156,135**	157,614	**149,676**	**153,800**	**157,097**

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. Includes U.S. government securities held under repurchase agreement against receipt of foreign currencies and foreign currencies warehoused for the U.S. Treasury. Assets shown in this line are revalued monthly at market exchange rates.
3. Includes special investment account at Chicago of Treasury bills maturing within 90 days.
4. Includes exchange-translation account reflecting the monthly revaluation at market exchange rates of foreign-exchange commitments.
5. Beginning September 1980, Federal Reserve notes held by the Reserve Bank are exempt from the collateral requirement.

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holdings

Millions of dollars

Type and maturity groupings	Wednesday					End of month		
	1983					1983		
	Nov. 30	Dec. 7	Dec. 14	Dec. 21	Dec. 28	Oct. 31	Nov. 30	Dec. 30
1 Loans—Total	1,059	491	2,431	1,132	1,131	387	1,059	918
2 Within 15 days	1,018	380	2,283	984	1,196	317	1,018	881
3 16 days to 90 days	41	100	137	147	114	34	41	37
4 91 days to 1 year	0	11	11	1	1	36	0	0
5 Acceptances—Total	0	0	0	0	0	0	0	418
6 Within 15 days	0	0	0	0	0	0	0	418
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—Total	149,439	149,545	150,055	152,379	152,570	146,096	149,439	151,942
10 Within 15 days[1]	7,873	6,175	6,826	7,390	7,216	5,528	7,873	2,700
11 16 days to 90 days	32,493	33,337	33,223	33,703	35,659	30,965	32,493	38,247
12 91 days to 1 year	43,553	44,513	44,486	45,766	44,175	45,505	43,553	45,475
13 Over 1 year to 5 years	34,021	34,021	34,021	34,021	34,021	33,093	34,021	34,021
14 Over 5 years to 10 years	13,485	13,485	13,485	13,485	13,485	13,416	13,485	13,485
15 Over 10 years	18,014	18,014	18,014	18,014	18,014	17,589	18,014	18,014
16 Federal agency obligations—Total	8,647	8,647	8,645	8,645	8,645	8,731	8,647	8,853
17 Within 15 days[1]	120	52	61	189	178	133	120	386
18 16 days to 90 days	671	773	771	643	598	638	671	598
19 91 days to 1 year	1,799	1,770	1,868	1,868	1,937	1,859	1,799	1,937
20 Over 1 year to 5 years	4,331	4,327	4,219	4,219	4,196	4,353	4,331	4,196
21 Over 5 years to 10 years	1,323	1,323	1,323	1,323	1,333	1,230	1,323	1,333
22 Over 10 years	403	402	403	403	403	518	403	403

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

1.20 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE

Billions of dollars, averages of daily figures

Item	1979 Dec.	1980 Dec.	1981 Dec.	1982 Dec.	1983 Apr.	1983 May	1983 June	1983 July	1983 Aug.	1983 Sept.	1983 Oct.	1983 Nov.
	Seasonally adjusted											
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[1]												
1 **Total reserves[2]**	**30.71**	**32.46**	**33.75**	**36.23**	**37.15**	**37.13**	**37.61**	**37.80**	**37.69**	**37.72**	**37.62**	**37.41**
2 Nonborrowed reserves	29.24	30.77	33.11	35.60	36.14	36.18	35.98	36.35	36.15	36.28	36.78	36.50
3 Required reserves	30.38	31.94	33.43	35.73	36.68	36.68	37.13	37.29	37.25	37.22	37.12	36.88
4 Monetary base[3]	139.3	151.1	158.8	171.1	177.3	178.8	180.3	181.1	182.1	183.4	184.6r	185.5
	Not seasonally adjusted											
5 **Total reserves[2]**	**31.26**	**33.4**	**34.61**	**36.96**	**36.91**	**36.64**	**36.79**	**37.34**	**37.06**	**37.39**	**37.68**	**37.65**
6 Nonborrowed reserves	29.79	31.72	33.98	36.33	35.90	35.69	35.15	35.89	35.52	35.95	37.84	36.79
7 Required reserves	30.93	32.89	34.29	36.46	36.44	36.19	36.31	36.83	36.62	36.89	37.18	37.17
8 Monetary base[3]	141.5	154.4	161.9	174.4	176.3	177.8	179.6	181.7	181.8	182.9	184.4r	186.7
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[4]												
9 **Total reserves[2]**	**43.91**	**40.66**	**41.92**	**41.85**	**38.65**	**38.28**	**38.42**	**38.95**	**38.66**	**37.92**	**38.14**	**38.14**
10 Nonborrowed reserves	42.43	38.97	41.29	41.22	37.64	37.33	36.78	37.50	37.12	36.48	37.29	37.24
11 Required reserves	43.58	40.15	41.60	41.35	38.17	37.83	37.93	38.44	38.21	37.42	37.63	37.62
12 Monetary base[3]	156.1	162.5	169.7	179.3	178.4	179.8	181.6	183.7	183.8	183.5	184.9r	187.6

1. Reserve aggregates include required reserves of member banks and Edge Act corporations and other depository institutions. Discontinuities associated with the implementation of the Monetary Control Act, the inclusion of Edge Act corporation reserves, and other changes in Regulation D have been removed.

2. Reserve balances with Federal Reserve Banks plus vault cash at institutions with required reserve balances plus vault cash equal to required reserves at other institutions.

3. Consists of reserve balances and service-related balances and adjustments at Federal Reserve Banks in the current week plus vault cash held two weeks earlier used to satisfy reserve requirements at all depository institutions plus currency outside the U.S. Treasury, Federal Reserve Banks, the vaults of depository institutions, and surplus vault cash at depository institutions.

4. Reserves of depository institutions series reflect actual reserve requirement percentages with no adjustments to eliminate the effect of changes in Regulation D including changes associated with the implementation of the Monetary Control Act. Includes required reserves of member banks and Edge Act corporations and beginning Nov. 13, 1980, other depository institutions. Under the transitional phase-in program of the Monetary Control Act of 1980, the net changes in required reserves of depository institutions have been as follows: Effective Nov. 13, 1980, a reduction of \$2.9 billion; Feb. 12, 1981, an increase of \$245 million; Mar. 12, 1981, an increase of \$75 million; May 14, 1981, an increase of \$245 million; Sept. 3, 1981, a reduction of \$1.1 billion; Nov. 12, 1981, an increase of \$210 million; Jan. 14, 1982, a reduction of \$60 million; Feb. 11, 1982 an increase of \$170 million; Mar. 4, 1982, an estimated reduction of \$2.0 billion; May 13, 1982, an estimated increase of \$150 million; Aug. 12, 1982 an estimated increase of \$140 million; and Sept. 2, 1982, an estimated reduction of \$1.2 billion; Oct. 28, 1982 an estimated reduction of \$100 million; Dec. 23, 1982 an estimated reduction of \$800 million; Mar. 3, 1983 an estimated reduction of \$1.9 billion; and Sept. 1, 1983, an estimated reduction of \$1.2 billion beginning with the week ended Dec. 23, 1981, reserve aggregates have been reduced by shifts of reservable liabilities to IBFs. On the basis of reports of liabilities transferred to IBFs by U.S. commercial banks and U.S. agencies and branches of foreign banks, it is estimated that required reserves were lowered on average by \$60 million to \$90 million in December 1981 and \$180 million to \$230 million in January 1982, mostly reflecting a reduction in reservable Eurocurrency transactions. Also, beginning with the week ending Apr. 20, 1983, required reserves were reduced an estimated \$80 million as a result of the elimination of reserve requirements on nonpersonal time deposits with maturities of 2½ years or more to less than 3½ years.

NOTE. Latest monthly and weekly figures are available from the Board's H.3(502) statistical release. Back data and estimates of the impact on required reserves and changes in reserve requirements are available from the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

1.21 MONEY STOCK MEASURES AND COMPONENTS

Billions of dollars, averages of daily figures

Item	1979 Dec.	1980 Dec.	1981 Dec.	1982 Dec.	1983 Aug.	1983 Sept.	1983 Oct.	1983 Nov.
	Seasonally adjusted							
MEASURES[1]								
1 M1	389.0	414.1	440.6	478.2	516.7	517.1	517.9	518.2
2 M2	1,497.5	1,630.3	1,794.9	1,959.5	2,136.9	2,145.4	2,161.7r	2,175.7
3 M3	1,758.4	1,936.7	2,167.9	2,377.6	2,528.3	2,543.8r	2,561.4r	2,587.1
4 L[2]	2,131.8	2,343.6	2,622.0	2,896.8	3,115.6r	n.a.	n.a.	n.a.
SELECTED COMPONENTS								
5 Currency	106.5	116.2	123.2	132.8	141.8	143.0	144.2	145.3
6 Travelers checks[3]	3.7	4.1	4.5	4.2	4.7	4.7	4.8	4.8
7 Demand deposits	262.0	266.8	236.4	239.8	244.5	243.4	242.9	241.6
8 Other checkable deposits[4]	17.0	26.9	76.6	101.3	125.8	126.0	126.0	126.5
9 Savings deposits[5]	423.1	400.7	344.4	359.3	322.1	320.6	318.8	316.4
10 Small-denomination time deposits[6]	635.9	731.7	828.6	859.1	748.0	757.7	771.0	785.6
11 Large-denomination time deposits[7]	222.2	258.9	302.6	333.8	311.6	317.7r	319.9r	324.9
	Not seasonally adjusted							
MEASURES[1]								
12 M1	398.8	424.7	452.1	491.0	511.6	514.1	519.5	523.8
13 M2	1,502.1	1,635.0	1,799.6	1,964.5	2,129.2	2,137.2r	2,160.7r	2,175.5
14 M3	1,766.1	1,944.9	2,175.9	2,385.3	2,519.3	2,534.6r	2,560.0	2,586.7
15 L[2]	2,138.9	2,350.8	2,629.7	2,904.7	3,102.3r	n.a.	n.a.	n.a.
SELECTED COMPONENTS								
16 Currency	108.2	118.3	125.4	135.2	142.1	142.6	143.9	146.1
17 Travelers checks[3]	3.5	3.9	4.3	4.0	5.1	5.0	4.8	4.6
18 Demand deposits	270.1	275.2	244.0	247.7	241.3	242.1	244.4	244.7
19 Other checkable deposits[4]	17.0	27.2	78.4	104.0	123.0	124.5	126.4	128.4
20 Overnight RPs and Eurodollars[8]	21.2	28.4	36.1	44.3	52.1r	53.0	56.5r	55.2
21 Savings deposits[5]	420.7	398.3	342.1	356.7	321.5	318.2	318.0	313.8
22 Money market deposit accounts	n.a.	n.a.	n.a.	43.2	366.3	366.9	367.4	369.1
23 Small-denomination time deposits[6]	633.1	728.3	824.1	853.9	746.0	754.8	769.3	782.5
Money market mutual funds								
24 General purpose and broker/dealer	33.4	61.4	150.9	182.2r	139.1	137.6	137.8	138.7
25 Institution only	9.5	14.9	36.0	47.6r	38.4	39.1	39.9	40.6
26 Large-denomination time deposits[7]	226.0	262.4	305.9	336.5	310.3	316.7r	319.5	324.8

1. Composition of the money stock measures is as follows:
M1: Averages of daily figures for (1) currency outside the Treasury, Federal Reserve Banks, and the vaults of commercial banks; (2) travelers checks of nonbank issuers; (3) demand deposits at all commercial banks other than those due to domestic banks, the U.S. government, and foreign banks and official institutions less cash items in the process of collection and Federal Reserve float; and (4) negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at banks and thrift institutions, credit union share draft (CUSD) accounts, and demand deposits at mutual savings banks.
M2: M1 plus money market deposit accounts, savings and small-denomination time deposits at all depository institutions, overnight repurchase agreements at commercial banks, overnight Eurodollars held by U.S. residents other than banks at Caribbean branches of member banks and balances of money market mutual funds (general purpose and broker/dealer).
M3: M2 plus large-denomination time deposits at all depository institutions, term RPs at commercial banks and savings and loan associations, and balances of institution-only money market mutual funds.
2. L: M3 plus other liquid assets such as term Eurodollars held by U.S. residents other than banks, bankers acceptances, commercial paper, Treasury bills and other liquid Treasury securities, and U.S. savings bonds.
3. Outstanding amount of U.S. dollar-denominated travelers checks of nonbank issuers.
4. Includes ATS and NOW balances at all institutions, credit union share draft balances, and demand deposits at mutual savings banks.
5. Excludes NOW and ATS accounts at commercial banks and thrift institutions and CUSDs at credit unions and all money market deposit accounts (MMDAs).
6. Issued in amounts of less than $100,000 and includes retail RPs.
7. Issued in amounts of $100,000 or more and are net of the holdings of domestic banks, thrift institutions, the U.S. government, money market mutual funds, and foreign banks and official institutions.
8. Overnight (and continuing contract) RPs are those issued by commercial banks to other than depository institutions and money market mutual funds (general purpose and broker/dealer), and overnight Eurodollars are those issued by Caribbean branches of member banks to U.S. residents other than depository institutions and money market mutual funds (general purpose and broker/dealer).

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, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

1.22 BANK DEBITS AND DEPOSIT TURNOVER

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

Bank group, or type of customer	1980[1]	1981[1]	1982[1]	1983 June	1983 July	1983 Aug.	1983 Sept.	1983 Oct.	1983 Nov.
	Seasonally adjusted								
Debits to									
Demand deposits[2]									
1 All insured banks	62,757.8	80,858.7	90,914.4	106,799.4	107,884.4	111,538.1	110,700.7	118,407.2	114,466.6
2 Major New York City banks	25,156.1	33,891.9	37,932.9	46,445.4	46,978.0	48,373.3	46,903.7	52,639.9	49,715.8
3 Other banks	37,601.7	46,966.9	52,981.6	60,354.1	60,906.4	63,164.9	63,796.9	65,767.3	64,750.8
4 ATS–NOW accounts[3]	159.3	743.4	1,036.2	1,342.1	1,390.1	1,679.5	1,495.9	1,392.8	1,447.4
5 Savings deposits[4]	670.0	672.7	721.4	776.2	659.4	706.3	712.7	643.7	674.9
Deposit Turnover									
Demand deposits[2]									
6 All insured banks	198.7	285.8	324.2	367.5	371.5	385.7	384.7	409.6	398.3
7 Major New York City banks	803.7	1,105.1	1,287.6	1,449.1	1,432.2	1,526.7	1,508.8	1,703.8	1,645.6
8 Other banks	132.2	186.2	211.1	233.4	236.5	245.3	248.6	254.7	251.8
9 ATS–NOW accounts[3]	9.7	14.0	14.5	14.7	15.0	17.9	15.9	14.9	15.5
10 Savings deposits[4]	3.6	4.1	4.5	5.6	4.8	5.2	5.3	4.9	5.1
	Not seasonally adjusted								
Debits to									
Demand deposits[2]									
11 All insured banks	63,124.4	81,197.9	91,031.9	113,773.4	105,057.8	115,776.6	111,741.3	114,191.9	110,963.9
12 Major New York City banks	25,243.1	34,032.0	38,001.0	50,643.1	45,601.0	49,788.2	48,276.1	49,910.9	47.508.1
13 Other banks	37,881.3	47,165.9	53,030.9	63,130.4	59,456.8	65,988.3	63,465.2	64,280.9	63,455.8
14 ATS–NOW accounts[3]	158.0	737.6	1,027.1	1,420.7	1,325.3	1,468.9	1,388.3	1,373.2	1,327.2
15 MMDA[5]	0	0	0	714.3	603.3	655.5	641.4	700.3	639.1
16 Savings deposits[4]	669.8	672.9	720.0	779.3	661.6	694.3	688.9	672.9	635.3
Deposit Turnover									
Demand deposits[2]									
17 All insured banks	202.3	286.1	325.0	393.1	357.6	406.7	387.2	391.1	381.7
18 Major New York City banks	814.8	1,114.2	1,295.7	1,563.6	1,383.5	1,621.6	1,574.5	1,595.5	1,553.4
19 Other banks	134.8	186.2	211.5	245.6	227.9	259.8	246.1	246.6	244.0
20 ATS–NOW accounts[3]	9.7	14.0	14.3	15.7	14.5	16.0	15.0	14.6	14.0
21 MMDA[5]	0	0	0	3.3	2.8	3.0	2.9	3.2	2.8
22 Savings deposits[4]	3.6	4.1	4.5	5.6	4.8	5.1	5.2	5.1	4.8

1. Annual averages of monthly figures.
2. Represents accounts of individuals, partnerships, and corporations and of states and political subdivisions.
3. Accounts authorized for negotiable orders of withdrawal (NOW) and accounts authorized for automatic transfer to demand deposits (ATS). ATS data availability starts with December 1978.
4. Excludes ATS and NOW accounts, MMDA and special club accounts, such as Christmas and vacation clubs.
5. Money market deposit accounts.

Note. Historical data for demand deposits are available back to 1970 estimated in part from the debits series for 233 SMSAs that were available through June 1977. Historical data for ATS–NOW and savings deposits are available back to July 1977. Back data are available on request from the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

1.23 LOANS AND SECURITIES All Commercial Banks[1]

Billions of dollars; averages of Wednesday figures

Category	1981	1982	1983				1981	1982	1983			
	Dec.[2]	Dec.	Aug.	Sept.	Oct.	Nov.	Dec.[2]	Dec.	Aug.	Sept.	Oct.	Nov.
	Seasonally adjusted						Not seasonally adjusted					
1 **Total loans and securities**[3]	**1,316.3**	**1,412.1**	**1,513.2**	**1,520.3**	**1,533.1**	**1,548.6**	**1,326.1**	**1,422.5**	**1,507.0**	**1,521.6**	**1,538.2**	**1,555.8**
2 U.S. Treasury securities	111.0	130.9	174.4	176.9	182.3	186.2	111.4	131.5	172.4	176.3	180.8	185.0
3 Other securities	231.4	239.1	247.8	247.1	246.6	246.8	232.8	240.6	247.0	247.1	246.9	247.4
4 Total loans and leases[3]	973.9	1,042.0	1,091.0	1,096.3	1,104.2	1,115.6	981.8	1,050.4	1,087.5	1,098.2	1,110.4	1,123.4
5 Commercial and industrial loans	358.0	392.4	402.7	402.6	404.7	407.8	360.1	394.7	400.2	402.2	405.4	409.6
6 Real estate loans	285.7	303.2	322.5	326.2	329.2	332.1	286.8	304.1	322.2	326.9	330.5	333.4
7 Loans to individuals	185.1	191.8	205.5	207.7	211.9	215.4	186.4	193.1	205.7	209.1	213.6	216.7
8 Security loans	21.9	24.7	22.9	23.7	25.2	26.2	22.7	25.5	23.6	23.4	25.0	26.7
9 Loans to nonbank financial institutions	30.2	31.1	30.9	30.8	30.4	29.8	31.2	32.1	30.7	30.9	30.6	30.2
10 Agricultural loans	33.0	36.1	37.2	37.6	37.8	39.3	33.0	36.1	37.6	38.2	38.3	39.6
11 Lease financing receivables	12.7	13.1	12.9	12.9	13.0	13.0	12.7	13.1	12.9	12.9	13.0	13.0
12 All other loans	47.2	49.7	56.5	54.8	52.0	52.1	49.2	51.7	54.6	54.6	54.1	54.1
MEMO:												
13 **Total loans and securities plus loans sold**[3,4]	**1,319.1**	**1,415.0**	**1,515.7**	**1,522.8**	**1,535.6**	**1,551.1**	**1,328.9**	**1,425.4**	**1,509.6**	**1,524.2**	**1,540.7**	**1,558.3**
14 Total loans plus loans sold[3,4]	976.7	1,045.0	1,093.5	1,098.9	1,106.7	1,118.1	984.7	1,053.3	1,090.1	1,100.8	1,113.0	1,125.9
15 Total loans sold to affiliates[3,4]	2.8	2.9	2.6	2.6	2.6	2.5	2.8	2.9	2.6	2.6	2.6	2.5
16 Commercial and industrial loans plus loans sold[4]	360.2	394.6	404.5	404.6	406.7	409.7	362.3	396.9	402.2	404.2	407.4	411.6
17 Commercial and industrial loans sold[4]	2.2	2.3	2.0	2.0	2.0	1.9	2.2	2.3	2.0	2.0	2.0	1.9
18 Acceptances held	8.9	8.5	8.5	8.3	8.9	8.6	9.8	9.5	8.2	8.3	8.8	8.9
19 Other commercial and industrial loans	349.1	383.8	394.1	394.3	395.8	399.2	350.3	385.2	392.0	393.9	396.6	400.7
20 To U.S. addressees[5]	334.9	373.5	381.5	381.8	383.1	386.9	334.3	372.7	379.8	381.6	383.9	388.0
21 To non-U.S. addressees	14.2	10.3	12.5	12.5	12.7	12.3	16.1	12.4	12.2	12.3	12.8	12.7
22 Loans to foreign banks	19.0	13.5	14.5	14.3	14.7	14.5	20.0	14.5	14.0	14.7	15.0	14.8

1. Includes domestically chartered banks; U.S. branches and agencies of foreign banks, New York investment companies majority owned by foreign banks, and Edge Act corporations owned by domestically chartered and foreign banks.
2. Beginning December 1981, shifts of foreign loans and securities from U.S. banking offices to international banking facilities (IBFs) reduced the levels of several items. Seasonally adjusted data that include adjustments for the amounts shifted from domestic offices to IBFs are available in the Board's G.7 (407) statistical release (available from Publications Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551).
3. Excludes loans to commercial banks in the United States.
4. 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.
5. United States includes the 50 states and the District of Columbia.

NOTE. Data are prorated averages of Wednesday estimates for domestically chartered banks, based on weekly reports of a sample of domestically chartered banks and quarterly reports of all domestically chartered banks. For foreign-related institutions, data are averages of month-end estimates based on weekly reports from large agencies and branches and quarterly reports from all agencies, branches, investment companies, and Edge Act corporations engaged in banking.

1.24 MAJOR NONDEPOSIT FUNDS OF COMMERCIAL BANKS[1]

Monthly averages, billions of dollars

Source	1981	1982	1983										
	Dec.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.[r]	Nov.
Total nondeposit funds													
1 Seasonally adjusted[2]	96.3	83.0	73.7	76.7	76.0	80.3	90.9	88.3	76.3	81.6	83.2	80.2	97.2
2 Not seasonally adjusted	98.1	84.6	75.2	77.7	76.8	79.0	90.5	90.0	78.5	85.9	86.0	82.7	99.5
Federal funds, RPs, and other borrowings from nonbanks[3]													
3 Seasonally adjusted	111.8	128.0	132.4	135.3	135.4	139.9	145.9	140.7	132.7	130.9	132.2	133.5	141.6
4 Not seasonally adjusted	113.5	129.6	133.9	136.3	136.2	138.5	145.5	142.4	134.8	135.2	135.0	136.0	143.9
5 Net balances due to foreign-related institutions, not seasonally adjusted	−18.1	−47.9	−61.6	−61.5	−62.3	−62.4	−57.7	−55.1	−58.9	−51.8	−51.4	−55.8	−46.9
6 Loans sold to affiliates, not seasonally adjusted[4]	2.8	2.9	3.0	3.0	3.0	3.0	2.8	2.7	2.7	2.6	2.6	2.6	2.5
MEMO													
7 Domestically chartered banks' net positions with own foreign branches, not seasonally adjusted[5]	−22.4	−39.5	−49.9	−50.4	−52.7	−52.6	−48.6	−49.1	−50.8	−45.2	−46.2	−48.5	−42.9
8 Gross due from balances	54.9	72.2	79.2	78.9	79.7	80.3	76.3	75.8	77.4	73.6	74.7	76.6	76.4
9 Gross due to balances	32.4	32.6	29.2	28.4	26.8	27.6	27.6	26.6	26.5	28.3	28.3	28.1	33.5
10 Foreign-related institutions' net positions with directly related institutions, not seasonally adjusted[6]	4.3	−8.2	−11.6	−11.0	−9.4	−9.7	−9.0	−5.9	−7.9	−6.5	−5.1	−7.3	−4.0
11 Gross due from balances	48.1	54.9	57.0	55.5	56.1	55.9	55.8	53.9	55.2	53.5	53.5	55.2	53.1
12 Gross due to balances	52.4	46.6	45.3	44.4	46.6	46.1	46.7	47.9	47.2	47.0	48.3	47.8	49.1
Security RP borrowings													
13 Seasonally adjusted[7]	59.0	71.0	72.2	74.3	74.7	79.3	84.6	81.4	75.6	74.2	76.0	78.1	83.9
14 Not seasonally adjusted	59.2	71.1	72.2	73.7	73.9	76.3	82.6	81.5	76.1	76.9	77.2	79.0	84.6
U.S. Treasury demand balances[8]													
15 Seasonally adjusted	12.2	11.9	15.7	8.8	12.5	13.5	11.3	13.0	24.0	20.6	16.5	21.7	11.3
16 Not seasonally adjusted	11.1	10.8	16.3	10.2	13.2	14.2	12.5	13.2	21.8	16.4	18.0	24.7	8.5
Time deposits, $100,000 or more[9]													
17 Seasonally adjusted	325.4	349.6	321.4	307.2	300.0	296.6	287.2	287.0	284.9	284.2	283.2	278.2	280.8
18 Not seasonally adjusted	330.4	353.9	325.4	310.5	300.7	293.0	285.0	283.5	281.3	283.9	283.9	279.5	282.0

1. Commercial banks are those in the 50 states and the District of Columbia with national or state charters plus agencies and branches of foreign banks, New York investment companies majority owned by foreign banks, and Edge Act corporations owned by domestically chartered and foreign banks.
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 domestically 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. Averages of daily figures for member and nonmember banks.
6. Averages of daily data.
7. Based on daily average data reported by 122 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.

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

Billions of dollars except for number of banks

	1982	1983									
	Dec.	Mar.	Apr.	May	June	July	Aug.	Sept	Oct.	Nov.	Dec.
DOMESTICALLY CHARTERED COMMERCIAL BANKS[1]											
1 Loans and securities, excluding interbank	1,370.3	1,392.2	1,403.8	1,411.9	1,435.1	1,437.4	1,457.0	1,466.1	1,483.0	1,502.3	1,525.5
2 Loans, excluding interbank	1,000.7	1,001.7	1,005.1	1,007.5	1,025.6	1,029.1	1,043.4	1,049.7	1,060.3	1,075.5	1,095.5
3 Commercial and industrial	356.7	358.0	357.9	356.7	360.1	361.1	363.0	364.0	367.0	372.8	380.8
4 Other	644.0	643.7	647.2	650.8	665.6	668.0	680.4	685.7	693.3	702.7	714.7
5 U.S. Treasury securities	129.0	150.6	155.5	160.9	166.0	165.1	167.5	171.2	176.8	180.4	181.4
6 Other securities	240.5	239.9	243.3	243.5	243.5	243.3	246.1	245.2	245.9	246.4	248.7
7 Cash assets, total	184.4	168.9	170.1	164.5	176.9	168.7	176.9	160.0	164.0	179.0	190.5
8 Currency and coin	23.0	19.9	20.4	20.3	21.3	20.7	21.0	20.8	20.5	22.3	23.4
9 Reserves with Federal Reserve Banks	25.4	20.5	23.9	22.4	18.8	20.6	22.5	15.4	19.7	17.6	18.6
10 Balances with depository institutions	67.6	67.1	66.1	65.6	69.7	67.1	69.0	66.7	67.1	70.9	75.6
11 Cash items in process of collection	68.4	61.5	59.6	56.3	67.1	60.3	64.4	56.9	56.6	69.0	73.0
12 Other assets[2]	265.3	257.9	252.4	248.3	253.2	254.5	257.2	252.3	253.0	261.9	253.4
13 Total assets/total liabilities and capital	**1,820.0**	**1,818.9**	**1,826.3**	**1,824.8**	**1,865.2**	**1,860.6**	**1,891.0**	**1,878.4**	**1,900.0**	**1,943.9**	**1,969.4**
14 Deposits	1,361.8	1,374.2	1,368.0	1,370.8	1,402.7	1,396.5	1,420.1	1,408.1	1,419.5	1,459.2	1,482.5
15 Demand	363.9	333.4	329.2	324.5	344.4	334.2	344.7	328.1	331.3	358.1	371.0
16 Savings	296.4	419.2	426.9	440.2	445.3	447.5	449.0	448.8	451.5	458.3	460.7
17 Time	701.5	621.6	611.9	606.1	613.1	614.8	626.4	631.2	636.8	642.8	650.8
18 Borrowings	215.1	211.3	224.0	214.1	221.2	217.5	217.2	217.8	226.8	219.7	216.3
19 Other liabilities	109.2	103.5	102.3	104.7	104.3	105.5	107.6	107.1	106.5	112.6	117.9
20 Residual (assets less liabilities)	133.8	130.0	132.0	135.1	137.0	141.0	146.1	145.4	147.2	152.4	152.8
MEMO:											
21 U.S. Treasury note balances included in borrowing	10.7	9.6	17.8	2.7	19.3	19.3	14.8	20.8	22.5	2.8	8.8
22 Number of banks	14,787	14,819	14,823	14,817	14,826	14,785	14,795	14,804	14,800	14,799	14,796
ALL COMMERCIAL BANKING INSTITUTIONS[3]											
23 Loans and securities, excluding interbank	1,429.7	1,451.3	1,460.8	1,467.6	1,491.5	1,494.1	1,515.4	1,525.4	1,541.8	1,563.2	1,587.1
24 Loans, excluding interbank	1,054.8	1,054.5	1,055.7	1,056.4	1,075.2	1,078.8	1,094.9	1,102.5	1,112.2	1,129.2	1,149.7
25 Commercial and industrial	395.3	395.9	393.5	391.7	395.3	397.7	400.6	402.7	405.3	412.0	420.1
26 Other	659.5	658.6	662.2	664.7	679.9	681.2	694.3	699.8	706.8	717.2	729.5
27 U.S. Treasury securities	132.8	155.3	160.2	166.1	171.3	170.3	172.7	176.1	182.0	185.9	186.9
28 Other securities	242.1	241.5	244.9	245.2	245.1	245.0	247.8	246.9	247.7	248.1	250.5
29 Cash assets, total	200.7	185.5	186.3	180.3	193.5	185.2	193.3	174.7	178.4	195.0	205.0
30 Currency and coin	23.0	19.9	20.4	20.3	21.3	20.7	21.1	20.9	20.5	22.3	23.4
31 Reserves with Federal Reserve Banks	26.8	22.0	25.4	23.8	20.0	21.9	24.0	16.6	20.8	19.1	19.7
32 Balances with depository institutions	81.4	81.0	79.8	78.9	84.0	81.2	82.8	79.3	79.5	83.6	87.9
33 Cash items in process of collection	69.4	62.6	60.7	57.3	68.2	61.4	65.4	58.0	57.6	70.0	73.0
34 Other assets[2]	341.7	325.4	317.8	309.5	318.1	318.7	324.6	320.9	318.8	329.7	320.9
35 Total assets/total liabilities and capital	**1,972.1**	**1,962.2**	**1,964.9**	**1,957.4**	**2,003.2**	**1,998.0**	**2,033.3**	**2,021.0**	**2,039.1**	**2,088.0**	**2,113.0**
36 Deposits	1,409.7	1,419.5	1,411.0	1,413.1	1,443.8	1,438.1	1,461.4	1,448.9	1,459.0	1,499.4	1,524.7
37 Demand	376.2	345.7	341.1	336.4	356.4	346.4	356.6	340.0	343.2	369.9	383.2
38 Savings	296.7	419.7	427.3	440.7	445.7	448.0	449.5	449.3	452.0	458.8	461.2
39 Time	736.7	654.1	642.6	636.0	641.6	643.8	655.3	659.5	663.8	670.6	680.3
40 Borrowings	278.3	269.9	281.3	269.5	278.2	277.9	280.5	282.6	289.6	282.5	275.1
41 Other liabilities	148.4	141.1	138.6	137.9	142.3	139.1	143.4	142.3	141.5	151.9	158.5
42 Residual (assets less liabilities)	135.7	131.9	133.9	137.0	138.9	142.9	148.0	147.3	149.1	154.2	154.7
MEMO:											
43 U.S. Treasury note balances included in borrowing	10.7	9.6	17.8	2.7	19.3	19.3	14.8	20.8	22.5	2.8	8.8
44 Number of banks	15,329	15,376	15,390	15,385	15,396	15,359	15,370	15,382	15,383	15,382	15,380

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. Other assets include loans to U.S. commercial banks.

3. 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. They include all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries. Data for domestically chartered commercial banks are for the last Wednesday of the month. Data for other banking institutions are estimates made on the last Wednesday of the month based on a weekly reporting sample of foreign-related institutions and quarter-end condition report data.

1.26 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	1983								
	Nov. 2	Nov. 9	Nov. 16	Nov. 23	Nov. 30	Dec. 7p	Dec. 14p	Dec. 21p	Dec. 28p
1 Cash items in process of collection	49,878	49,636	53,639	49,222	53,442	47,811	52,076	53,443	57,480
2 Demand deposits due from banks in the United States	7,144	7,372	8,013	6,403	8,071	7,914	7,626	8,270	9,448
3 All other cash and due from depository institutions	33,431	29,220	31,786	34,728	32,089	32,122	35,366	34,678	35,769
4 Total loans and securities	**689,481**	**689,528**	**688,889**	**685,677**	**693,667**	**695,256**	**695,197**	**695,450**	**700,602**
Securities									
5 U.S. Treasury securities	56,304	57,065	58,501	57,373	58,500	60,023	59,209	58,181	57,130
6 Trading account	9,114	9,383	9,701	8,178	9,045	9,855	8,603	8,342	7,686
7 Investment account, by maturity	47,190	47,682	48,800	49,194	49,455	50,168	50,606	49,839	49,443
8 One year or less	14,730	15,139	15,274	15,442	15,469	15,952	15,677	15,398	15,177
9 Over one through five years	29,246	29,318	30,734	30,932	31,244	31,353	31,824	31,248	31,061
10 Over five years	3,213	3,225	2,792	2,820	2,743	2,862	3,105	3,192	3,206
11 Other securities	84,140	83,673	83,614	84,536	83,946	84,723	84,333	85,150	86,224
12 Trading account	6,346	5,799	5,719	6,227	5,675	6,491	5,782	6,164	5,913
13 Investment account	77,794	77,874	77,894	78,309	78,271	78,231	78,551	78,986	80,311
14 U.S. government agencies	15,982	15,885	15,881	16,021	15,905	15,893	16,150	16,205	16,340
15 States and political subdivisions, by maturity	58,146	58,356	58,348	58,618	58,676	58,641	58,702	59,105	60,307
16 One year or less	7,833	7,942	7,863	7,992	7,984	8,133	7,996	7,964	8,140
17 Over one year	50,312	50,415	50,485	50,626	50,692	50,507	50,706	51,140	52,168
18 Other bonds, corporate stocks and securities	3,667	3,633	3,665	3,670	3,690	3,697	3,699	3,676	3,664
Loans									
19 Federal funds sold[1]	45,751	44,083	42,523	40,574	44,815	43,761	44,777	39,568	40,664
20 To commercial banks	33,202	32,288	30,276	27,998	33,587	30,628	31,122	26,686	27,992
21 To nonbank brokers and dealers in securities	9,394	8,391	9,181	9,406	8,369	9,612	10,065	9,202	9,226
22 To others	3,156	3,404	3,067	3,170	2,860	3,522	3,590	3,680	3,446
23 Other loans, gross	516,944	518,428	517,984	516,935	520,150	520,549	520,670	526,330	530,468
24 Commercial and industrial	216,763	218,597	216,678	216,280	217,399	218,256	218,142	219,658	222,209
25 Bankers acceptances and commercial paper	4,854	5,323	4,352	3,893	4,851	4,792	4,642	4,254	4,518
26 All other	211,909	213,274	212,326	212,387	212,548	213,465	213,518	215,404	217,690
27 U.S. addressees	204,653	205,928	205,055	205,124	205,251	206,194	206,447	208,201	210,185
28 Non-U.S. addressees	7,256	7,346	7,271	7,263	7,298	7,270	7,070	7,203	7,505
29 Real estate	139,441	139,261	139,634	139,686	139,903	139,911	140,288	140,303	140,579
30 To individuals for personal expenditures	81,642	81,756	81,980	82,425	82,898	83,448	84,171	85,083	86,358
To financial institutions									
31 Commercial banks in the United States	7,895	8,208	8,003	8,143	7,890	7,864	7,707	9,199	8,913
32 Banks in foreign countries	8,890	8,888	8,871	8,371	8,695	8,492	7,619	7,984	8,186
33 Sales finance, personal finance companies, etc.	9,655	9,322	9,297	9,178	9,224	9,299	9,322	9,139	9,359
34 Other financial institutions	15,581	15,888	15,438	15,023	15,246	15,505	15,653	15,365	16,125
35 To nonbank brokers and dealers in securities	9,840	9,213	10,387	10,590	11,232	10,685	10,544	11,550	10,494
36 To others for purchasing and carrying securities[2]	3,332	3,378	3,186	3,195	3,180	3,200	3,204	3,229	3,291
37 To finance agricultural production	7,284	7,221	7,208	7,161	7,153	7,068	7,157	7,207	7,175
38 All other	16,620	16,696	17,300	16,883	17,329	16,817	16,862	17,613	17,778
39 LESS: Unearned income	4,979	5,018	4,997	4,979	4,973	4,973	4,976	4,965	5,038
40 Loan loss reserve	8,680	8,703	8,737	8,763	8,771	8,827	8,816	8,813	8,846
41 Other loans, net	503,285	504,707	504,251	503,193	506,406	506,749	506,878	512,552	516,584
42 Lease financing receivables	10,987	10,992	10,989	11,015	11,044	11,063	11,058	11,104	11,137
43 All other assets	143,452	146,633	142,085	140,556	141,806	144,216	142,645	143,872	140,698
44 Total assets	**934,374**	**933,382**	**935,401**	**927,601**	**940,119**	**938,383**	**943,969**	**946,818**	**955,135**
Deposits									
45 Demand deposits	178,266	178,264	182,702	172,774	185,419	177,669	182,850	185,013	194,410
46 Mutual savings banks	707	713	734	563	677	623	764	587	633
47 Individuals, partnerships, and corporations	136,457	136,286	138,397	133,493	141,338	136,614	141,563	141,715	148,312
48 States and political subdivisions	5,522	4,340	4,844	4,699	5,120	4,796	4,863	5,266	5,780
49 U.S. government	1,154	1,496	2,314	2,026	1,938	1,820	2,237	1,188	2,075
50 Commercial banks in the United States	19,740	18,601	20,147	18,289	20,124	19,234	18,785	19,975	21,589
51 Banks in foreign countries	6,316	5,978	6,921	6,000	6,498	6,058	5,995	5,929	6,461
52 Foreign governments and official institutions	711	751	899	936	1,276	821	760	954	897
53 Certified and officers' checks	7,659	10,100	8,448	6,768	8,448	7,702	7,973	9,398	8,663
54 Time and savings deposits	422,723	424,026	423,360	425,988	426,856	427,672	427,187	428,121	431,708
55 Savings	173,299	173,774	173,776	173,506	174,206	176,017	175,169	174,814	175,668
56 Individuals and nonprofit organizations	152,771	152,961	152,702	152,344	152,904	154,440	153,673	153,483	154,046
57 Partnerships and corporations operated for profit	19,283	19,609	19,792	19,938	20,046	20,265	20,222	20,048	20,312
58 Domestic governmental units	1,200	1,164	1,232	1,171	1,216	1,255	1,222	1,202	1,227
59 All other	45	40	49	53	40	57	52	80	84
60 Time	249,423	250,252	249,585	252,482	252,650	251,655	252,018	253,306	256,040
61 Individuals, partnerships, and corporations	222,941	223,842	222,940	225,435	225,671	224,902	224,907	225,790	228,237
62 States and political subdivisions	16,572	16,609	16,648	16,955	16,617	16,368	16,530	16,752	16,830
63 U.S. government	224	211	218	214	214	232	217	215	209
64 Commercial banks in the United States	6,558	6,460	6,598	6,728	7,059	7,119	7,305	7,370	7,683
65 Foreign governments, official institutions, and banks	3,128	3,129	3,180	3,150	3,089	3,034	3,059	3,180	3,080
Liabilities for borrowed money									
66 Borrowings from Federal Reserve Banks	379	3,725	910	605	515	149	1,938	420	706
67 Treasury tax-and-loan notes	15,032	2,743	1,662	1,340	1,482	2,650	2,219	9,382	5,851
68 All other liabilities for borrowed money[3]	168,664	171,901	172,658	170,290	171,267	173,736	169,103	163,409	162,106
69 Other liabilities and subordinated notes and debentures	87,326	90,595	92,032	94,716	92,177	93,810	98,066	98,360	97,676
70 Total liabilities	**872,390**	**871,253**	**873,325**	**865,713**	**877,717**	**875,686**	**881,363**	**884,704**	**892,457**
71 Residual (total assets minus total liabilities)[4]	61,984	62,129	62,076	61,888	62,402	62,696	62,606	62,114	62,677

1. Includes securities purchased under agreements to resell.
2. Other than financial institutions and brokers and dealers.
3. Includes federal funds purchased and securities sold under agreement to repurchase; for information on these liabilities at banks with assets of $1 billion or more on Dec. 31, 1977, see table 1.13.
4. This is not a measure of equity capital for use in capital adequacy analysis or for other analytic uses.

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

Millions of dollars, Wednesday figures

Account	1983								
	Nov. 2	Nov. 9	Nov. 16	Nov. 23	Nov. 30	Dec. 7p	Dec. 14p	Dec. 21p	Dec. 28p
1 Cash items in process of collection	46,875	46,935	50,398	46,021	50,369	45,117	49,034	50,305	54,187
2 Demand deposits due from banks in the United States	6,585	6,755	7,381	5,821	7,393	7,236	6,846	7,459	8,569
3 All other cash and due from depository institutions	30,516	26,405	28,915	31,783	29,203	29,381	32,321	31,567	32,579
4 Total loans and securities	**639,047**	**639,121**	**638,882**	**635,951**	**643,450**	**644,299**	**644,349**	**644,256**	**648,458**
Securities									
5 U.S. Treasury securities	51,254	51,944	53,424	52,232	53,353	54,785	53,931	52,889	51,701
6 Trading account	9,020	9,288	9,576	8,095	8,953	9,743	8,490	8,240	7,560
7 Investment account, by maturity	42,234	42,656	43,848	44,136	44,400	45,041	45,442	44,649	44,140
8 One year or less	13,025	13,376	13,601	13,674	13,759	14,204	13,940	13,677	13,351
9 Over one through five years	26,266	26,324	27,724	27,911	28,166	28,243	28,634	28,016	27,825
10 Over five years	2,943	2,955	2,522	2,550	2,475	2,594	2,867	2,956	2,964
11 Other securities	76,264	75,820	75,766	76,677	76,110	76,889	76,453	77,284	78,073
12 Trading account	6,167	5,651	5,537	6,077	5,558	6,334	5,604	6,025	5,753
13 Investment account	70,097	70,169	70,229	70,600	70,552	70,555	70,849	71,259	72,320
14 U.S. government agencies	14,291	14,192	14,223	14,350	14,246	14,242	14,493	14,556	14,673
15 States and political subdivisions, by maturity	52,501	52,705	52,702	52,945	52,976	52,969	53,005	53,374	54,341
16 One year or less	7,164	7,306	7,228	7,360	7,345	7,500	7,357	7,325	7,403
17 Over one year	45,336	45,399	45,474	45,585	45,631	45,469	45,648	46,049	46,938
18 Other bonds, corporate stocks and securities	3,305	3,272	3,304	3,305	3,329	3,343	3,351	3,329	3,306
Loans									
19 Federal funds sold[1]	40,363	38,874	37,751	36,315	40,237	38,422	39,944	34,824	36,124
20 To commercial banks	28,536	27,808	26,132	24,271	29,452	25,888	27,011	22,800	24,354
21 To nonbank brokers and dealers in securities	8,727	7,684	8,584	8,917	7,978	9,046	9,380	8,382	8,362
22 To others	3,101	3,381	3,035	3,128	2,807	3,487	3,554	3,642	3,408
23 Other loans, gross	483,804	485,174	484,640	483,434	486,461	487,001	486,810	492,029	495,420
24 Commercial and industrial	204,609	206,375	204,480	203,951	205,065	206,051	205,853	207,132	209,274
25 Bankers acceptances and commercial paper	4,650	5,128	4,160	3,684	4,656	4,602	4,413	4,040	4,300
26 All other	199,959	201,247	200,321	200,268	200,410	201,449	201,440	203,092	204,975
27 U.S. addressees	192,817	194,024	193,163	193,120	193,256	194,317	194,517	196,041	197,725
28 Non-U.S. addressees	7,142	7,224	7,157	7,148	7,153	7,132	6,923	7,052	7,250
29 Real estate	130,556	130,411	130,724	130,737	130,930	130,931	131,269	131,269	131,440
30 To individuals for personal expenditures	72,344	72,416	72,614	72,999	73,402	73,892	74,526	75,362	76,409
To financial institutions									
31 Commercial banks in the United States	7,408	7,726	7,546	7,639	7,418	7,404	7,188	8,615	8,333
32 Banks in foreign countries	8,750	8,764	8,757	8,260	8,575	8,379	7,501	7,859	8,072
33 Sales finance, personal finance companies, etc.	9,438	9,113	9,093	8,962	9,006	9,081	9,102	8,929	9,140
34 Other financial institutions	14,928	15,230	14,798	14,401	14,587	14,861	15,010	14,728	15,483
35 To nonbank brokers and dealers in securities	9,768	9,122	10,287	10,506	11,151	10,592	10,450	11,441	10,386
36 To others for purchasing and carrying securities[2]	3,073	3,115	2,922	2,926	2,909	2,933	2,937	2,962	3,021
37 To finance agricultural production	7,082	7,022	7,012	6,967	6,958	6,872	6,961	7,014	6,976
38 All other	15,836	15,880	16,407	16,085	16,460	16,004	16,012	16,718	16,887
39 Less: Unearned income	4,394	4,431	4,410	4,389	4,390	4,390	4,391	4,379	4,442
40 Loan loss reserve	8,243	8,259	8,289	8,318	8,320	8,407	8,399	8,390	8,418
41 Other loans, net	471,167	472,483	471,941	470,727	473,750	474,204	474,020	479,260	482,560
42 Lease financing receivables	10,554	10,558	10,554	10,580	10,606	10,626	10,620	10,663	10,690
43 All other assets	139,322	142,367	137,761	136,206	137,415	139,832	138,179	139,363	136,105
44 Total assets	**872,900**	**872,141**	**873,892**	**866,362**	**878,437**	**876,492**	**881,350**	**883,613**	**890,588**
Deposits									
45 Demand deposits	165,521	165,888	169,740	160,011	172,163	164,870	169,474	171,399	180,291
46 Mutual savings banks	675	674	702	534	649	595	648	561	602
47 Individuals, partnerships, and corporations	126,481	126,414	128,262	123,351	130,841	126,370	130,941	131,048	137,322
48 States and political subdivisions	4,935	3,820	4,258	4,145	4,522	4,293	4,289	4,448	5,037
49 U.S. government	1,009	1,380	2,088	1,857	1,757	1,673	1,973	1,044	1,897
50 Commercial banks in the United States	18,078	17,076	18,475	16,722	18,481	17,676	17,196	18,337	19,869
51 Banks in foreign countries	6,269	5,918	6,880	5,952	6,453	6,002	5,949	5,881	6,408
52 Foreign governments and official institutions	710	750	898	935	1,275	809	760	954	845
53 Certified and officers' checks	7,362	9,856	8,178	6,514	8,184	7,452	7,719	9,126	8,310
54 Time and savings deposits	391,342	392,352	391,644	394,295	395,347	396,187	395,635	396,430	399,329
55 Savings	159,969	160,328	160,261	160,116	160,777	162,455	161,667	161,310	161,918
56 Individuals and nonprofit organizations	141,167	141,270	140,980	140,759	141,300	142,731	142,006	141,800	142,190
57 Partnerships and corporations operated for profit	17,671	17,965	18,111	18,243	18,342	18,554	18,526	18,363	18,555
58 Domestic governmental units	1,071	1,039	1,106	1,046	1,080	1,098	1,069	1,066	1,089
59 All other	60	54	64	68	55	71	67	80	83
60 Time	231,373	232,025	231,383	234,180	234,570	233,732	233,968	235,121	237,411
61 Individuals, partnerships, and corporations	206,858	207,626	206,751	209,185	209,599	208,937	208,836	209,593	211,782
62 States and political subdivisions	14,845	14,839	14,885	15,161	14,866	14,680	14,857	15,110	15,062
63 U.S. government	202	190	198	194	195	212	198	196	190
64 Commercial banks in the United States	6,341	6,241	6,368	6,490	6,822	6,869	7,017	7,042	7,296
65 Foreign governments, official institutions, and banks	3,128	3,129	3,180	3,150	3,089	3,034	3,059	3,180	3,080
Liabilities for borrowed money									
66 Borrowings from Federal Reserve Banks	379	3,686	813	580	480	149	1,938	302	622
67 Treasury tax-and-loan notes	14,220	2,580	1,494	1,232	1,388	2,490	2,072	8,849	5,521
68 All other liabilities for borrowed money[3]	158,270	161,055	162,261	159,852	160,742	162,591	158,010	152,636	150,995
69 Other liabilities and subordinated notes and debentures	85,198	88,453	89,830	92,480	89,932	91,559	95,655	95,875	95,217
70 Total liabilities	**814,929**	**814,014**	**815,781**	**808,451**	**820,053**	**817,846**	**822,784**	**825,491**	**831,974**
71 Residual (total assets minus total liabilities)[4]	57,970	58,127	58,111	57,911	58,384	58,646	58,566	58,122	58,614

1. Includes securities purchased under agreements to resell.
2. Other than financial institutions and brokers and dealers.
3. Includes federal funds purchased and securities sold under agreement to repurchase; for information on these liabilities at banks with assets of $1 billion or more on Dec. 31, 1977, see table 1.13.
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 IN NEW YORK CITY Assets and Liabilities

Millions of dollars, Wednesday figures

Account	1983								
	Nov. 2	Nov. 9	Nov. 16	Nov. 23	Nov. 30	Dec. 7p	Dec. 14p	Dec. 21p	Dec. 28p
1 Cash items in process of collection	14,002	19,123	15,874	13,488	16,566	14,245	16,933	16,935	17,190
2 Demand deposits due from banks in the United States	978	1,302	1,383	814	1,335	1,408	1,290	1,265	1,233
3 All other cash and due from depository institutions	6,069	3,579	5,099	5,434	5,264	5,805	6,822	5,596	5,007
4 **Total loans and securities**[1]	**148,231**	**146,850**	**147,867**	**147,994**	**150,616**	**148,742**	**150,019**	**149,697**	**151,043**
Securities									
5 U.S. Treasury securities[2]									
6 Trading account[2]									
7 Investment account, by maturity	9,440	9,845	10,366	10,530	10,461	10,041	9,904	9,506	9,069
8 One year or less	2,455	2,899	3,083	3,123	2,972	2,667	2,430	2,421	2,416
9 Over one through five years	6,078	6,039	6,847	6,972	7,053	6,854	6,778	6,318	5,894
10 Over five years	907	907	435	435	436	520	695	766	759
11 Other securities[2]									
12 Trading account[2]									
13 Investment account	14,919	15,063	14,998	15,152	15,145	15,254	15,316	15,634	16,211
14 U.S. government agencies	1,476	1,476	1,408	1,401	1,396	1,389	1,389	1,387	1,384
15 States and political subdivisions, by maturity	12,712	12,855	12,864	13,010	13,007	13,131	13,191	13,505	14,086
16 One year or less	1,895	2,004	1,974	2,019	1,940	2,011	2,029	1,985	2,047
17 Over one year	10,817	10,851	10,890	10,990	11,067	11,120	11,162	11,520	12,039
18 Other bonds, corporate stocks and securities	731	732	726	741	742	734	736	741	741
Loans									
19 Federal funds sold[3]	11,907	10,571	10,183	11,390	13,136	11,678	13,195	10,580	11,891
20 To commercial banks	5,361	4,615	3,968	4,912	7,629	5,229	6,458	4,057	5,644
21 To nonbank brokers and dealers in securities	4,821	4,042	4,362	4,603	3,951	4,375	4,618	4,166	4,077
22 To others	1,724	1,914	1,853	1,876	1,557	2,074	2,119	2,357	2,169
23 Other loans, gross	116,052	115,461	116,415	115,038	116,010	115,928	115,787	118,135	118,023
24 Commercial and industrial	57,958	58,687	58,314	57,500	57,644	58,252	58,113	57,968	58,793
25 Bankers' acceptances and commercial paper	1,727	1,815	1,452	1,151	1,563	1,478	1,417	1,171	1,307
26 All other	56,232	56,871	56,862	56,349	56,081	56,774	56,696	56,797	57,486
27 U.S. addressees	54,422	55,081	55,090	54,554	54,288	54,973	54,883	54,939	55,622
28 Non-U.S. addressees	1,810	1,791	1,772	1,795	1,793	1,801	1,812	1,858	1,864
29 Real estate	20,646	20,580	20,622	20,630	20,580	20,496	20,522	20,613	20,412
30 To individuals for personal expenditures	12,693	12,717	12,718	12,791	12,829	12,937	13,040	13,168	13,286
To financial institutions									
31 Commercial banks in the United States	1,605	1,618	1,659	1,607	1,589	1,597	1,573	2,180	2,122
32 Banks in foreign countries	2,984	2,753	2,901	2,564	2,831	2,732	2,438	2,765	2,932
33 Sales finance, personal finance companies, etc.	3,992	3,673	3,678	3,529	3,625	3,749	3,718	3,772	3,797
34 Other financial institutions	4,230	4,356	4,091	3,979	4,112	4,086	4,220	4,295	4,454
35 To nonbank brokers and dealers in securities	6,089	5,115	6,405	6,669	7,058	6,387	6,412	7,476	6,113
36 To others for purchasing and carrying securities[4]	668	681	648	624	590	607	628	662	665
37 To finance agricultural production	691	698	701	661	661	615	637	652	611
38 All other	4,495	4,584	4,678	4,481	4,491	4,470	4,486	4,583	4,838
39 LESS: Unearned income	1,459	1,460	1,454	1,456	1,457	1,458	1,460	1,464	1,474
40 Loan loss reserve	2,627	2,629	2,642	2,661	2,679	2,702	2,722	2,693	2,678
41 Other loans, net	111,966	111,372	112,320	110,922	111,874	111,768	111,604	113,978	113,872
42 Lease financing receivables	2,027	2,029	2,046	2,047	2,048	2,035	2,038	2,077	2,067
43 All other assets[5]	64,354	65,971	63,505	62,775	62,678	64,108	62,396	61,279	60,530
44 **Total assets**	**235,661**	**238,855**	**235,775**	**232,553**	**238,507**	**236,343**	**239,498**	**236,850**	**237,071**
Deposits									
45 Demand deposits	45,951	51,064	47,842	44,301	50,404	46,674	49,388	49,528	51,529
46 Mutual savings banks	312	341	358	232	281	263	352	265	278
47 Individuals, partnerships, and corporations	31,986	33,197	31,796	30,532	34,014	31,860	34,109	33,372	35,433
48 States and political subdivisions	734	592	626	606	556	612	598	626	608
49 U.S. government	169	549	573	410	375	372	523	272	571
50 Commercial banks in the United States	4,048	4,978	4,162	4,355	5,103	4,480	4,719	4,567	4,518
51 Banks in foreign countries	5,043	4,678	5,628	4,626	5,135	4,800	4,647	4,579	5,201
52 Foreign governments and official institutions	522	571	686	725	1,055	632	574	770	661
53 Certified and officers' checks	3,137	6,157	4,013	2,814	3,886	3,655	3,866	5,078	4,258
54 Time and savings deposits	73,938	73,844	73,805	74,919	75,133	74,994	74,944	75,071	75,251
55 Savings	27,044	27,222	27,361	27,422	27,416	28,115	28,050	28,237	28,234
56 Individuals and nonprofit organizations	24,084	24,148	24,186	24,235	24,334	24,909	24,870	24,982	25,048
57 Partnerships and corporations operated for profit	2,735	2,831	2,918	2,949	2,869	2,963	2,957	3,019	2,945
58 Domestic governmental units	186	205	210	188	175	188	173	171	172
59 All other	39	38	46	50	38	55	50	66	68
60 Time	46,893	46,622	46,444	47,497	47,717	46,878	46,893	46,833	47,017
61 Individuals, partnerships, and corporations	41,292	41,101	40,680	41,679	41,814	41,120	41,018	40,798	41,018
62 States and political subdivisions	2,030	2,047	2,101	2,101	2,037	1,968	2,009	2,115	2,101
63 U.S. government	15	15	19	18	18	18	15	15	14
64 Commercial banks in the United States	2,278	2,209	2,362	2,439	2,626	2,596	2,689	2,620	2,724
65 Foreign governments, official institutions, and banks	1,278	1,251	1,281	1,260	1,221	1,175	1,161	1,285	1,159
Liabilities for borrowed money									
66 Borrowings from Federal Reserve Banks	300	2,040	350	400	300		1,790		305
67 Treasury tax-and-loan notes	3,674	603	359	336	447	608	636	2,723	1,704
68 All other liabilities for borrowed money[6]	55,783	54,475	56,099	55,027	56,899	57,454	54,699	51,806	51,444
69 Other liabilities and subordinated notes and debentures	36,087	36,737	37,218	37,579	35,215	36,313	37,786	37,816	36,597
70 **Total liabilities**	**215,732**	**218,764**	**215,674**	**212,562**	**218,398**	**216,043**	**219,243**	**216,944**	**216,830**
71 Residual (total assets minus total liabilities)[7]	19,929	20,092	20,102	19,991	20,109	20,300	20,255	19,906	20,242

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 federal funds purchased and securities sold under agreements to repurchase.
7. Not a measure of equity capital for use in capital adequacy analysis or for other analytic uses.

1.29 LARGE WEEKLY REPORTING COMMERCIAL BANKS Balance Sheet Memoranda

Millions of dollars, Wednesday figures

Account	1983								
	Nov. 2	Nov. 9	Nov. 16	Nov. 23	Nov. 30	Dec. 7p	Dec. 14p	Dec. 21p	Dec. 28p
Banks with Assets of $750 Million or More									
1 Total loans (gross) and securities adjusted[1]	662,042	662,753	664,344	663,278	665,934	670,563	670,160	673,344	677,582
2 Total loans (gross) adjusted[1]	521,598	522,015	522,229	521,369	523,488	525,818	526,618	530,013	534,228
3 Demand deposits adjusted[2]	107,494	108,532	106,603	103,237	109,914	108,804	109,752	110,407	113,266
4 Time deposits in accounts of $100,000 or more	140,565	140,750	140,098	142,768	142,506	142,010	142,336	143,365	145,214
5 Negotiable CDs	88,424	88,322	87,427	89,542	89,424	88,931	89,378	89,922	91,918
6 Other time deposits	52,142	52,429	52,671	53,226	53,082	53,079	52,958	53,443	53,296
7 Loans sold outright to affiliates[3]	2,594	2,536	2,559	2,490	2,385	2,432	2,401	2,386	2,364
8 Commercial and industrial	2,001	1,945	1,963	1,904	1,839	1,850	1,831	1,837	1,810
9 Other	592	591	596	586	546	583	570	549	555
Banks with Assets of $1 Billion or More									
10 Total loans (gross) and securities adjusted[1]	615,741	616,277	617,903	616,748	619,290	623,804	622,940	625,611	628,632
11 Total loans (gross) adjusted[1]	488,223	488,513	488,713	487,840	489,827	492,130	492,556	495,438	498,857
12 Demand deposits adjusted[2]	99,558	100,497	98,778	95,410	101,555	100,404	101,272	101,713	104,337
13 Time deposits in accounts of $100,000 or more	131,721	131,806	131,168	133,727	133,714	133,322	133,528	134,460	136,007
14 Negotiable CDs	83,424	83,279	82,416	84,523	84,634	84,202	84,473	84,896	86,618
15 Other time deposits	48,297	48,528	48,753	49,204	49,079	49,119	49,054	49,565	49,389
16 Loans sold outright to affiliates[3]	2,544	2,486	2,510	2,434	2,331	2,369	2,338	2,323	2,302
17 Commercial and industrial	1,966	1,909	1,928	1,869	1,806	1,807	1,788	1,795	1,767
18 Other	578	578	582	565	525	562	549	529	534
Banks in New York City									
19 Total loans (gross) and securities adjusted[1,4]	145,350	144,707	146,336	145,592	145,534	146,076	146,170	147,617	147,429
20 Total loans (gross) adjusted[1]	120,992	119,799	120,971	119,910	119,928	120,780	120,951	122,478	122,148
21 Demand deposits adjusted[2]	27,732	26,414	27,233	26,047	28,360	127,577	27,214	27,754	29,249
22 Time deposits in accounts of $100,000 or more	30,978	30,574	30,573	31,608	31,546	31,157	31,297	31,083	31,357
23 Negotiable CDs	18,528	18,143	18,015	19,118	18,990	18,709	18,873	18,522	19,001
24 Other time deposits	12,450	12,431	12,558	12,490	12,556	12,448	12,424	12,561	12,356

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.

1.30 LARGE WEEKLY REPORTING BRANCHES AND AGENCIES OF FOREIGN BANKS Assets and Liabilities

Millions of dollars, Wednesday figures

Account	1983								
	Nov. 2	Nov. 9	Nov. 16	Nov. 23	Nov. 30	Dec. 7p	Dec. 14p	Dec. 21p	Dec. 28p
1 Cash and due from depository institutions	5,998	6,066	6,230	6,552	6,605	6,180	6,370	7,213	6,068
2 Total loans and securities	42,029	43,487	43,173	43,878	43,668	43,048	44,947	45,090	45,609
3 U.S. Treasury securities	4,711	4,664	4,755	4,675	4,594	4,678	4,658	4,634	4,644
4 Other securities	972	957	958	951	966	966	1,020	1,036	1,036
5 Federal funds sold[1]	2,496	4,291	3,669	3,874	3,457	2,865	3,841	3,971	4,476
6 To commercial banks in United States	2,383	4,159	3,552	3,626	3,282	2,707	3,519	3,722	4,195
7 To others	113	132	117	248	175	158	322	249	281
8 Other loans, gross	33,849	33,573	33,791	34,377	34,651	34,539	35,428	35,449	35,454
9 Commercial and industrial	18,536	18,742	18,960	18,913	19,313	19,191	19,661	19,611	19,463
10 Bankers acceptances and commercial paper	2,855	2,839	2,899	3,064	3,069	3,121	3,294	3,254	3,256
11 All other	15,681	15,903	16,061	15,848	16,244	16,070	16,367	16,357	16,207
12 U.S. addressees	13,792	14,047	14,216	13,926	14,417	14,243	14,533	14,546	14,377
13 Non-U.S. addressees	1,889	1,857	1,846	1,923	1,827	1,828	1,834	1,811	1,830
14 To financial institutions	11,053	10,672	10,607	11,232	10,596	10,707	11,010	11,412	11,075
15 Commercial banks in United States	8,628	8,474	8,473	8,974	8,255	8,394	8,662	9,199	8,820
16 Banks in foreign countries	1,800	1,620	1,542	1,600	1,660	1,642	1,648	1,572	1,584
17 Nonbank financial institutions	626	578	591	657	681	671	700	642	671
18 For purchasing and carrying securities	683	590	626	480	948	964	1,132	822	1,106
19 All other	3,577	3,569	3,597	3,753	3,793	3,677	3,626	3,603	3,810
20 Other assets (claims on nonrelated parties)	11,905	11,926	12,130	12,359	12,642	12,738	12,673	12,967	12,421
21 Net due from related institutions	12,552	12,558	12,042	12,449	11,769	12,654	11,542	9,769	9,944
22 Total assets	72,484	74,037	73,576	75,238	74,684	74,621	75,532	75,038	74,043
23 Deposits or credit balances[2]	19,380	19,422	19,257	20,387	20,662	20,625	21,537	22,498	22,485
24 Credit balances	202	154	157	151	143	145	125	165	174
25 Demand deposits	1,775	1,799	1,768	1,874	1,792	1,673	1,939	2,142	1,930
26 Individuals, partnerships, and corporations	873	853	786	855	882	820	860	851	914
27 Other	901	946	982	1,019	910	853	1,079	1,292	1,016
28 Total time and savings	17,404	17,468	17,331	18,362	18,728	18,808	19,473	20,191	20,381
29 Individuals, partnerships, and corporations	14,776	14,786	14,584	15,655	15,999	15,935	16,461	17,046	17,217
30 Other	2,627	2,682	2,747	2,707	2,729	2,873	3,012	3,145	3,163
31 Borrowings[3]	34,666	34,638	34,265	34,025	33,365	33,755	33,382	31,115	30,862
32 Federal funds purchased[4]	11,102	10,685	11,190	10,063	10,157	10,880	10,453	7,919	7,887
33 From commercial banks in United States	9,152	8,474	9,065	8,035	8,530	8,974	8,421	5,798	5,826
34 From others	1,951	2,211	2,126	2,028	1,628	1,906	2,032	2,121	2,061
35 Other liabilities for borrowed money	23,564	23,953	23,074	23,962	23,208	22,875	22,929	23,196	22,976
36 To commercial banks in United States	19,647	20,275	19,466	19,913	19,390	19,007	19,165	19,475	19,353
37 To others	3,917	3,678	3,608	4,049	3,817	3,868	3,764	3,721	3,622
38 Other liabilities to nonrelated parties	12,799	12,685	13,016	13,404	13,377	13,626	13,550	14,544	13,351
39 Net due to related institutions	5,639	7,292	7,039	7,422	7,280	6,615	7,063	6,881	7,345
40 Total liabilities	72,484	74,037	73,576	75,238	74,684	74,621	75,532	75,038	74,043
MEMO									
41 Total loans (gross) and securities adjusted[5]	31,018	30,854	31,147	31,277	32,130	31,947	32,766	32,169	32,595
42 Total loans (gross) adjusted[5]	25,334	25,232	25,434	25,651	26,570	26,303	27,088	26,499	26,915

1. Includes securities purchased under agreements to resell.
2. Balances due to other than directly related institutions.
3. Borrowings from other than directly related institutions.
4. Includes securities sold under agreements to repurchase.
5. Excludes loans and federal funds transactions with commercial banks in United States.

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

Billions of dollars, estimated daily-average balances

Type of holder	1978 Dec.	1979[2] Dec.	1980 Dec.	1981 Dec.	1982 Mar.	1982 June	1982 Sept.	1982 Dec.	1983 Mar.	1983 June
	Commercial banks									
1 **All holders—Individuals, partnerships, and corporations**	**294.6**	**302.2**	**315.5**	**288.9**	**268.9**	**271.5**	**276.7**	**295.4**	**283.5**	**289.5**
2 Financial business	27.8	27.1	29.8	28.0	27.8	28.6	31.9	35.5	34.0	35.1
3 Nonfinancial business	152.7	157.7	162.8[r]	154.8	138.7	141.4	142.9	151.7	144.4	147.7
4 Consumer	97.4	99.2	102.4	86.6	84.6	83.7	83.3	88.1	85.5	86.9
5 Foreign	2.7	3.1	3.3	2.9	3.1	2.9	2.9	3.0	3.2	3.0
6 Other	14.1	15.1	17.2	16.7	14.6	15.0	15.7	17.1	16.4	16.8
	Weekly reporting banks									
	1978 Dec.	1979[4] Dec.	1980 Dec.	1981 Dec.	1982 Mar.	1982 June	1982 Sept.	1982 Dec.	1983 Mar.	1983 June
7 **All holders—Individuals, partnerships, and corporations**	**147.0**	**139.3**	**147.4**	**137.5**	**126.8**	**127.9**	**132.1**	**144.0**	**140.7**	**141.9**
8 Financial business	19.8	20.1	21.8	21.0	20.2	20.2	23.4	26.7	25.2	26.3
9 Nonfinancial business	79.0	74.1	78.3	75.2	67.1	67.7	68.7	74.2	72.7	73.1
10 Consumer	38.2	34.3	35.6	30.4	29.2	29.7	29.6	31.9	31.2	30.4
11 Foreign	2.5	3.0	3.1	2.8	2.9	2.8	2.7	2.9	3.0	2.9
12 Other	7.5	7.8	8.6	8.0	7.3	7.5	7.7	8.4	8.6	9.3

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. Demand deposit ownership survey estimates for June 1981 are not available due to unresolved reporting errors.
4. 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.

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Instrument	1978 Dec.	1979[1] Dec.	1980 Dec.	1981 Dec.	1982 Dec.[2]	1983 June	1983 July	1983 Aug.	1983 Sept.	1983 Oct.	1983 Nov.
	Commercial paper (seasonally adjusted unless noted otherwise)										
1 **All issuers**	**83,438**	**112,803**	**124,374**	**165,455**	**166,208**	**170,716**	**172,199**	**174,669**	**176,775**	**175,924**	**180,206**
Financial companies[3]											
Dealer-placed paper[4]											
2 Total	12,181	17,359	19,599	29,904	34,067	39,850	39,027	40,749	39,963	38,128r	40,890
3 Bank-related (not seasonally adjusted)	3,521	2,784	3,561	6,045	2,516	2,192	2,367	2,353	2,303	2,195	2,341
Directly placed paper[5]											
4 Total	51,647	64,757	67,854	81,715	84,183	87,749	89,585	90,628	91,600	92,819	93,820
5 Bank-related (not seasonally adjusted)	12,314	17,598	22,382	26,914	32,034	33,420	33,613	35,085	34,856	34,622	35,001
6 Nonfinancial companies[6]	19,610	30,687	36,921	53,836	47,958	43,117	43,587	43,292	45,212	44,977	45,496
	Bankers dollar acceptances (not seasonally adjusted)										
7 **Total**	**33,700**	**45,321**	**54,744**	**69,226**	**79,543**	**70,907**	**72,710**	**73,977**	**73,569r**	**72,902r**	
Holder											
8 Accepting banks	8,579	9,865	10,564	10,857	10,910	9,147	9,008	8,498	9,205	9,501	
9 Own bills	7,653	8,327	8,963	9,743	9,471	7,998	8,231	7,466	7,986	8,212	
10 Bills bought	927	1,538	1,601	1,115	1,439	1,148	777	1,033	1,219	1,289	
Federal Reserve Banks											
11 Own account	587	704	776	195	1,480	203	0	209	0	0	
12 Foreign correspondents	664	1,382	1,791	1,442	949	792	670	717	622	483	n.a.
13 Others	24,456	33,370	41,614	56,731	66,204	60,968	63,032	65,961	64,942	62,917	
Basis											
14 Imports into United States	8,574	10,270	11,776	14,765	17,683	14,324	15,122	14,487	14,653r	14,829r	
15 Exports from United States	7,586	9,640	12,712	15,400	16,328	16,356	16,286	16,476	16,215	16,036	
16 All other	17,541	25,411	30,257	39,060	45,531	40,226	41,301	43,514	43,201	42,037	

1. A change in reporting instructions results in offsetting shifts in the dealer-placed and directly placed financial company paper in October 1979.
2. Effective Dec. 1, 1982, there was a break in the commercial paper series. The key changes in the content of the data involved additions to the reporting panel, the exclusion of broker or dealer placed borrowings under any master note agreements from the reported data, and the reclassification of a large portion of bank-related paper from dealer-placed to directly placed.
3. 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.
4. Includes all financial company paper sold by dealers in the open market.
5. As reported by financial companies that place their paper directly with investors.
6. Includes public utilities and firms engaged primarily in such activities as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services.

1.33 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
1981—Nov. 24	16.00	1982—Aug. 23	13.50	1982—Jan.	15.75	1983—Jan.	11.16
Dec. 1	15.75	Oct. 7	13.00	Feb.	16.56	Feb.	10.98
		14	12.00	Mar.	16.50	Mar.	10.50
		Nov. 22	11.50	Apr.	16.50	Apr.	10.50
				May	16.50	May	10.50
1982—Feb. 18	17.00			June	16.50	June	10.50
23	16.50			July	16.26	July	10.50
July 20	16.00			Aug.	14.39	Aug.	10.89
29	15.50			Sept.	13.50	Sept.	11.00
Aug. 2	15.00	1983—Jan. 11	11.00	Oct.	12.52	Oct.	11.00
16	14.50	Feb. 28	10.50	Nov.	11.85	Nov.	11.00
18	14.00	Aug. 8	11.00	Dec.	11.50	Dec.	11.00

1.34 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, November 7–11, 1983

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)	26,906,178	679,407	460,408	554,091	2,042,372	726,993	22,442,908
2 Number of loans	130,514	91,718	13,836	8,922	11,597	1,077	3,364
3 Weighted-average maturity (months)	1.3	3.6	3.7	4.0	4.9	3.1	.8
4 With fixed rates	.7	3.2	3.6	3.9	3.8	1.5	.4
5 With floating rates	2.5	4.5	3.8	4.1	5.6	4.8	1.7
6 Weighted-average interest rate (percent per annum)	10.95	13.91	13.78	13.23	12.34	11.82	10.59
7 Interquartile range[1]	10.27–11.18	12.68–14.85	12.55–14.56	12.36–13.80	11.46–12.96	11.32–12.55	10.24–10.75
8 With fixed rates	10.80	14.26	13.79	13.70	12.63	11.24	10.54
9 With floating rates	11.20	13.28	13.78	12.93	12.21	12.14	10.68
Percentage of amount of loans							
10 With floating rate	36.7	35.7	60.0	61.3	69.2	64.8	31.8
11 Made under commitment	68.4	31.3	30.5	37.2	43.8	65.2	73.4
12 With no stated maturity	12.5	15.7	27.1	26.7	22.7	38.5	10.0
13 With one-day maturity	17.4	2.1	.0	.2	.5	3.3	20.7
Long-Term Commercial and Industrial Loans		1–99			100–499	500–999	1,000 and over
14 Amount of loans (thousands of dollars)	2,834,473	367,008			426,052	168,157	1,873,256
15 Number of loans	19,150	16,303			1,851	246	750
16 Weighted-average maturity (months)	50.8	39.0			40.7	48.7	55.5
17 With fixed rates	50.7	42.0			45.9	55.0	57.1
18 With floating rates	50.8	36.3			36.6	47.6	55.2
19 Weighted-average interest rate (percent per annum)	12.94	14.03			17.89	12.03	11.68
20 Interquartile range[1]	11.38–12.68	12.68–14.65			12.40–28.42	11.46–12.68	10.92–12.40
21 With fixed rates	15.19	14.95			24.52	11.51	10.68
22 With floating rates	12.13	13.21			12.60	12.12	11.93
Percentage of amount of loans							
23 With floating rate	73.6	52.9			55.6	85.8	80.6
24 Made under commitment	59.1	42.7			45.3	66.6	64.8
Construction and Land Development Loans		1–24	25–49	50–99	100–499	500 and over	
25 Amount of loans (thousands of dollars)	990,925	150,071	110,531	83,576	178,568	468,178	
26 Number of loans	23,236	17,606	3,315	1,303	806	206	
27 Weighted-average maturity (months)	8.5	6.9	7.1	9.6	13.2	7.4	
28 With fixed rates	9.0	8.5	7.7	8.2	13.5	9.3	
29 With floating rates	8.2	5.4	6.3	12.3	13.2	6.6	
30 Weighted-average interest rate (percent per annum)	13.25	14.16	14.58	14.19	13.02	12.57	
31 Interquartile range[1]	12.13–13.88	13.43–14.93	13.42–15.56	13.31–14.89	12.40–13.30	12.12–13.24	
32 With fixed rates	13.56	13.98	14.94	14.73	12.90	12.43	
33 With floating rates	13.09	14.32	14.16	13.32	13.04	12.63	
Percentage of amount of loans							
34 With floating rate	65.1	52.7	46.5	38.0	85.7	70.5	
35 Secured by real estate	92.4	85.3	98.0	95.8	95.9	91.4	
36 Made under commitment	64.4	75.1	59.7	32.6	74.7	63.9	
37 With no stated maturity	4.0	2.7	2.9	6.8	6.4	3.2	
38 With one-day maturity	.0	.0	.0	.0	.0	.0	
Type of construction							
39 1- to 4-family	33.9	47.5	67.3	76.1	28.5	16.1	
40 Multifamily	15.9	3.5	4.5	9.9	22.4	21.1	
41 Nonresidential	50.3	49.0	28.3	14.0	49.1	62.8	
Loans to Farmers	All sizes	1–9	10–24	25–49	50–99	100–249	250 and over
42 Amount of loans (thousands of dollars)	1,467,055	137,726	177,981	171,295	193,955	250,340	535,758
43 Number of loans	58,634	36,687	11,551	5,309	2,774	1,738	845
44 Weighted-average maturity (months)	6.8	6.4	7.6	6.6	7.5	11.9	4.1
45 Weighted-average interest rate (percent per annum)	13.64	14.30	14.25	13.92	13.94	13.82	12.98
46 Interquartile range[1]	12.68–14.50	13.88–14.74	13.42–14.71	13.19–14.49	13.42–14.51	13.80–14.45	11.59–14.23
By purpose of loan							
47 Feeder livestock	14.00	14.22	13.99	14.20	14.12	13.45	13.92
48 Other livestock	13.87	14.30	15.13	14.14	13.83	(*)	13.37
49 Other current operating expenses	13.37	14.26	14.11	14.06	13.78	13.72	11.54
50 Farm machinery and equipment	13.91	14.50	14.09	13.51	(*)	(*)	(*)
51 Other	12.93	14.32	14.08	13.32	13.78	13.13	12.54

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 (111) statistical release.

1.35 INTEREST RATES Money and Capital Markets

Averages, percent per annum; weekly and monthly figures are averages of business day data unless otherwise noted.

	Instrument	1981	1982	1983	1983				1983, week ending				
					Sept.	Oct.	Nov.	Dec.	Dec. 2	Dec. 9	Dec. 16	Dec. 23	Dec. 30
	MONEY MARKET RATES												
1	Federal funds[1,2]	16.38	12.26	9.09	9.45	9.48	9.34	9.47	9.27	9.49	9.52	9.62	8.96
	Commercial paper[3,4]												
2	1-month	15.69	11.83	8.87	9.19	9.03	9.10	9.56	9.06	9.33	9.70	9.78	9.66
3	3-month	15.32	11.89	8.88	9.24	8.99	9.10	9.53	9.10	9.33	9.68	9.72	9.55
4	6-month	14.76	11.89	8.89	9.28	8.98	9.09	9.50	9.11	9.35	9.68	9.64	9.47
	Finance paper, directly placed[3,4]												
5	1-month	15.30	11.64	8.80	9.15	8.99	9.06	9.51	9.05	9.29	9.67	9.74	9.49
6	3-month	14.08	11.23	8.70	9.09	8.82	8.87	9.16	8.93	9.09	9.21	9.25	9.20
7	6-month	13.73	11.20	8.69	9.09	8.79	8.84	9.11	8.92	9.08	9.14	9.15	9.15
	Bankers acceptances[4,5]												
8	3-month	15.32	11.89	8.90	9.23	9.01	9.16	9.52	9.17	9.38	9.70	9.66	9.46
9	6-month	14.66	11.83	8.91	9.26	8.97	9.13	9.45	9.16	9.39	9.64	9.52	9.31
	Certificates of deposit, secondary market[6]												
10	1-month	15.91	12.04	8.96	9.28	9.11	9.22	9.67	9.22	9.41	9.78	9.90	9.77
11	3-month	15.91	12.27	9.07	9.39	9.18	9.36	9.69	9.34	9.52	9.84	9.83	9.67
12	6-month	15.77	12.57	9.27	9.64	9.31	9.51	9.85	9.53	9.79	10.06	9.91	9.72
13	Eurodollar deposits, 3-month[2]	16.79	13.12	9.56	9.82	9.54	9.79	10.08	9.78	9.83	10.18	10.36	10.06
	U.S. Treasury bills[4]												
	Secondary market[7]												
14	3-month	14.03	10.61	8.61	9.00	8.64	8.76	9.00	8.88	8.97	9.09	9.00	8.96
15	6-month	13.80	11.07	8.73	9.15	8.83	8.93	9.17	9.05	9.16	9.24	9.19	9.14
16	1-year	13.14	11.07	8.80	9.27	8.98	9.08	9.24	9.15	9.23	9.28	9.25	9.22
	Auction average[8]												
17	3-month	14.029	10.686	8.63	9.05	8.71	8.71	8.96	8.90	9.00	8.93	9.04	8.94
18	6-month	13.776	11.084	8.75	9.19	8.90	8.89	9.14	9.05	9.16	9.12	9.24	9.14
19	1-year	13.159	11.099	8.86	9.64	9.13	9.03	9.16	9.09	....	....	....	9.23
	CAPITAL MARKET RATES												
	U.S. Treasury notes and bonds[9]												
	Constant maturities[10]												
20	1-year	14.78	12.27	9.57	10.16	9.81	9.94	10.11	10.01	10.10	10.15	10.13	10.09
21	2-year	14.56	12.80	10.21	10.79	10.57	10.66	10.84	10.69	10.79	10.89	10.86	10.85
22	2-½-year[11]	....	....	....	....	....	....	....	10.85	....	11.05	....	10.95
23	3-year	14.44	12.92	10.45	11.07	10.87	10.96	11.13	10.98	11.10	11.21	11.13	11.10
24	5-year	14.24	13.01	10.80	11.43	11.28	11.41	11.54	11.38	11.52	11.62	11.55	11.54
25	7-year	14.06	13.06	11.02	11.61	11.47	11.61	11.78	11.59	11.76	11.88	11.77	11.74
26	10-year	13.91	13.00	11.10	11.65	11.54	11.69	11.83	11.64	11.82	11.93	11.82	11.79
27	20-year	13.72	12.92	11.34	11.82	11.77	11.92	12.02	11.85	12.03	12.11	12.03	11.97
28	30-year	13.44	12.76	11.18	11.63	11.58	11.75	11.88	11.69	11.87	11.98	11.90	11.84
	Composite[12]												
29	Over 10 years (long-term)	12.87	12.23	10.84	11.26	11.21	11.32	11.44	11.26	11.42	11.53	11.46	11.41
	State and local notes and bonds												
	Moody's series[13]												
30	Aaa	10.43	10.88	8.80	8.97	8.93	9.01	9.34	9.30	9.35	9.45	9.35	9.25
31	Baa	11.76	12.48	10.17	10.10	10.04	10.01	10.29	10.25	10.30	10.30	10.30	10.30
32	*Bond Buyer* series[14]	11.33	11.66	9.51	9.58	9.66	9.75	9.89	9.82	9.91	10.04	9.92	9.76
	Corporate bonds												
	Seasoned issues[15]												
33	All industries	15.06	14.94	12.78	12.91	12.79	12.93	13.07	12.92	13.01	13.13	13.13	13.09
34	Aaa	14.17	13.79	12.04	12.37	12.25	12.41	12.57	12.39	12.51	12.66	12.61	12.56
35	Aa	14.75	14.41	12.42	12.62	12.49	12.61	12.76	12.60	12.70	12.81	12.82	12.76
36	A	15.29	15.43	13.10	13.11	12.97	13.09	13.21	13.06	13.12	13.23	13.30	13.25
37	Baa	16.04	16.11	13.55	13.55	13.46	13.61	13.75	13.63	13.69	13.79	13.25	13.79
	Aaa utility bonds[16]												
38	New issue	15.56	14.41	12.10	12.53	12.43	12.64	12.62	12.62	....	....	....	....
39	Recently offered issues	15.56	14.45	12.15	12.50	12.42	12.65	12.75	12.65	12.79	12.87	12.73	12.68
	MEMO: Dividend/price ratio[17]												
40	Preferred stocks	12.36	12.53	11.0	11.06	10.97	11.12	11.49	11.23	11.36	11.47	11.45	11.66
41	Common stocks	5.20	5.81	4.40	4.24	4.25	4.31	4.32	4.27	4.29	4.35	4.35	4.29

1. Weekly and monthly figures are averages of all calendar days, where the rate for a weekend or holiday is taken to be the rate prevailing on the preceding business day. The daily rate is the average of the rates on a given day weighted by the volume of transactions at these rates.
2. Weekly figures are statement week averages—that is, averages for the week ending Wednesday.
3. 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). Before November 1979, maturities for data shown are 30–59 days, 90–119 days, and 120–179 days for commercial paper; and 30–59 days, 90–119 days, and 150–179 days for finance paper.
4. Yields are quoted on a bank-discount basis, rather than an investment yield basis (which would give a higher figure).
5. Dealer closing offered rates for top-rated banks. Most representative rate (which may be, but need not be, the average of the rates quoted by the dealers).
6. Unweighted average of offered rates quoted by at least five dealers early in the day.
7. Unweighted average of closing bid rates quoted by at least five dealers.
8. Rates are recorded in the week in which bills are issued. Beginning with the Treasury bill auction held on Apr. 18, 1983, bidders were required to state the percentage yield (on a bank discount basis) that they would accept to two decimal places. Thus, average issuing rates in bill auctions will be reported using two rather than three decimal places.
9. Yields are based on closing bid prices quoted by at least five dealers.
10. Yields adjusted to constant maturities by the U.S. Treasury. That is, yields are read from a yield curve at fixed maturities. Based on only recently issued, actively traded securities.
11. Each biweekly figure is the average of five business days ending on the Monday following the date indicated. Until Mar. 31, 1983, the biweekly rate determined the maximum interest rate payable in the following two-week period on 2-½-year small saver certificates. (See table 1.16.)
12. Averages of yields (to maturity or call) for all outstanding bonds neither due nor callable in less than 10 years, including several very low yielding "flower" bonds.
13. General obligations only, based on figures for Thursday, from Moody's Investors Service.
14. General obligations only, with 20 years to maturity, issued by 20 state and local governmental units of mixed quality. Based on figures for Thursday.
15. Daily figures from Moody's Investors Service. Based on yields to maturity on selected long-term bonds.
16. Compilation of the Federal Reserve. 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.
17. Standard and Poor's corporate series. Preferred stock ratio based on a sample of ten issues: four public utilities, four industrials, one financial, and one transportation. Common stock ratios on the 500 stocks in the price index.

1.36 STOCK MARKET Selected Statistics

Indicator	1980	1981	1982	1983 Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Prices and trading (averages of daily figures)											
Common stock prices												
1 New York Stock Exchange (Dec. 31, 1965 = 50)	68.06	74.02	68.93	90.61	94.61	96.43	96.74	93.96	96.70	96.78	95.36	94.92
2 Industrial	78.64	85.44	78.18	104.46	109.43	112.52	113.21	109.50	112.76	112.87	110.77	110.65
3 Transportation	60.52	72.61	60.41	85.26	89.07	92.22	92.91	88.06	94.56	95.41	97.68	98.79
4 Utility	37.35	38.90	39.75	46.22	47.62	46.76	46.61	46.94	48.16	48.73	48.50	47.00
5 Finance	64.28	73.52	71.99	99.07	102.45	101.22	99.60	95.76	97.00	94.79	94.48	94.25
6 Standard & Poor's Corporation (1941–43 = 10)[1]	118.71	128.05	119.71	157.71	164.10	166.39	166.96	162.42	167.16	167.65	165.23	164.36
7 American Stock Exchange[2] (Aug. 31, 1973 = 100)	150.47	171.79	141.31	202.51	223.97	237.51	244.03	230.10	234.36	223.76	218.42	221.31
Volume of trading (thousands of shares)												
8 New York Stock Exchange	44,867	46,967	64,617	89,627	93,016	89,729	79,508	74,191	82,866	85,445	86,405	88,041
9 American Stock Exchange	6,377	5,346	5,283	8,576	12,260	10,874	8,199	6,329	6,629	7,751	6,160	6,939
	Customer financing (end-of-period balances, in millions of dollars)											
10 Regulated margin credit at brokers–dealers[3]	**14,721**	**14,411**	**13,325**	**15,590**	**16,713**	**18,292**	**19,218**	**19,437**	**20,124**	**21,030**	**22,075**	
11 Margin stock[4]	14,500	14,150	12,980	15,260	16,370	17,930	18,870	19,090	19,760	20,690	21,790	
12 Convertible bonds	219	259	344	329	342	361	347	346	363	339	285	
13 Subscription issues	2	2	1	1	1	1	1	1	1	1	1	n.a.
Free credit balances at brokers[5]												
14 Margin-account	2,105	3,515	5,735	6,090	6,090	6,150	6,275	6,350	6,550	6,630	6,515	
15 Cash-account	6,070	7,150	8,390	7,970	8,310	8,590	8,145	8,035	7,930	7,695	7,600	
	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**	**100.0**	**100.0**	
By equity class (in percent)[6]												
17 Under 40	14.0	37.0	21.0	14.0	14.0	13.0	21.0	23.0	24.0r	35.0	48.0	
18 40–49	30.0	24.0	24.0	19.0	19.0	21.0	28.0	28.0	27.0	24.0	22.0	
19 50–59	25.0	17.0	24.0	28.0	30.0	29.0	21.0	20.0	21.0	17.0	17.0	n.a.
20 60–69	14.0	10.0	14.0	19.0	16.0	16.0	14.0	13.0	12.0r	10.0	10.0	
21 70–79	9.0	6.0	9.0	10.0	11.0	12.0	9.0	9.0	9.0	7.0	7.0	
22 80 or more	8.0	6.0	8.0	9.0	9.0	9.0	7.0	7.0	7.0	7.0	6.0	
	Special miscellaneous-account balances at brokers (end of period)											
23 Total balances (millions of dollars)[7]	**21,690**	**25,870**	**35,598**	**44,999**	**45,465**	**47,100**	**50,580**	**50,267**	**51,211**	**54,029**	**57,490**	
Distribution by equity status (percent)												
24 Net credit status	47.8	58.0	62.0	64.0	62.0	62.0	62.0	62.0	64.0	63.0	63.0	n.a.
Debt status, equity of												
25 60 percent or more	44.4	31.0	29.0	30.0	32.0	33.0	31.0	31.0	29.0	28.0	29.0	
26 Less than 60 percent	7.7	11.0	9.0	6.0	6.0	5.0	6.0	7.0	7.0	9.0	8.0	

Margin requirements (percent of market value and effective date)[8]

	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. Beginning July 5, 1983, the American Stock Exchange rebased its index effectively cutting previous readings in half.
3. Margin credit includes all credit extended to purchase or carry stocks or related equity instruments and secured at least in part by stock. Credit extended is end-of-month data for member firms of the New York Stock Exhange.

Besides assigning a current loan value to margin stock generally, Regulations T and U permit special loan values for convertible bonds and stock acquired through exercise of subscription rights.

4. A distribution of this total by equity class is shown on lines 17–22.
5. Free credit balances are in accounts with no unfulfilled commitments to the brokers and are subject to withdrawal by customers on demand.
6. Each customer's equity in his collateral (market value of collateral less net debit balance) is expressed as a percentage of current collateral values.
7. 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.
8. Regulations G, T, and U of the Federal Reserve Board of Governors, prescribed in accordance with the Securities Exchange Act of 1934, limit the amount of credit to purchase and carry margin stocks that may be extended on securities as collateral by prescribing a maximum loan value, which is a specified percentage of the market value of the collateral at the time the credit is extended. Margin requirements are the difference between the market value (100 percent) and the maximum loan value. The term "margin stocks" is defined in the corresponding regulation.

1.37 SELECTED FINANCIAL INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1981	1982	1983										
		Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.p
	Savings and loan associations												
1 **Assets**	**664,167**	**706,045**	**714,676**	**722,352**	**723,616**	**728,487**	**728,156**	**731,275**	**739,575**	**745,040**	**746,514**	**754,932**	**762,237**
2 Mortgages	518,547	482,234	481,470	481,090	475,688	476,248	472,124	473,134	477,919	481,691	480,813	483,854	488,464
3 Cash and investment securities[1]	63,123	84,767	90,662	94,080	96,649	99,226	103,468	101,284	101,754	98,996	99,419	100,714	100,943
4 Other	82,497	139,044	142,544	147,182	151,279	153,013	152,564	156,857	159,902	164,353	166,282	170,364	172,830
5 **Liabilities and net worth**	**664,167**	**706,045**	**714,676**	**722,352**	**723,616**	**728,487**	**728,156**	**731,275**	**739,575**	**745,040**	**746,514**	**754,932**	**762,237**
6 Savings capital	525,061	566,189	582,918	591,913	597,112	601,171	599,673	603,178	608,683	613,087	615,691	620,233	623,208
7 Borrowed money	88,782	97,979	88,925	86,544	84,884	83,640	82,722	84,328	84,682	84,345	85,926	87,315	89,409
8 FHLBB	62,794	63,861	60,415	58,841	56,859	55,933	54,392	54,234	53,579	52,303	52,179	52,678	51,742
9 Other	25,988	34,118	28,510	27,703	28,025	27,707	28,330	30,094	31,103	32,042	33,747	34,637	37,667
10 Loans in process	6,385	9,934	10,453	11,039	12,245	13,462	14,528	15,972	17,063	17,931	18,773	19,168	19,700
11 Other	15,544	15,720	16,658	17,524	14,767	16,210	18,323	15,548	17,931	19,078	15,978	17,934	19,741
12 Net worth[2]	28,395	26,157	26,175	26,371	26,853	27,466	27,438	28,221	28,279	28,530	28,919	29,450	29,879
13 MEMO: Mortgage loan commitments outstanding[3]	15,225	18,054	19,453	22,051	24,885	27,920	30,089	30,630	31,667	32,342	32,410	32,723	34,497
	Mutual savings banks[4]												
14 **Assets**	**175,728**	**174,197**	**174,726**	**176,378**	**178,814**	**178,826**	**180,071**	**181,975**	**182,822**	**183,612**	**186,041**	**188,021**	
Loans													
15 Mortgage	99,997	94,091	93,944	93,607	93,823	93,311	93,587	94,000	93,998	93,941	94,831	95,181	
16 Other	14,753	16,957	17,420	18,211	17,837	18,353	17,893	17,438	18,134	17,929	17,830	18,860	
Securities													
17 U.S. government[5]	9,810	9,743	10,248	11,081	12,187	12,364	13,110	13,572	13,931	14,484	14,794	14,774	
18 State and local government	2,288	2,470	2,446	2,440	2,403	2,311	2,260	2,257	2,248	2,247	2,244	2,189	
19 Corporate and other[6]	37,791	36,161	36,430	36,905	37,827	38,342	39,142	40,206	40,667	41,045	41,889	41,907	
20 Cash	5,442	6,919	6,275	6,104	6,548	6,039	5,960	6,224	5,322	5,168	5,560	4,940	
21 Other assets	5,649	7,855	7,963	8,031	8,189	8,107	8,118	8,276	8,522	8,799	8,893	9,051	
22 **Liabilities**	**175,728**	**174,197**	**174,726**	**176,378**	**178,814**	**178,826**	**180,071**	**181,975**	**182,822**	**183,612**	**186,041**	**188,021**	n.a.
23 Deposits	155,110	155,196	157,113	159,162	161,489	161,262	162,287	163,990	164,848	165,087	165,887	166,260	
24 Regular[7]	153,003	152,777	154,876	156,915	159,088	158,760	159,840	161,573	162,271	162,600	162,998	163,782	
25 Ordinary savings	49,425	46,862	41,850	41,165	41,183	40,379	40,467	40,451	39,983	39,360	39,768	38,129	
26 Time	103,578	96,369	90,184	87,377	86,272	84,593	83,506	84,705	85,445	86,446	85,603	90,639	
27 Other	2,108	2,419	2,237	2,247	2,401	2,502	2,447	2,417	2,577	2,487	2,889	2,478	
28 Other liabilities	10,632	8,336	7,722	7,542	7,395	7,631	3,114	7,754	7,596	7,884	9,475	8,988	
29 General reserve accounts	9,986	9,235	9,196	9,197	9,342	9,352	9,377	9,575	9,684	9,932	9,879	12,245	
30 MEMO: Mortgage loan commitments outstanding[8]	1,293	1,285	1,253	1,295	1,639	1,882	1,860	1,884	1,969	2,046	2,023	2,210	
	Life insurance companies												
31 **Assets**	**525,803**	**588,163**	**589,490**	**595,959**	**602,770**	**609,298**	**620,572**	**628,224**	**633,569**	**638,826**	**644,295**	**647,149**	
Securities													
32 Government	25,209	36,499	35,587	36,946	38,449	39,210	42,523	43,348	44,751	45,700	46,109	47,767	
33 United States[9]	8,167	16,529	16,731	17,877	19,213	19,746	20,706	21,141	22,228	22,817	23,134	24,380	
34 State and local	7,151	8,664	8,225	8,333	8,368	8,524	10,053	10,355	10,504	10,695	10,739	10,791	
35 Foreign[10]	9,891	11,306	10,631	10,736	10,868	10,940	11,764	11,852	12,019	12,188	12,236	12,596	
36 Business	255,769	287,126	290,178	293,427	296,233	300,558	309,254	313,510	316,934	318,584	321,568	320,964	n.a.
37 Bonds	208,099	231,406	233,380	235,376	236,430	238,689	245,833	248,248	252,397	253,977	256,131	256,332	
38 Stocks	47,670	55,720	56,798	58,051	59,803	61,869	63,421	65,262	64,537	64,607	65,437	64,632	
39 Mortgages	137,747	141,989	142,277	142,683	143,031	143,011	143,758	144,725	145,086	146,400	147,356	148,256	
40 Real estate	40,094	20,264	20,922	21,014	21,175	21,352	21,344	21,629	21,690	21,749	21,903	22,141	
41 Policy loans	48,706	52,961	53,239	53,383	53,560	53,715	53,804	53,914	53,972	54,063	54,165	54,255	
42 Other assets	35,815	48,571	42,111	43,355	50,322	51,452	48,889	51,098	51,136	52,330	53,194	53,765	
	Credit unions[11]												
43 **Total assets/liabilities and capital**	**60,611**	**69,572**	**69,831**	**71,412**	**73,876**	**74,896**	**76,851**	**78,467**	**79,084**	**79,595**	**80,678**	**81,033**	**81,845**
44 Federal	39,181	45,483	45,609	46,673	48,350	48,986	50,275	51,430	51,844	52,224	53,033	53,222	53,710
45 State	21,430	24,089	24,222	24,739	22,526	25,910	26,576	27,037	27,240	27,371	27,645	27,811	28,135
46 Loans outstanding	42,333	43,223	42,946	42,823	43,067	43,530	44,055	45,001	45,616	46,880	47,744	48,345	49,102
47 Federal	27,096	27,941	27,740	27,644	27,823	28,133	28,512	29,175	29,577	30,384	30,912	31,287	31,789
48 State	15,237	15,282	15,206	15,179	15,244	15,397	15,543	15,826	16,039	16,496	16,832	17,058	17,313
49 Savings	54,152	62,977	63,318	64,780	67,494	68,663	70,221	71,712	72,438	72,550	73,697	74,187	74,685
50 Federal (shares)	35,250	41,341	41,556	42,533	44,336	45,165	46,192	47,145	47,713	47,874	48,709	49,044	49,400
51 State (shares and deposits)	18,902	21,636	21,762	22,247	23,158	23,498	24,029	24,567	24,725	24,676	24,988	25,143	25,285

For notes see bottom of opposite page.

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year 1981	Fiscal year 1982	Fiscal year 1983	Calendar year					
				1982		1983	1983		
				H1	H2	H1	Sept.	Oct.	Nov.
U.S. budget									
1 Receipts[1]	599,272	617,766	600,562	322,478	286,338	306,331	63,556	45,156	46,200
2 Outlays[1,2]	657,204	728,375	795,917	348,678	390,846	396,477	61,610	70,225	67,792
3 Surplus, or deficit (−)	−57,932	−110,609	−195,355	−26,200	−104,508	−90,146	1,946	−25,069	−21,592
4 Trust funds	6,817	5,456	23,056	−17,690	−6,576	22,680	14,006	−1,471	−3,408
5 Federal funds[3]	−64,749	−116,065	−218,410	−43,889	−97,934	−112,822	−12,060	−23,598	−18,183
Off-budget entities (surplus, or deficit (−))									
6 Federal Financing Bank outlays	−20,769	−14,142	−10,404	−7,942	−4,923	−5,418	−1,270	1,347	−526
7 Other[4]	−236	−3,190	−1,953	227	−2,267	−528	−1,432	100	−152
U.S. budget plus off-budget, including Federal Financing Bank									
8 Surplus, or deficit (−)	−78,936	−127,940	−207,711	−33,914	−111,699	−96,094	−756	−23,623	−22,270
Source or financing									
9 Borrowing from the public	79,329	134,993	212,425	41,728	119,609	102,538	15,442	11,732	8,946
10 Cash and monetary assets (decrease, or increase (−))[5]	−1,878	−11,911	−9,889	−408	−9,057	−9,664	−19,061	9,525	21,277
11 Other[6]	1,485	4,858	5,176	−7,405	1,146	3,222	4,375	2,367	−7,953
MEMO:									
12 Treasury operating balance (level, end of period)	18,670	29,164	37,057	10,999	19,773	100,243	37,057	27,100	5,213
13 Federal Reserve Banks	3,520	10,975	16,557	4,099	5,033	19,442	16,557	4,841	2,896
14 Tax and loan accounts	15,150	18,189	20,500	6,900	14,740	72,037	20,500	22,259	2,316

1. Effective Feb. 8, 1982, supplemental medical insurance premiums and voluntary hospital insurance premiums, previously included in other insurance receipts, have been reclassified as offsetting receipts in the health function.
2. Effective Oct. 1, 1980, the Pension Benefit Guaranty Corporation was reclassified from an off-budget agency to an on-budget agency in the Department of Labor.
3. Half-year figures are calculated as a residual (total surplus/deficit less trust fund surplus/deficit).
4. Other off-budget includes Postal Service Fund; Rural Electrification and Telephone Revolving Fund; and Rural Telephone Bank; it also includes petroleum acquisition and transportation and strategic petroleum reserve effective November 1981.
5. 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.
6. Includes accrued interest payable to the public; allocations of special drawing rights; deposit funds; miscellaneous liability (including checks outstanding) and asset accounts; seigniorage; 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 1984*.

NOTES TO TABLE 1.37

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. The NAMSB reports that, effective April 1979, balance sheet data are not strictly comparable with previous months. Beginning April 1979, data are reported on a net-of-valuation-reserves basis. Before that date, data were reported on a gross-of-valuation-reserves basis.
5. Beginning April 1979, includes obligations of U.S. government agencies. Before that date, this item was included in "Corporate and other."
6. Includes securities of foreign governments and international organizations and, before April 1979, nonguaranteed issues of U.S. government agencies.
7. Excludes checking, club, and school accounts.
8. 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.
9. Direct and guaranteed obligations. Excludes federal agency issues not guaranteed, which are shown in the table under "Business" securities.
10. Issues of foreign governments and their subdivisions and bonds of the International Bank for Reconstruction and Development.
11. As of June 1982, data include only federal or federally insured state credit unions serving natural persons.

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.

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 federally insured state credit unions serving natural persons. Figures are preliminary and revised annually to incorporate recent benchmark data.

1.39 U.S. BUDGET RECEIPTS AND OUTLAYS

Millions of dollars

Source or type	Fiscal year 1981	Fiscal year 1982	Fiscal year 1983	Calendar year					
				1982		1983	1983		
				H1	H2	H1	Sept.	Oct.	Nov.
RECEIPTS									
1 **All sources**[1]	**599,272**	**617,766**	**600,563**	**322,478**	**286,338**	**306,331**	**63,556**	**48,102**	**46,200**
2 Individual income taxes, net	285,917	297,744	288,938	150,565	145,676	144,550	30,961	23,227	22,700
3 Withheld	256,332	267,513	266,010	133,575	131,567	135,531	21,060	21,720	22,550
4 Presidential Election Campaign Fund	41	39	36	34	5	30	1	0	0
5 Nonwithheld	76,844	84,691	83,586	66,174	20,040	63,014	11,595	2,022	1,011
6 Refunds	47,299	54,498	60,692	49,217	5,938	54,024	1,695	515	861
Corporation income taxes									
7 Gross receipts	73,733	65,991	61,780	37,836	25,661	33,522	10,477	2,824	1,827
8 Refunds	12,596	16,784	24,758	8,028	11,467	13,809	1,430	2,356	1,360
9 Social insurance taxes and contributions, net	182,720	201,498	209,001	108,079	94,278	110,521	17,240	15,707	16,780
10 Payroll employment taxes and contributions[2]	156,932	172,744	179,010	88,795	85,063	90,912	15,753	14,266	14,151
11 Self-employment taxes and contributions[3]	6,041	7,941	6,756	7,357	177	6,427	927	0	103
12 Unemployment insurance	15,763	16,600	18,799	9,809	6,857	11,146	176	1,100	2,166
13 Other net receipts[1,4]	3,984	4,212	4,436	2,119	2,181	2,196	384	341	360
14 Excise taxes	40,839	36,311	35,300	17,525	16,556	16,904	3,692	3,142	3,259
15 Customs deposits	8,083	8,854	8,655	4,310	4,299	4,010	815	766	904
16 Estate and gift taxes	6,787	7,991	6,053	4,208	3,445	2,883	552	488	453
17 Miscellaneous receipts[5]	13,790	16,161	15,594	7,984	7,891	7,751	1,249	1,357	1,637
OUTLAYS									
18 **All types**[1]	**657,204**	**728,424**	**795,917**	**348,683**	**390,847**	**396,477**	**61,610**	**70,225**	**67,792**
19 National defense	159,765	187,418	210,461	93,154	100,419	105,072	18,086	17,416	17,947
20 International affairs	11,130	9,982	8,927	5,183	4,406	4,705	822	1,083	318
21 General science, space, and technology	6,359	7,070	7,777	3,370	3,903	3,486	685	880	777
22 Energy	10,277	4,674	4,035	2,946	2,059	2,073	−97	253	342
23 Natural resources and environment	13,525	12,934	12,676	5,636	6,940	5,892	1,344	1,251	974
24 Agriculture	5,572	14,875	22,173	7,087	13,260	10,154	662	1,718	766
25 Commerce and housing credit	3,946	3,865	4,721	1,408	2,244	2,164	190	1,848	−288
26 Transportation	23,381	20,560	21,231	9,915	10,686	9,918	2,148	3,051	2,118
27 Community and regional development	9,394	7,165	7,302	3,055	4,186	3,124	671	1,015	686
28 Education, training, employment, social services	31,402	26,300	25,726	12,607	12,187	12,801	2,046	2,165	2,205
29 Health[1]	65,982	74,017	81,157	37,219	39,073	41,206	5,917	7,928	7,064
30 Income security	225,101	248,343	280,244	112,782	133,779	143,001	22,853	20,922	22,810
31 Veterans benefits and services	22,988	23,955	24,845	10,865	13,241	11,334	2,012	1,940	2,051
32 Administration of justice	4,696	4,671	5,014	2,334	2,373	2,522	398	442	396
33 General government	4,614	4,726	4,991	2,400	2,322	2,434	282	143	535
34 General-purpose fiscal assistance	6,856	6,393	6,287	3,325	3,152	3,124	31	1,644	337
35 Net interest[6]	68,726	84,697	103,916	41,883	44,948	50,383	6,390	7,767	9,464
36 Undistributed offsetting receipts[7]	−16,509	−13,270	−35,566	−6,490	−8,333	−16,912	−2,828	−1,242	−710

1. Effective Feb. 8, 1982, supplemental medical insurance premiums and voluntary hospital insurance premiums, previously included in other insurance receipts, have been reclassified as offsetting receipts in the health function.
2. Old-age, disability, and hospital insurance, and railroad retirement accounts.
3. Old-age, disability, and hospital insurance.
4. Federal employee retirement contributions and civil service retirement and disability fund.
5. Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts.
6. Net interest function includes interest received by trust funds.
7. Consists of 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 of the U.S. Government, Fiscal Year 1984*.

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars

Item	1981 Sept. 30	1981 Dec. 31	1982 Mar. 31	1982 June 30	1982 Sept. 30	1982 Dec. 31	1983 Mar. 31	1983 June 30	1983 Sept. 30
1 **Federal debt outstanding**	**1,003.9**	**1,034.7**	**1,066.4**	**1,084.7**	**1,147.0**	**1,201.9**	**1,249.3**	**1,324.3**	**1,381.9**
2 Public debt securities	997.9	1,028.7	1,061.3	1,079.6	1,142.0	1,197.1	1,244.5	1,319.6	1,377.2
3 Held by public	789.8	825.5	858.9	867.9	925.6	987.7	1,043.3	1,090.3	1,138.2
4 Held by agencies	208.1	203.2	202.4	211.7	216.4	209.4	201.2	229.3	239.0
5 Agency securities	6.1	6.0	5.1	5.0	5.0	4.8	4.8	4.7	4.7
6 Held by public	4.6	4.6	3.9	3.9	3.7	3.7	3.7	3.6	3.6
7 Held by agencies	1.5	1.4	1.2	1.2	1.2	1.2	1.1	1.1	1.1
8 **Debt subject to statutory limit**	**998.8**	**1,029.7**	**1,062.2**	**1,080.5**	**1,142.9**	**1,197.9**	**1,245.3**	**1,320.4**	**1,378.0**
9 Public debt securities	997.2	1,028.1	1,060.7	1,079.0	1,141.4	1,196.5	1,243.9	1,319.0	1,376.6
10 Other debt[1]	1.6	1.6	1.5	1.5	1.5	1.4	1.4	1.4	1.3
11 MEMO: Statutory debt limit	999.8	1,079.8	1,079.8	1,143.1	1,143.1	1,290.2	1,290.2	1,389.0	1,389.0

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).

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

Billions of dollars, end of period

Type and holder	1979	1980	1981	1982	1983 Aug.	1983 Sept.	1983 Oct.	1983 Nov.	1983 Dec.
1 **Total gross public debt**	**845.1**	**930.2**	**1,028.7**	**1,197.1**	**1,348.4**	**1,377.2**	**1,384.6**	**1,389.2**	**1,410.7**
By type									
2 Interest-bearing debt	844.0	928.9	1,027.3	1,195.5	1,346.9	1,375.8	1,383.3	1,387.9	1,400.9
3 Marketable	530.7	623.2	720.3	881.5	1,010.4	1,024.0	1,035.3	1,044.3	1,050.9
4 Bills	172.6	216.1	245.0	311.8	340.4	340.7	339.0	335.3	343.8
5 Notes	283.4	321.6	375.3	465.0	544.2	557.5	566.2	575.3	573.4
6 Bonds	74.7	85.4	99.9	104.6	125.8	125.7	129.2	133.8	133.7
7 Nonmarketable[1]	313.2	305.7	307.0	314.0	336.5	351.8	347.9	343.5	350.0
8 Convertible bonds[2]	2.2	...	...	...	...	...	...	...	...
9 State and local government series	24.6	23.8	23.0	25.7	33.9	35.1	35.3	35.7	36.7
10 Foreign issues[3]	28.8	24.0	19.0	14.7	11.1	11.5	11.5	10.5	10.4
11 Government	23.6	17.6	14.9	13.0	11.1	11.5	11.5	10.5	10.4
12 Public	5.3	6.4	4.1	1.7	.0	.0	.0	.0	.0
13 Savings bonds and notes	79.9	72.5	68.1	68.0	70.0	70.3	70.6	70.9	70.7
14 Government account series[4]	177.5	185.1	196.7	205.4	221.4	234.7	230.3	226.2	231.9
15 Non-interest-bearing debt	1.2	1.3	1.4	1.6	1.5	1.5	1.3	1.3	9.8
By holder[5]									
16 U.S. government agencies and trust funds	187.1	192.5	203.3	209.4					
17 Federal Reserve Banks	117.5	121.3	131.0	139.3					
18 Private investors	540.5	616.4	694.5	848.4					
19 Commercial banks	96.4	116.0	109.4	131.4					
20 Mutual savings banks	4.7	5.4	5.2	n.a.					
21 Insurance companies	16.7	20.1	19.1	38.7					
22 Other companies	22.9	25.7	37.8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
23 State and local governments	69.9	78.8	85.6	113.4					
Individuals									
24 Savings bonds	79.9	72.5	68.0	68.3					
25 Other securities	36.2	56.7	75.6	48.2					
26 Foreign and international[6]	124.4	127.7	141.4	149.4					
27 Other miscellaneous investors[7]	90.1	106.9	152.3	233.2					

1. Includes (not shown separately): Securities issued to the Rural Electrification Administration, depository 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 (line 5).
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 investments of foreign balances and international accounts in the United States.
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.
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*.

1.42 U.S. GOVERNMENT SECURITIES DEALERS Transactions

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

	Item	1980	1981	1982	1983			1983, week ending Wednesday					
					Aug.	Sept.	Oct.	Sept. 21	Sept. 28	Oct. 5	Oct. 12	Oct. 19	Oct. 26
	Immediate delivery[1]												
1	U.S. government securities	18,331	24,728	32,271	45,684	48,100	46,157	49,117	56,318	50,857	48,532	44,621	44,745
	By maturity												
2	Bills	11,413	14,768	18,398	23,908	24,359	24,276	25,099	26,161	28,428	26,458	23,384	21,549
3	Other within 1 year	421	621	810	669	672	757	627	494	816	821	749	715
4	1–5 years	3,330	4,360	6,272	10,188	10,361	10,175	13,581	12,635	10,027	9,352	9,753	12,102
5	5–10 years	1,464	2,451	3,557	4,819	7,407	5,830	5,244	9,066	6,355	5,946	5,556	5,842
6	Over 10 years	1,704	2,528	3,234	6,100	5,302	5,119	4,566	7,961	5,231	5,956	5,179	4,537
	By type of customer												
7	U.S. government securities dealers	1,484	1,640	1,769	2,179	2,426	2,468	2,127	2,686	2,766	2,589	2,248	2,637
8	U.S. government securities brokers	7,610	11,750	15,659	23,951	24,477	23,396	25,401	30,366	26,261	25,028	22,856	21,419
9	All others[2]	9,237	11,337	15,344	19,553	21,197	20,292	21,589	23,266	21,831	20,916	19,517	20,689
10	Federal agency securities	3,258	3,306	4,142	5,275	6,233	6,851	7,149	6,922	5,939	6,749	8,418	6,584
11	Certificates of deposit	2,472	4,477	5,001	4,425	4,765	4,206	5,592	4,855	3,814	4,027	4,537	4,120
12	Bankers acceptances	↑	1,807	2,502	2,658	3,078	2,657	3,610	2,783	2,745	2,855	3,076	2,066
13	Commercial paper		6,128	7,595	7,128	7,677	8,626	7,661	6,742	9,594	9,251	7,945	8,391
	Futures transactions[3]												
14	Treasury bills		3,523	5,031	7,458	6,008	7,978	7,137	6,833	6,811	8,370	10,927	6,165
15	Treasury coupons	n.a.	1,330	1,490	3,144	2,549	3,173	3,058	2,880	2,507	3,275	3,859	3,228
16	Federal agency securities		234	259	276	200	208	289	183	210	228	227	211
	Forward transactions[4]												
17	U.S. government securities		365	835	1,792	2,113	1,108	2,890	3,219	274	789	1,128	2,069
18	Federal agency securities	↓	1,370	982	2,118	1,928	1,798	2,609	2,112	1,427	2,301	1,983	1,519

1. Before 1981, data for immediate transactions include forward transactions.
2. Includes, among others, all other dealers and brokers in commodities and securities, nondealer departments of commercial banks, foreign banking agencies, and the Federal Reserve System.
3. Futures contracts are standardized agreements arranged on an organized exchange in which parties commit to purchase or sell securities for delivery at a future date.
4. Forward transactions are agreements arranged in the over-the-counter market in which securities are purchased (sold) for delivery after 5 business days from the date of the transaction for government securities (Treasury bills, notes, and bonds) or after 30 days for mortgage-backed agency issues.

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, purchases or sales of securities under repurchase agreement, reverse repurchase (resale), or similar contracts.

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing

Averages of daily figures, in millions of dollars

	Item	1980	1981	1982	1983			1983, week ending Wednesday				
					Aug.	Sept.	Oct.	Sept. 7	Sept. 14	Sept. 21	Sept. 28	Oct. 5
		Positions										
	Net immediate[1]											
1	U.S. government securities	4,306	9,033	9,328	3,252	7,500	5,000	4,372	5,884	7,392	11,454	9,179
2	Bills	4,103	6,485	4,837	877	1,779	2,148	139	1,879	1,389	3,345	2,848
3	Other within 1 year	−1,062	−1,526	−199	−198	−558	−465	−621	−494	−527	−591	−397
4	1–5 years	434	1,488	2,932	2,216	4,496	3,021	3,129	2,466	5,391	6,435	5,024
5	5–10 years	166	292	−341	147	1,162	132	1,097	1,059	540	1,889	1,151
6	Over 10 years	665	2,294	2,001	210	621	164	628	974	600	376	552
7	Federal agency securities	797	2,277	3,712	7,995	9,170	10,152	8,559	9,557	9,785	8,655	9,216
8	Certificates of deposit	3,115	3,435	5,531	4,688	6,095	6,802	5,867	6,125	6,312	6,039	6,303
9	Bankers acceptances		1,746	2,832	2,917	3,743	4,062	3,397	4,320	3,898	3,438	3,425
10	Commercial paper	↑	2,658	3,317	2,755	3,296	3,385	2,818	3,417	3,122	3,465	3,908
	Futures positions											
11	Treasury bills		−8,934	−2,508	1,493	−6,932	−8,352	−3,606	−5,539	−6,708	−9,513	−10,922
12	Treasury coupons	n.a.	−2,733	−2,361	−1,715	−1,530	−711	−895	−1,612	−1,742	−1,668	−1,612
13	Federal agency securities		522	−224	428	188	308	434	294	123	−25	144
	Forward positions											
14	U.S. government securities		−603	−788	−4,348	−1,456	−1,756	−1,724	−2,412	−1,156	−643	−1,452
15	Federal agency securities	↓	−451	−1,190	−4,049	−5,205	−6,219	−4,991	−5,074	−6,305	−4,469	−5,373
		Financing[2]										
	Reverse repurchase agreements[3]											
16	Overnight and continuing	↑	14,568	26,754	32,232	30,255	33,623	34,483	31,720	26,506	28,311	31,848
17	Term agreements		32,048	48,247	51,018	53,158	53,194	50,961	53,183	52,931	55,558	51,443
	Repurchase agreements[4]	n.a.										
18	Overnight and continuing		35,919	49,695	58,772	60,603	63,269	64,824	63,467	56,302	57,817	61,406
19	Term agreements	↓	29,449	43,410	41,110	44,998	47,319	41,138	43,514	44,861	50,478	47,263

For notes see opposite page.

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1980	1981	1982	1983					
				June	July	Aug.	Sept.	Oct.	Nov.
1 **Federal and federally sponsored agencies**	**188,665**	**221,946**	**237,085**	**235,041**	**236,037**	**236,931**	**236,610**	**239,121**	**240,177**
2 Federal agencies	28,606	31,806	33,055	33,353	33,436	33,420	33,744	33,735	33,813
3 Defense Department[1]	610	484	354	298	284	274	264	258	253
4 Export-Import Bank[2,3]	11,250	13,339	14,218	14,563	14,563	14,564	14,740	14,740	14,740
5 Federal Housing Administration[4]	477	413	288	228	220	213	206	203	197
6 Government National Mortgage Association participation certificates[5]	2,817	2,715	2,165	2,165	2,165	2,165	2,165	2,165	2,165
7 Postal Service[6]	1,770	1,538	1,471	1,404	1,404	1,404	1,404	1,404	1,404
8 Tennessee Valley Authority	11,190	13,115	14,365	14,570	14,675	14,675	14,840	14,840	14,945
9 United States Railway Association[6]	492	202	194	125	125	125	125	125	109
10 Federally sponsored agencies[7]	160,059	190,140	204,030	201,688	202,601	203,511	202,866	205,386	206,364
11 Federal Home Loan Banks	37,268	54,131	55,967	48,871	49,065	49,081	49,283	49,956	49,285
12 Federal Home Loan Mortgage Corporation	4,686	5,480	4,524	6,500	6,146	5,875	6,134	6,950	7,024
13 Federal National Mortgage Association	55,182	58,749	70,052	71,303	71,612	72,163	71,258	71,965	73,531
14 Farm Credit Banks	62,923	71,359	71,896	72,652	73,306	73,744	73,046	73,465	73,474
15 Student Loan Marketing Association	(8)	421	1,591	2,362	2,472	2,648	3,145	3,050	3,050
MEMO:									
16 **Federal Financing Bank debt[9]**	**87,460**	**110,698**	**126,424**	**131,987**	**133,367**	**134,505**	**136,081**	**134,799**	**135,361**
Lending to federal and federally sponsored agencies									
17 Export-Import Bank[3]	10,654	12,741	14,177	14,493	14,493	14,493	14,676	14,676	14,676
18 Postal Service[6]	1,520	1,288	1,221	1,154	1,154	1,154	1,154	1,154	1,154
19 Student Loan Marketing Association	2,720	5,400	5,000	5,000	5,000	5,000	5,000	5,000	5,000
20 Tennessee Valley Authority	9,465	11,390	12,640	12,845	12,950	12,950	13,115	13,175	13,220
21 United States Railway Association[6]	492	202	194	125	125	125	125	125	109
Other Lending[10]									
22 Farmers Home Administration	39,431	48,821	53,261	54,946	55,776	56,386	55,691	55,916	55,916
23 Rural Electrification Administration	9,196	13,516	17,157	18,378	18,497	18,638	18,936	19,093	19,216
24 Other	11,262	12,740	22,774	25,046	25,372	25,759	27,384	25,660	26,070

1. Consists of mortgages assumed by the Defense Department between 1957 and 1963 under family housing and homeowners assistance programs.
2. Includes participation certificates reclassified as debt beginning Oct. 1, 1976.
3. Off-budget Aug. 17, 1974, through Sept. 30, 1976; on-budget thereafter.
4. Consists of debentures issued in payment of Federal Housing Administration insurance claims. Once issued, these securities may be sold privately on the securities market.
5. Certificates of participation issued before fiscal 1969 by the Government National Mortgage Association acting as trustee for the Farmers Home Administration; Department of Health, Education, and Welfare; Department of Housing and Urban Development; Small Business Administration; and the Veterans Administration.
6. Off-budget.
7. Includes outstanding noncontingent liabilities: Notes, bonds, and debentures.
8. Before late 1981, the Association obtained financing through the Federal Financing Bank.
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.

NOTES TO TABLE 1.43

1. Immediate positions are net amounts (in terms of par values) of securities owned by nonbank dealer firms and dealer departments of commercial banks on a commitment, that is, trade-date basis, including any such securities that have been sold under agreements to repurchase (RPs). 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 to resell (reverse RPs). Before 1981, data for immediate positions include forward positions.
2. Figures cover financing involving U.S. government and federal agency securities, negotiable CDs, bankers acceptances, and commercial paper.
3. Includes all reverse repurchase agreements, including those that have been arranged to make delivery on short sales and those for which the securities obtained have been used as collateral on borrowings, that is, matched agreements.
4. Includes both repurchase agreements undertaken to finance positions and "matched book" repurchase agreements.

NOTE. Data for positions are averages of daily figures, in terms of par value, based on the number of trading days in the period. Positions are shown net and are on a commitment basis. Data for financing are based on Wednesday figures, in terms of actual money borrowed or lent.

1.45 NEW SECURITY ISSUES of State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1980	1981	1982	1983							
				Mar.	Apr.	May	June r	July r	Aug. r	Sept. r	Oct.
1 **All issues, new and refunding**[1]	**48,367**	**47,732**	**78,950**	**8,762r**	**11,003r**	**9,572**	**7,542**	**4,344**	**6,115**	**6,044**	**6,377**
Type of issue											
2 General obligation	14,100	12,394	21,088	2,255r	3,461r	3,570	1,549	856	1,586	1,238	1,870
3 U.S. government loans[2]	38	34	225	3	2	6	7	7	9	14	15
4 Revenue	34,267	35,338	57,862	6,507r	7,542r	6,002	5,993	3,488	4,529	4,806	4,507
5 U.S. government loans[2]	57	55	461	5	9	14	16	26	29	35	39
Type of issuer											
6 State	5,304	5,288	8,406	724	1,745	830	277	484	672	452	856
7 Special district and statutory authority	26,972	27,499	45,000	5,444	5,801r	4,470	4,253	2,997	3,336	4,132	4,259
8 Municipalities, counties, townships, school districts	16,090	14,945	25,544	2,594	3,457	4,272	3,012	863	2,107	1,460	1,262
9 **Issues for new capital, total**	**46,736**	**46,530**	**74,613**	**7,542**	**9,054**	**6,978**	**6,036**	**3,858**	**4,549**	**5,421**	**4,956**
Use of proceeds											
10 Education	4,572	4,547	6,444	831	681	827	881	535	713	525	433
11 Transportation	2,621	3,447	6,256	816	560	419	233	274	259	194	250
12 Utilities and conservation	8,149	10,037	14,254	1,732	2,592	1,513	938	267	279	1,236	589
13 Social welfare	19,958	12,729	26,605	2,794	3,139	2,062	2,117	1,915	2,131	2,304	2,469
14 Industrial aid	3,974	7,651	8,256	396	482	705	664	376	222	451	281
15 Other purposes	7,462	8,119	12,797	973	1,600	1,452	1,203	491	945	711	934

1. Par amounts of long-term issues based on date of sale.
2. Consists of tax-exempt issues guaranteed by the Farmers Home Administration.

SOURCE. Public Securities Association.

1.46 NEW SECURITY ISSUES of Corporations

Millions of dollars

Type of issue or issuer, or use	1980	1981	1982	1983							
				Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
1 **All issues**[1,2]	**73,694**	**70,441**	**84,198**	**11,728**	**10,468**	**11,489**	**8,165**	**6,474**	**5,941**	**6,568**	**6,592**
2 **Bonds**	**53,206**	**45,092**	**53,636**	**5,317**	**6,015**	**7,017**	**2,244**	**2,550**	**2,547**	**2,865**	**3,055**
Type of offering											
3 Public	41,587	38,103	43,838	5,317	6,015	7,017	2,244	2,550	2,547	2,865	3,055
4 Private placement	11,619	6,989	9,798	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Industry group											
5 Manufacturing	15,409	12,325	13,123	962	1,449	2,158	706	60	200	282	367
6 Commercial and miscellaneous	6,693	5,229	5,681	511	1,109	1,055	425	228	458	353	114
7 Transportation	3,329	2,052	1,474	0	175	150	115	148	0	0	0
8 Public utility	9,557	8,963	12,155	950	755	1,115	363	322	355	590	510
9 Communication	6,683	4,280	2,265	650	725	505	250	1,100	0	100	50
10 Real estate and financial	11,534	12,243	18,938	2,244	1,802	2,034	385	692	1,534	1,540	2,014
11 **Stocks**[3]	**20,489**	**25,349**	**30,562**	**6,411**	**4,453**	**4,472**	**5,921**	**3,924**	**3,394**	**3,703**	**3,537**
Type											
12 Preferred	3,631	1,797	5,113	893	440	492	665	290	247	644	300
13 Common	16,858	23,552	25,449	5,518	4,013	3,980	5,256	3,634	3,147	3,059	3,237
Industry group											
14 Manufacturing	4,839	5,074	5,649	1,654	1,424	1,545	2,449	1,015	1,309	962	751
15 Commercial and miscellaneous	5,245	7,557	7,770	1,225	1,494	922	1,358	1,415	743	997	868
16 Transportation	549	779	709	91	113	221	109	337	145	165	305
17 Public utility	6,230	5,577	7,517	674	639	264	550	72	263	200	581
18 Communication	567	1,778	2,227	1,133	37	8	138	20	236	0	36
19 Real estate and financial	3,059	4,584	6,690	1,634	746	1,512	1,317	1,065	698	1,379	996

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.
2. Data for 1983 include only public offerings.
3. Beginning in August 1981, gross stock offerings include new equity volume from swaps of debt for equity.

SOURCE. Securities and Exchange Commission and the Board of Governors of the Federal Reserve System.

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Asset Position

Millions of dollars

Item	1981	1982	1983							
			Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
INVESTMENT COMPANIES[1]										
1 Sales of own shares[2]	20,596	45,675	8,418	7,577	8,107	6,944	6,032	5,915	6,532	6,335
2 Redemptions of own shares[3]	15,866	30,078	6,482	4,486	5,416	4,500	4,885	4,412	4,264	3,912
3 Net sales	4,730	15,597	1,936	3,091	2,691	2,444	1,147	1,503	2,268	2,423
4 Assets[4]	55,207	76,841	98,669	101,423	106,449	104,279	104,494	109,455	107,314	113,076
5 Cash position[5]	5,277	6,040	8,496	8,771	9,110	8,815	8,045	8,868	8,256	9,395
6 Other	49,930	70,801	90,173	92,652	97,339	95,464	93,449	100,587	99,058	103,681

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.

1.48 CORPORATE PROFITS AND THEIR DISTRIBUTION

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

Account	1980	1981	1982	1981	1982				1983		
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1 Corporate profits with inventory valuation and capital consumption adjustment	175.4	192.3	164.8	192.0	162.0	166.8	168.5	161.9	181.8	218.2	248.4
2 Profits before tax	234.6	227.0	174.2	217.2	173.2	178.8	177.3	167.5	169.7	203.3	229.1
3 Profits tax liability	84.8	82.8	59.1	75.6	60.3	61.4	60.8	54.0	61.5	76.0	84.9
4 Profits after tax	149.8	144.1	115.1	141.7	112.9	117.4	116.5	113.5	108.2	127.2	144.1
5 Dividends	58.6	64.7	68.7	67.3	67.7	67.8	68.8	70.4	71.4	72.0	73.7
6 Undistributed profits	91.2	79.4	46.4	74.4	45.2	49.5	47.7	43.1	36.7	55.2	70.4
7 Inventory valuation	−42.9	−23.6	−8.3	−15.7	−5.5	−8.5	−9.0	−10.3	−1.7	−10.6	−18.3
8 Capital consumption adjustment	−16.3	−11.0	−1.1	−9.5	−5.6	−3.5	.1	4.7	13.9	25.6	37.6

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

1.49 NONFINANCIAL CORPORATIONS Current Assets and Liabilities

Billions of dollars, except for ratio

Account	1977	1978	1979	1980	1981	1982 Q2	1982 Q3	1982 Q4	1983 Q1	1983 Q2
1 **Current assets**	**912.7**	**1,043.7**	**1,214.8**	**1,327.0**	**1,419.3**	**1,417.2**	**1,441.8**	**1,425.4**	**1,436.5**	**1,464.2**
2 Cash	97.2	105.5	118.0	126.9	131.8	124.1	126.9	144.0	139.7	145.7
3 U.S. government securities	18.2	17.2	16.7	18.7	17.4	16.5	18.9	22.4	25.8	27.5
4 Notes and accounts receivable	330.3	388.0	459.0	506.8	530.3	531.2	534.2	511.0	517.9	534.3
5 Inventories	376.9	431.8	505.1	542.8	585.1	587.6	596.5	575.2	573.2	570.5
6 Other	90.1	101.1	116.0	131.8	154.6	157.9	165.3	172.6	179.9	186.2
7 **Current liabilities**	**557.1**	**669.5**	**807.3**	**889.3**	**976.3**	**988.7**	**1,007.6**	**977.8**	**986.3**	**997.7**
8 Notes and accounts payable	317.6	383.0	460.8	513.6	558.8	554.9	562.7	552.8	543.2	551.6
9 Other	239.6	286.5	346.5	375.7	417.5	433.8	444.9	425.0	443.1	446.1
10 **Net working capital**	**355.5**	**374.3**	**407.5**	**437.8**	**442.9**	**428.5**	**434.2**	**447.6**	**450.2**	**466.5**
11 MEMO: Current ratio[1]	1.638	1.559	1.505	1.492	1.454	1.433	1.431	1.458	1.456	1.468

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 reflect the most current benchmarks. Complete data are available upon request from the Flow of Funds Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

SOURCE. Federal Trade Commission and Bureau of the Census.

1.50 TOTAL NONFARM BUSINESS EXPENDITURES on New Plant and Equipment

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

Industry[1]	1982	1983[p]	1984[1]	1982 Q3	1982 Q4	1983 Q1	1983 Q2	1983 Q3	1983 Q4[1]	1984 Q1[1]	1984 Q2[1]
1 **Total nonfarm business**	**316.43**	**303.20**	**333.32**	**315.79**	**303.18**	**293.03**	**293.46**	**304.70**	**321.60**	**323.07**	**325.42**
Manufacturing											
2 Durable goods industries	56.44	51.45	59.87	57.14	50.51	50.74	48.48	53.06	53.52	57.18	58.09
3 Nondurable goods industries	63.23	59.74	66.11	62.32	59.72	59.12	60.31	58.06	61.45	61.81	62.86
Nonmanufacturing											
4 Mining	15.45	12.00	13.48	14.63	13.41	12.03	10.91	11.93	13.14	12.25	13.68
Transportation											
5 Railroad	4.38	3.93	4.50	3.94	4.35	3.35	3.64	4.07	4.68	4.38	4.68
6 Air	3.93	3.78	2.59	4.11	4.76	4.09	4.10	3.57	3.34	2.44	2.70
7 Other	3.64	3.54	3.86	3.24	3.22	3.60	3.14	3.36	4.07	3.96	4.03
Public utilities											
8 Electric	33.40	35.29	35.36	34.98	35.15	33.97	34.86	35.84	36.50	32.80	32.76
9 Gas and other	8.55	7.33	8.81	8.40	7.85	7.64	6.62	6.38	8.67	9.02	9.54
10 Trade and services	86.95	88.02	96.35	87.31	84.36	82.38	85.85	91.06	92.79	96.98	95.03
11 Communication and other[2]	40.46	38.11	42.38	39.73	39.84	36.11	35.54	37.38	43.42	42.25	42.03

1. Anticipated by business.
2. "Other" consists of construction; social services and membership organizations; and forestry, fisheries, and agricultural services.

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

1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities

Billions of dollars, end of period

Account	1977	1978	1979	1980	1981	1982 Q3	1982 Q4	1983 Q1	1983 Q2	1983 Q3
ASSETS										
Accounts receivable, gross										
1 Consumer	44.0	52.6	65.7	73.6	85.5	88.3	89.5	89.9	91.3	92.3
2 Business	55.2	63.3	70.3	72.3	80.6	82.2	81.0	82.2	84.9	86.8
3 Total	99.2	116.0	136.0	145.9	166.1	170.5	170.4	172.1	176.2	179.0
4 LESS: Reserves for unearned income and losses	12.7	15.6	20.0	23.3	28.9	30.4	30.5	29.7	30.4	30.1
5 Accounts receivable, net	86.5	100.4	116.0	122.6	137.2	140.1	139.8	142.4	145.8	148.9
6 Cash and bank deposits	2.6	3.5								
7 Securities	.9	1.3	24.9[1]	27.5	34.2	39.1	39.7	42.8	44.3	45.0
8 All other	14.3	17.3								
9 **Total assets**	**104.3**	**122.4**	**140.9**	**150.1**	**171.4**	**179.2**	**179.5**	**185.2**	**190.2**	**193.9**
LIABILITIES										
10 Bank loans	5.9	6.5	8.5	13.2	15.4	16.8	18.6	16.6	16.3	17.0
11 Commercial paper	29.6	34.5	43.3	43.4	51.2	46.7	45.8	45.2	49.0	49.7
Debt										
12 Short-term, n.e.c.	6.2	8.1	8.2	7.5	9.6	9.9	8.7	9.8	9.6	8.7
13 Long-term, n.e.c.	36.0	43.6	46.7	52.4	54.8	60.9	63.5	64.7	64.5	66.2
14 Other	11.5	12.6	14.2	14.3	17.8	20.5	18.7	22.8	24.0	24.4
15 Capital, surplus, and undivided profits	15.1	17.2	19.9	19.4	22.8	24.5	24.2	26.0	26.7	27.9
16 **Total liabilities and capital**	**104.3**	**122.4**	**140.9**	**150.1**	**171.4**	**179.2**	**179.5**	**185.2**	**190.2**	**193.9**

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

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

1.52 DOMESTIC FINANCE COMPANIES Business Credit

Millions of dollars, seasonally adjusted except as noted

Type	Accounts receivable outstanding Oct. 31, 1983[1]	Changes in accounts receivable 1983 Aug.	Sept.	Oct.	Extensions 1983 Aug.	Sept.	Oct.	Repayments 1983 Aug.	Sept.	Oct.
1 **Total**	**89,240**	**1,817**	**2,909**	**986**	**29,882**	**27,209**	**25,841**	**28,065**	**24,300**	**24,855**
2 Retail automotive (commercial vehicles)	19,523	1,052	1,443	680	2,184	2,620	1,925	1,132	1,177	1,245
3 Wholesale automotive	12,562	1,039	397	310	8,285	7,461	7,124	7,246	7,064	6,814
4 Retail paper on business, industrial, and farm equipment	28,177	−320	256	−406	1,385	1,149	1,049	1,705	893	1,455
5 Loans on commercial accounts receivable and factored commercial accounts receivable	9,927	279	255	149	15,794	13,782	13,822	15,515	13,527	13,673
6 All other business credit	19,051	−233	558	253	2,234	2,197	1,921	2,467	1,639	1,668

1. Not seasonally adjusted.

1.53 MORTGAGE MARKETS

Millions of dollars; exceptions noted.

Item	1980	1981	1982	1983 May	1983 June	1983 July	1983 Aug.	1983 Sept.	1983 Oct.	1983 Nov.
	Terms and yields in primary and secondary markets									
PRIMARY MARKETS										
Conventional mortgages on new homes										
Terms[1]										
1 Purchase price (thousands of dollars)	83.4	90.4	94.6	92.1	93.0	97.3	94.4	100.7	95.8	98.0
2 Amount of loan (thousands of dollars)	59.2	65.3	69.8	67.8	69.2	72.3	67.3	76.5	72.5	76.7
3 Loan/price ratio (percent)	73.2	74.8	76.6	77.5	76.9	76.5	73.3	78.5	78.4	80.5
4 Maturity (years)	28.2	27.7	27.6	26.8	27.3	28.1	25.7	27.2	26.9	26.5
5 Fees and charges (percent of loan amount)[2]	2.09	2.67	2.95	2.44	2.43	2.54	1.96	2.45	2.33	2.54
6 Contract rate (percent per annum)	12.25	14.16	14.47	12.21	11.90	12.02	12.01	12.08	11.80	11.82
Yield (percent per annum)										
7 FHLBB series[3]	12.65	14.74	15.12	12.67	12.36	12.50	12.38	12.54	12.25	12.34
8 HUD series[4]	13.95	16.52	15.79	13.09	13.37	14.00	13.90	13.60	13.52	13.48
SECONDARY MARKETS										
Yield (percent per annum)										
9 FHA mortgages (HUD series)[5]	13.44	16.31	15.31	12.41	12.96	14.23	13.78	13.55	13.23	13.23
10 GNMA securities[6]	12.55	15.29	14.68	11.72	12.09	12.54	13.01	12.73	12.42	12.51
	Activity in secondary markets									
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
Mortgage holdings (end of period)										
11 Total	55,104	58,675	66,031	74,116	74,669	74,630	75,057	75,174	75,665	76,714
12 FHA/VA-insured	37,365	39,341	39,718	37,669	37,376	37,092	36,894	36,670	36,455	36,349
13 Conventional	17,725	19,334	26,312	36,446	37,293	37,583	38,163	38,505	39,210	40,365
Mortgage transactions (during period)										
14 Purchases	8,099	6,112	15,116	1,579	1,333	1,358	1,213	1,203	1,244	1,348
15 Sales	0	2	2	204	83	786	121r	464	257	0
Mortgage commitments[7]										
16 Contracted (during period)	8,083	9,331	22,105	1,534	2,506	1,198	1,282	2,739	1,882	997
17 Outstanding (end of period)	3,278	3,717	7,606	5,726	5,887	5,099	5,165	6,684	7,182	6,493
FEDERAL HOME LOAN MORTGAGE CORPORATION										
Mortgage holdings (end of period)[8]										
18 Total	4,362	5,245	5,153	6,026	6,235	6,182	6,149	6,857	6,963	
19 FHA/VA	2,116	2,236	1,921	984	982	971	964	961	947	
20 Conventional	2,246	3,010	3,224	5,042	5,253	5,211	5,185	5,896	6,016	
Mortgage transactions (during period)										
21 Purchases	3,723	3,789	23,671	2,439	1,494	1,523	1,621	2,263	2,886	n.a.
22 Sales	2,527	3,531	24,164	1,408	1,244	1,491	1,588	1,556	2,750	
Mortgage commitments[9]										
23 Contracted (during period)	3,859	6,974	28,187	2,334	2,358	4,671	6,367	3,283	2,598	
24 Outstanding (end of period)	447	3,518	7,549	6,889	7,719	10,794	15,519	16,512	16,198	

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) 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. 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.
8. Includes participation as well as whole loans.
9. Includes conventional and government-underwritten loans. FHLMC's mortgage commitments and mortgage transactions include activity under mortgage/securities swap programs, while the corresponding data for FNMA exclude swap activity.

1.54 MORTGAGE DEBT OUTSTANDING

Millions of dollars, end of period

Type of holder, and type of property	1980	1981	1982	1982		1983		
				Q3	Q4	Q1	Q2	Q3r
1 **All holders**	**1,471,786**	**1,583,264**	**1,655,172**	**1,632,161**	**1,655,172**	**1,682,598**	**1,724,122**	**1,774,150**
2 1- to 4-family	986,979	1,065,294	1,114,193	1,096,173	1,114,193	1,133,261	1,161,807	1,198,362
3 Multifamily	137,134	136,354	140,285	138,385	140,285	142,154	145,387	147,682
4 Commercial	255,655	279,889	293,884	291,197	293,884	300,246	309,224	319,289
5 Farm	92,018	101,727	106,810	106,406	106,810	106,937	107,704	108,817
6 Major financial institutions	997,168	1,040,827	1,023,700	1,027,027	1,023,700	1,029,770	1,049,758	1,080,316
7 Commercial banks[1]	263,030	284,536	301,742	298,342	301,742	305,672	312,663	324,063
8 1- to 4-family	160,326	170,013	177,122	175,126	177,122	179,430	183,533	190,225
9 Multifamily	12,924	15,132	15,841	15,666	15,841	16,147	16,634	17,240
10 Commercial	81,081	91,026	100,269	99,050	100,269	101,575	103,898	107,686
11 Farm	8,699	8,365	8,510	8,500	8,510	8,520	8,598	8,912
12 Mutual savings banks	99,865	99,997	97,805	94,382	97,805	105,379	119,236	128,057
13 1- to 4-family	67,489	68,187	66,777	63,849	66,777	72,912	83,870	90,911
14 Multifamily	16,058	15,960	15,305	15,026	15,305	15,862	17,066	17,748
15 Commercial	16,278	15,810	15,694	15,479	15,694	16,577	18,262	19,361
16 Farm	40	40	29	28	29	28	38	37
17 Savings and loan associations	503,192	518,547	482,234	493,899	482,234	475,688	473,134	481,346
18 1- to 4-family	419,763	433,142	397,795	408,701	397,795	389,112	383,806	389,121
19 Multifamily	38,142	37,699	39,302	38,771	39,302	39,721	40,453	41,636
20 Commercial	45,287	47,706	45,137	46,427	45,137	46,855	48,875	50,589
21 Life insurance companies	131,081	137,747	141,919	140,404	141,919	143,031	144,725	146,850
22 1- to 4-family	17,943	17,201	16,743	16,865	16,743	16,388	15,860	15,648
23 Multifamily	19,514	19,283	18,847	18,967	18,847	18,825	18,778	18,892
24 Commercial	80,666	88,163	93,501	91,640	93,501	95,158	97,416	99,542
25 Farm	12,958	13,100	12,828	12,932	12,828	12,660	12,671	12,768
26 Federal and related agencies	114,300	126,094	138,185	134,409	138,185	140,028	142,094	142,291
27 Government National Mortgage Association	4,642	4,765	4,227	4,110	4,227	3,753	3,643	3,475
28 1- to 4-family	704	693	676	682	676	665	651	639
29 Multifamily	3,938	4,072	3,551	3,428	3,551	3,088	2,992	2,836
30 Farmers Home Administration	3,492	2,235	1,786	947	1,786	2,077	1,605	600
31 1- to 4-family	916	914	783	302	783	707	381	211
32 Multifamily	610	473	218	46	218	380	555	32
33 Commercial	411	506	377	164	377	337	248	113
34 Farm	1,555	342	408	435	408	653	421	244
35 Federal Housing and Veterans Administration	5,640	5,999	5,228	5,362	5,228	5,138	5,084	5,117
36 1- to 4-family	2,051	2,289	1,980	2,130	1,980	1,867	1,911	1,947
37 Multifamily	3,589	3,710	3,248	3,232	3,248	3,271	3,173	3,170
38 Federal National Mortgage Association	57,327	61,412	71,814	68,841	71,814	73,666	74,669	75,174
39 1- to 4-family	51,775	55,986	66,500	63,495	66,500	68,370	69,396	69,938
40 Multifamily	5,552	5,426	5,314	5,346	5,314	5,296	5,273	5,236
41 Federal Land Banks	38,131	46,446	50,350	49,983	50,350	50,544	50,858	51,069
42 1- to 4-family	2,099	2,788	3,068	3,029	3,068	3,059	3,030	3,008
43 Farm	36,032	43,658	47,282	46,954	47,282	47,485	47,828	48,061
44 Federal Home Loan Mortgage Corporation	5,068	5,237	4,780	5,166	4,780	4,850	6,235	6,856
45 1- to 4-family	3,873	5,181	4,733	5,116	4,733	4,795	6,119	6,799
46 Multifamily	1,195	56	47	50	47	55	116	57
47 Mortgage pools or trusts[2]	142,258	163,000	216,654	198,376	216,654	234,596	252,665	270,626
48 Government National Mortgage Association	93,874	105,790	118,940	114,776	118,940	127,939	139,276	149,612
49 1- to 4-family	91,602	103,007	115,831	111,728	115,831	124,482	135,628	145,692
50 Multifamily	2,272	2,783	3,109	3,048	3,109	3,457	3,648	3,920
51 Federal Home Loan Mortgage Corporation	16,854	19,853	42,964	35,132	42,964	48,008	50,934	54,152
52 1- to 4-family	13,471	19,501	42,560	34,739	42,560	47,575	50,446	53,539
53 Multifamily	3,383	352	404	393	404	433	488	613
54 Federal National Mortgage Association[3]	n.a.	717	14,450	8,133	14,450	18,157	20,933	23,819
55 1- to 4-family	n.a.	717	14,450	8,133	14,450	18,157	20,933	23,819
56 Farmers Home Administration	31,530	36,640	40,300	40,335	40,300	40,492	41,522	43,043
57 1- to 4-family	16,683	18,378	20,005	20,079	20,005	20,263	20,728	21,083
58 Multifamily	2,612	3,426	4,344	4,344	4,344	4,344	4,343	5,042
59 Commercial	5,271	6,161	7,011	7,056	7,011	7,115	7,303	7,542
60 Farm	6,964	8,675	8,940	8,856	8,940	8,770	9,148	9,376
61 Individual and others[4]	218,060	253,343	276,633	272,349	276,633	278,204	279,605	280,917
62 1- to 4-family[5]	138,284	167,297	185,170	182,199	185,170	185,479	185,515	185,782
63 Multifamily	27,345	27,982	30,755	30,068	30,755	31,275	31,868	31,260
64 Commercial	26,661	30,517	31,895	31,381	31,895	32,629	33,222	34,456
65 Farm	25,770	27,547	28,813	28,701	28,813	28,821	29,000	29,419

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. Outstanding balances on FNMA's issues of securities backed by pools of conventional mortgages held in trust. The program was implemented by FNMA in October 1981.
4. 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 for which separate data are not readily available.
5. Includes a new estimate of residential mortgage credit provided by individuals.

NOTE. Based on data from various institutional and governmental 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.

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

Millions of dollars

Holder, and type of credit	1980	1981	1982	1983 Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
				Amounts outstanding (end of period)							
1 **Total**	**313,472**	**331,697**	**344,798**	**344,748**	**347,189**	**353,012**	**358,020**	**363,662**	**367,604**	**371,561**	**376,390**
By major holder											
2 Commercial banks	147,013	147,622	152,069	152,408	153,471	156,603	159,666	163,313	165,971	168,352	170,823
3 Finance companies	76,756	89,818	94,322	94,675	95,364	96,349	97,319	97,708	97,274	97,370	97,522
4 Credit unions	44,041	45,954	47,253	47,505	47,838	48,652	49,139	50,121	51,123	51,767	52,578
5 Retailers[2]	28,448	29,551	30,202	27,455	27,541	27,804	27,900	28,067	28,319	28,713	29,668
6 Savings and loans	9,911	11,598	13,891	15,551	15,842	16,207	16,369	16,615	17,130	17,624	18,080
7 Gasoline companies	4,468	4,403	4,063	3,980	3,943	4,159	4,356	4,457	4,338	4,243	4,157
8 Mutual savings banks	2,835	2,751	2,998	3,174	3,190	3,238	3,271	3,381	3,449	3,492	3,562
By major type of credit											
9 Automobile	116,838	125,331	130,227	131,976	133,640	136,183	138,689	141,677	142,477	143,621	144,663
10 Commercial banks	61,536	58,081	58,851	59,291	60,384	61,870	63,425	66,065	67,413	68,828	70,034
11 Indirect paper	35,233	34,375	35,178	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
12 Direct loans	26,303	23,706	23,673	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
13 Credit unions	21,060	21,975	22,596	22,721	22,880	23,269	23,502	23,972	24,451	24,759	25,147
14 Finance companies	34,242	45,275	48,780	49,964	50,376	51,044	51,762	51,640	50,613	50,034	49,482
15 Revolving	58,352	62,819	67,184	63,521	63,459	64,899	65,856	66,913	67,904	68,921	70,742
16 Commercial banks	29,765	32,880	36,688	35,651	35,536	36,515	37,173	37,973	38,848	39,576	40,573
17 Retailers	24,119	25,536	26,433	23,890	23,980	24,225	24,327	24,483	24,718	25,102	26,012
18 Gasoline companies	4,468	4,403	4,063	3,980	3,943	4,159	4,356	4,457	4,338	4,243	4,157
19 Mobile home	17,322	18,373	18,988	19,400	19,448	19,647	19,750	19,882	20,087	20,256	20,366
20 Commercial banks	10,371	10,187	9,684	9,624	9,581	9,651	9,717	9,741	9,766	9,767	9,761
21 Finance companies	3,745	4,494	4,965	4,970	4,976	4,995	4,982	5,012	5,038	5,062	5,043
22 Savings and loans	2,737	3,203	3,836	4,303	4,384	4,485	4,530	4,598	4,741	4,878	5,004
23 Credit unions	469	489	503	503	507	516	521	531	542	549	558
24 Other	120,960	125,174	128,399	129,851	130,642	132,283	133,725	135,190	137,136	138,763	140,619
25 Commercial banks	45,341	46,474	46,846	47,842	47,970	48,567	49,351	49,534	49,944	50,181	50,455
26 Finance companies	38,769	40,049	40,577	39,741	40,012	40,310	40,575	41,056	41,623	42,274	42,997
27 Credit unions	22,512	23,490	24,154	24,281	24,451	24,867	25,116	25,618	26,130	26,459	26,873
28 Retailers	4,329	4,015	3,769	3,565	3,561	3,579	3,573	3,584	3,601	3,611	3,656
29 Savings and loans	7,174	8,395	10,055	11,248	11,458	11,722	11,839	12,017	12,389	12,746	13,076
30 Mutual savings banks	2,835	2,751	2,998	3,174	3,190	3,238	3,271	3,381	3,449	3,492	3,562
				Net change (during period)[4]							
31 **Total**	**1,448**	**18,217**	**2,418**	**2,271**	**2,696**	**4,406**	**4,840**	**3,388**	**2,375**	**4,885**	**4,671**
By major holder											
32 Commercial banks	−7,163	607	1,111	1,186	1,540	2,422	2,766	2,317	1,829	2,629	2,749
33 Finance companies	8,438	13,062	1,024	−520	362	470	909	239	−721	620	205
34 Credit unions	−2,475	1,913	197	708	288	573	662	510	646	942	912
35 Retailers[2]	329	1,103	−91	147	169	368	272	5	245	150	251
36 Savings and loans	1,485	1,682	201	394	374	456	188	147	507	376	438
37 Gasoline companies	739	−65	−51	299	−51	77	5	65	−167	131	58
38 Mutual savings banks	95	−85	27	57	14	40	38	105	36	37	58
By major type of credit											
39 Automobile	477	8,495	1,491	689	1,313	1,973	2,421	2,521	285	1,772	1,238
40 Commercial banks	−5,830	−3,455	527	612	1,066	1,284	1,482	2,359	1,243	1,499	1,302
41 Indirect paper	−3,104	−858	429	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
42 Direct loans	−2,726	−2,597	98	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
43 Credit unions	−1,184	914	89	341	137	275	328	232	309	451	436
44 Finance companies	7,491	11,033	875	−264	110	414	611	−70	−1,267	−178	−500
45 Revolving	1,415	4,467	501	917	514	1,210	821	313	479	1,145	1,300
46 Commercial banks	−97	3,115	650	468	373	806	556	217	404	856	999
47 Retailers	773	1,417	−98	150	192	327	260	31	242	158	243
48 Gasoline companies	739	−65	−51	299	−51	77	5	65	−167	131	58
49 Mobile home	483	1,049	−37	22	17	151	141	70	150	102	107
50 Commercial banks	−276	−186	−74	−99	−86	28	68	−14	8	−10	0
51 Finance companies	355	749	−15	8	1	−6	7	15	1	−16	−14
52 Savings and loans	430	466	49	107	98	123	59	64	134	118	111
53 Credit unions	−25	20	3	6	4	6	7	5	7	10	10
54 Other	−927	4,206	463	643	852	1,072	1,457	484	1,461	1,866	2,026
55 Commercial banks	−960	1,133	8	205	187	304	660	−245	174	284	448
56 Finance companies	592	1,280	164	−264	251	62	291	294	545	814	719
57 Credit unions	−1,266	975	105	361	147	292	327	273	330	481	466
58 Retailers	−444	−314	7	−3	−23	41	12	−26	3	−8	8
59 Savings and loans	1,056	1,217	152	287	276	333	129	83	373	258	327
60 Mutual savings banks	95	−85	27	57	14	40	38	105	36	37	58

▲ These data have been revised from December 1980 through February 1983.

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. Not reported after December 1982.

4. For 1982 and earlier, net change equals extensions, seasonally adjusted less liquidations, seasonally adjusted. Beginning 1983, net change equals outstandings, seasonally adjusted less outstandings of the previous period, 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, not seasonally adjusted, $74.8 billion at the end of 1980, $80.6 billion at the end of 1981, and $85.9 billion at the end of 1982.

1.56 TERMS OF CONSUMER INSTALLMENT CREDIT

Percent unless noted otherwise

Item	1980	1981	1982	1983						
				May	June	July	Aug.	Sept.	Oct.	Nov.
INTEREST RATES										
Commercial banks[1]										
1 48-month new car[2]	14.30	16.54	16.83	13.90	....	....	13.50	....	....	13.46
2 24-month personal	15.47	18.09	18.65	16.57	....	....	16.28	....	....	16.39
3 120-month mobile home[2]	14.99	17.45	18.05	15.84	....	....	15.58	....	....	15.47
4 Credit card	17.31	17.78	18.51	18.79	....	....	18.75	....	....	18.75
Auto finance companies										
5 New car	14.82	16.17	16.15	11.94	11.57	11.84	12.77	13.62	13.54	13.50
6 Used car	19.10	20.00	20.75	18.76	18.58	18.28	18.25	18.21	18.15	18.16
OTHER TERMS[3]										
Maturity (months)										
7 New car	45.0	45.4	46.0	45.4	45.6	45.7	45.9	46.2	46.2	46.3
8 Used car	34.8	35.8	34.0	37.9	38.0	38.0	38.0	38.0	38.0	38.0
Loan-to-value ratio										
9 New car	87.6	86.1	85.3	86.0	87	87	87	87	86	86
10 Used car	94.2	91.8	90.3	92.0	92	93	93	93	93	93
Amount financed (dollars)										
11 New car	6,322	7,339	8,178	8,572	8,512	8,642	8,724	8,792	8,982	9,118
12 Used car	3,810	4,343	4,746	4,984	5,039	5,052	5,103	5,144	5,213	5,316

1. Data for midmonth of quarter only.
2. Before 1983 the maturity for new car loans was 36 months, and for mobile home loans was 84 months.
3. At auto finance companies.

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS

Billions of dollars; half-yearly data are at seasonally adjusted annual rates.

Transaction category, sector	1977	1978	1979	1980	1981	1982	1980	1981		1982		1983
							H2	H1	H2	H1	H2	H1
	Nonfinancial sectors											
1 **Total net borrowing by domestic nonfinancial sectors**	**319.4**	**369.8**	**386.0**	**343.2**	**377.2**	**395.3**	**371.3**	**392.4**	**362.0**	**356.8**	**434.8**	**495.2**
By sector and instrument												
2 U.S. government	56.8	53.7	37.4	79.2	87.4	161.3	92.5	87.8	86.9	106.9	215.5	230.2
3 Treasury securities	57.6	55.1	38.8	79.8	87.8	162.1	93.1	88.3	87.3	108.3	215.9	230.2
4 Agency issues and mortgages	−.9	−1.4	−1.4	−.6	−.5	−.9	−.6	−.5	−.4	−1.4	−.4	−.1
5 Private domestic nonfinancial sectors	262.6	316.2	348.6	264.0	289.8	234.1	278.7	304.6	275.1	249.9	219.3	265.0
6 Debt capital instruments	171.1	199.7	211.2	192.0	158.4	152.4	189.9	179.3	137.5	139.7	166.1	223.7
7 Tax-exempt obligations	21.9	28.4	30.3	30.3	21.9	50.5	31.9	21.1	22.6	41.7	59.4	60.9
8 Corporate bonds	22.9	21.1	17.3	26.7	22.1	18.8	20.7	26.1	18.0	10.8	26.9	20.9
9 Mortgages	126.3	150.2	163.6	135.1	114.5	83.0	137.3	132.0	96.9	87.3	79.9	142.0
10 Home mortgages	94.0	112.2	120.0	96.7	75.9	56.6	99.2	92.6	59.2	55.8	58.6	106.7
11 Multifamily residential	7.1	9.2	7.8	8.8	4.3	1.3	9.6	4.9	3.7	4.2	−1.7	7.8
12 Commercial	18.1	21.7	23.9	20.2	24.6	20.0	20.9	25.2	23.9	21.4	18.6	27.2
13 Farm	7.1	7.2	11.8	9.3	9.7	5.2	7.6	9.3	10.1	5.9	4.4	.2
14 Other debt instruments	91.6	116.5	137.5	72.0	131.5	81.6	88.8	125.3	137.6	110.1	53.2	41.3
15 Consumer credit	40.2	48.8	45.4	4.9	24.1	18.3	13.0	28.9	19.3	19.3	17.4	38.8
16 Bank loans n.e.c.	27.1	37.4	51.2	36.7	54.7	54.4	59.7	45.5	63.9	70.1	38.8	3.8
17 Open market paper	2.9	5.2	11.1	5.7	19.2	−3.3	−9.2	12.0	26.3	6.5	−13.0	−16.3
18 Other	21.3	25.1	29.7	24.8	33.4	12.2	25.3	38.9	28.0	14.3	10.2	15.0
19 By borrowing sector	262.6	316.2	348.6	264.0	289.8	234.1	278.7	304.6	275.1	249.9	219.3	265.0
20 State and local governments	15.4	19.1	20.5	20.3	9.7	36.3	21.7	9.1	10.2	29.3	43.3	51.3
21 Households	137.3	169.4	176.4	117.5	120.6	86.3	121.3	139.8	101.3	87.6	86.1	139.8
22 Farm	12.3	14.6	21.4	14.4	16.3	9.0	12.8	20.1	12.5	9.0	9.1	−1.1
23 Nonfarm noncorporate	28.0	32.4	34.4	33.7	39.6	29.8	40.6	39.8	39.5	34.6	24.9	40.0
24 Corporate	69.7	80.6	96.0	78.1	103.7	72.7	82.3	95.8	111.5	89.3	56.0	34.9
25 Foreign net borrowing in United States	13.5	33.8	20.2	27.2	27.2	15.7	26.7	31.9	22.5	12.8	18.6	18.7
26 Bonds	5.1	4.2	3.9	.8	5.4	6.6	−.4	3.3	7.6	2.4	10.8	4.4
27 Bank loans n.e.c.	3.1	19.1	2.3	11.5	3.7	−6.2	18.5	3.1	4.2	−5.1	−7.2	14.9
28 Open market paper	2.4	6.6	11.2	10.1	13.9	10.7	4.5	20.6	7.1	12.5	9.0	−4.6
29 U.S. government loans	3.0	3.9	2.9	4.7	4.2	4.5	4.0	4.9	3.5	3.0	6.0	4.0
30 **Total domestic plus foreign**	**332.9**	**403.6**	**406.2**	**370.4**	**404.4**	**411.0**	**397.9**	**424.4**	**384.5**	**369.6**	**453.4**	**513.9**
	Financial sectors											
31 **Total net borrowing by financial sectors**	**45.8**	**74.6**	**82.5**	**63.3**	**85.4**	**69.3**	**64.0**	**87.4**	**83.4**	**89.8**	**48.7**	**70.8**
By instrument												
32 U.S. government related	22.0	37.1	47.9	44.8	47.4	64.9	40.4	45.2	49.6	61.3	68.4	67.9
33 Sponsored credit agency securities	7.0	23.1	24.3	24.4	30.5	14.9	20.8	28.9	32.1	23.6	6.3	−2.5
34 Mortgage pool securities	16.1	13.6	23.1	19.2	15.0	49.5	18.6	14.9	15.1	37.0	62.1	70.4
35 Loans from U.S. government	−1.1	.4	.6	1.2	1.9	.4	1.1	1.4	2.4	.8	......	......
36 Private financial sectors	23.8	37.5	34.6	18.5	38.0	4.4	23.6	42.2	33.8	28.5	−19.7	2.9
37 Corporate bonds	10.1	7.5	7.8	7.1	−.8	2.3	3.1	−.3	−1.4	−1.2	5.8	12.2
38 Mortgages	*	.1	*	−.1	−.5	.1	−.2	−.8	−.2	.1	.1	.1
39 Bank loans n.e.c.	−.3	2.8	−.4	−.4	2.2	3.2	−.4	3.2	1.1	5.2	1.2	−5.1
40 Open market paper	9.6	14.6	18.0	4.8	20.9	−2.0	10.8	23.5	18.4	14.0	−18.0	8.6
41 Loans from Federal Home Loan Banks	4.3	12.5	9.2	7.1	16.2	.8	10.3	16.7	15.8	10.4	−8.8	−12.9
By sector												
42 Sponsored credit agencies	5.9	23.5	24.8	25.6	32.4	15.3	21.8	30.3	34.5	24.4	6.3	−2.5
43 Mortgage pools	16.1	13.6	23.1	19.2	15.0	49.5	18.6	14.9	15.1	37.0	62.1	70.4
44 Private financial sectors	23.8	37.5	34.6	18.5	38.0	4.4	23.6	42.2	33.8	28.5	−19.7	2.9
45 Commercial banks	1.1	1.3	1.6	.5	.4	1.2	.3	.2	.5	.7	1.7	.8
46 Bank affiliates	2.0	7.2	6.5	6.9	8.3	1.9	8.0	6.9	9.7	9.7	−5.8	6.1
47 Savings and loan associations	6.9	13.5	12.6	7.4	15.5	−3.0	12.3	16.8	14.1	9.1	−15.2	−10.8
48 Finance companies	16.9	18.1	16.6	6.3	14.1	4.9	5.8	18.5	9.7	9.5	.2	7.5
49 REITs	−2.5	−1.4	−1.3	−2.2	.2	.1	−2.5	.2	.2	.1	.1	.1
	All sectors											
50 **Total net borrowing**	**378.7**	**478.2**	**488.7**	**433.7**	**489.8**	**480.3**	**462.0**	**511.8**	**467.9**	**459.4**	**502.1**	**584.7**
51 U.S. government securities	79.9	90.5	84.8	122.9	133.0	225.9	132.0	131.8	134.3	167.6	284.0	298.2
52 State and local obligations	21.9	28.4	30.3	30.3	21.9	50.5	31.9	21.1	22.6	41.7	59.4	60.9
53 Corporate and foreign bonds	38.0	32.8	29.0	34.6	26.7	27.7	23.5	29.1	24.2	12.0	43.5	37.5
54 Mortgages	126.2	150.2	163.5	134.9	113.9	83.0	137.0	131.1	96.6	87.3	79.8	142.0
55 Consumer credit	40.2	48.8	45.4	4.9	24.1	18.3	13.0	28.9	19.3	19.3	17.4	38.8
56 Bank loans n.e.c.	29.9	59.3	53.0	47.8	60.6	51.4	77.8	51.8	69.3	70.2	32.8	13.6
57 Open market paper	15.0	26.4	40.3	20.6	54.0	5.4	6.1	56.1	51.9	33.0	−22.1	−12.3
58 Other loans	27.5	41.9	42.4	37.8	55.8	17.9	40.7	61.8	49.7	28.4	7.4	6.1
	External corporate equity funds raised in United States											
59 **Total new share issues**	**6.5**	**1.9**	**−3.8**	**22.2**	**−3.7**	**35.4**	**28.0**	**10.2**	**−17.7**	**23.7**	**47.0**	**87.1**
60 Mutual funds	.9	−.1	.1	5.2	6.8	18.6	4.6	8.1	5.6	13.2	24.0	38.8
61 All other	5.6	1.9	−3.9	17.1	−10.6	16.8	23.3	2.1	−23.2	10.6	23.0	48.3
62 Nonfinancial corporations	2.7	−.1	−7.8	12.9	−11.5	11.4	18.8	.9	−23.8	7.0	15.8	38.2
63 Financial corporations	2.5	2.5	3.2	2.1	.9	4.1	2.3	.5	1.2	3.8	4.4	4.4
64 Foreign shares purchased in United States	.4	−.5	.8	2.1	*	1.3	2.2	.7	−.7	−.2	2.9	5.7

1.58 DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

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

Transaction category, or sector	1977	1978	1979	1980	1981	1982	1980 H2	1981 H1	1981 H2	1982 H1	1982 H2	1983 H1
1 **Total funds advanced in credit markets to domestic nonfinancial sectors**	**319.4**	**369.8**	**386.0**	**343.2**	**377.2**	**395.3**	**371.3**	**392.4**	**362.0**	**356.8**	**434.8**	**495.2**
By public agencies and foreign												
2 Total net advances	79.3	102.3	75.2	97.0	97.4	109.3	77.2	113.8	81.0	107.9	110.8	127.5
3 U.S. government securities	34.9	36.1	−6.3	15.7	17.2	17.9	−.8	31.2	3.1	17.7	18.2	52.9
4 Residential mortgages	20.0	25.7	35.8	31.7	23.4	61.1	28.2	21.9	25.0	48.1	74.0	80.7
5 FHLB advances to savings and loans	4.3	12.5	9.2	7.1	16.2	.8	10.3	16.7	15.8	10.4	−8.8	−12.9
6 Other loans and securities	20.2	28.0	36.5	42.4	40.6	29.5	39.4	44.1	37.1	31.7	27.4	6.8
Total advanced, by sector												
7 U.S. government	10.0	17.1	19.0	23.7	24.1	16.7	22.2	27.9	20.3	14.2	19.1	8.2
8 Sponsored credit agencies	22.5	40.3	53.0	45.6	48.2	65.3	44.0	47.2	49.2	62.5	68.1	69.2
9 Monetary authorities	7.1	7.0	7.7	4.5	9.2	9.8	−10.3	2.4	16.0	.1	19.5	12.7
10 Foreign	39.6	38.0	−4.6	23.2	16.0	17.6	21.3	36.4	−4.4	31.1	4.1	37.5
Agency and foreign borrowing not in line 1												
11 Sponsored credit agencies and mortgage pools	22.0	37.1	47.9	44.8	47.4	64.9	40.4	45.2	49.6	61.3	68.4	67.9
12 Foreign	13.5	33.8	20.2	27.2	27.2	15.7	26.7	31.9	22.5	12.8	18.6	18.7
Private domestic funds advanced												
13 Total net advances	275.6	338.4	379.0	318.2	354.4	366.6	361.2	355.7	353.1	323.0	411.0	454.3
14 U.S. government securities	45.1	54.3	91.1	107.2	115.9	207.9	132.7	100.6	131.1	149.9	265.8	245.3
15 State and local obligations	21.9	28.4	30.3	30.3	21.9	50.5	31.9	21.1	22.6	41.7	59.4	60.9
16 Corporate and foreign bonds	24.1	23.4	18.5	19.3	19.4	15.4	11.8	20.9	17.9	−1.7	32.4	23.4
17 Residential mortgages	81.0	95.6	91.9	73.7	56.7	−3.3	80.5	75.5	37.9	11.7	−17.2	33.7
18 Other mortgages and loans	107.8	149.3	156.3	94.8	156.9	96.8	114.5	154.3	159.5	131.7	62.0	78.1
19 LESS: Federal Home Loan Bank advances	4.3	12.5	9.2	7.1	16.2	.8	10.3	16.7	15.8	10.4	−8.8	−12.9
Private financial intermediation												
20 Credit market funds advanced by private financial institutions	258.8	302.3	294.7	262.3	305.2	271.2	282.8	317.3	293.1	272.8	268.9	351.1
21 Commercial banking	87.8	129.0	123.1	101.1	103.6	108.5	146.5	99.6	107.6	109.7	107.1	127.4
22 Savings institutions	78.5	72.8	56.7	54.9	27.2	30.6	72.9	41.5	12.8	29.5	31.0	128.5
23 Insurance and pension funds	69.0	75.0	66.4	74.4	79.3	94.2	65.6	75.3	83.4	95.4	93.0	107.4
24 Other finance	23.6	25.5	48.5	32.0	95.2	37.9	−2.2	101.0	89.4	38.1	37.8	−12.2
25 Sources of funds	258.8	302.3	294.7	262.3	305.2	271.2	282.8	317.3	293.1	272.8	268.9	351.1
26 Private domestic deposits and RPs	139.0	141.0	142.0	168.6	211.7	173.4	174.2	213.8	209.6	163.4	182.7	210.2
27 Credit market borrowing	23.8	37.5	34.6	18.5	38.0	4.4	23.6	42.2	33.8	28.5	−19.7	2.9
28 Other sources	96.1	123.8	118.1	75.2	55.5	93.5	85.0	61.3	49.8	80.8	105.9	138.0
29 Foreign funds	1.4	6.5	27.6	−21.7	−8.7	−27.7	−15.3	−8.7	−8.7	−30.1	−25.4	−17.5
30 Treasury balances	4.3	6.8	.4	−2.6	−1.1	6.1	1.0	6.5	−8.7	−2.1	14.1	7.4
31 Insurance and pension reserves	51.4	62.2	49.1	65.4	73.2	85.9	61.3	62.7	83.8	85.4	86.4	89.3
32 Other, net	39.0	48.4	41.0	34.0	−7.9	29.2	38.0	.8	−16.7	27.6	30.7	58.8
Private domestic nonfinancial investors												
33 Direct lending in credit markets	40.6	73.6	118.9	74.4	87.2	99.7	102.0	80.6	93.8	78.7	122.4	106.1
34 U.S. government securities	24.6	36.3	61.4	38.3	47.4	58.1	58.6	37.2	57.6	43.1	72.7	75.0
35 State and local obligations	−.8	3.6	9.9	7.0	9.6	30.9	9.2	9.5	9.7	28.4	33.4	47.1
36 Corporate and foreign bonds	−3.2	−1.8	5.7	.6	−8.9	−9.4	−.2	−5.5	−12.4	−26.3	7.4	−12.7
37 Open market paper	9.6	15.6	12.1	−4.3	3.7	−2.0	1.4	−3.3	10.7	6.7	−10.7	−10.2
38 Other	10.4	19.9	29.8	32.9	35.4	22.1	32.9	42.7	28.2	26.8	19.6	6.9
39 Deposits and currency	148.6	152.2	151.4	180.0	221.7	179.4	185.5	222.6	220.7	166.2	192.1	231.9
40 Currency	8.3	9.3	7.9	10.3	9.5	8.4	9.7	8.0	11.0	4.5	12.3	14.2
41 Checkable deposits	17.2	16.2	18.7	5.0	18.1	13.0	9.9	29.8	6.5	6.7	19.1	55.6
42 Small time and savings accounts	93.6	65.9	59.2	83.1	47.2	137.0	90.2	30.7	63.6	95.1	178.6	295.0
43 Money market fund shares	.2	6.9	34.4	29.2	107.5	24.7	−3.4	104.1	110.8	39.4	10.0	−84.0
44 Large time deposits	25.7	44.4	23.0	44.7	36.4	−5.2	69.8	41.6	31.2	21.2	−31.6	−67.5
45 Security RPs	2.2	7.5	6.6	6.5	2.5	3.8	7.8	7.7	−2.6	1.1	6.6	11.0
46 Deposits in foreign countries	1.3	2.0	1.5	1.1	.5	−2.4	1.7	.8	.2	−1.8	−2.9	7.4
47 **Total of credit market instruments, deposits and currency**	**189.1**	**225.8**	**270.3**	**254.4**	**308.9**	**279.1**	**287.5**	**303.3**	**314.5**	**244.9**	**314.5**	**337.9**
48 Public holdings as percent of total	23.8	25.3	18.5	26.2	24.1	26.6	19.4	26.8	21.1	29.2	24.4	24.8
49 Private financial intermediation (in percent)	93.9	89.3	77.7	82.4	86.1	74.0	78.3	89.2	83.0	84.4	65.4	77.3
50 Total foreign funds	41.0	44.6	23.0	1.5	7.3	−10.2	6.0	27.8	−13.1	1.0	−21.3	20.0
MEMO: Corporate equities not included above												
51 **Total net issues**	**6.5**	**1.9**	**−3.8**	**22.2**	**−3.7**	**35.4**	**28.0**	**10.2**	**−17.7**	**23.7**	**47.0**	**87.1**
52 Mutual fund shares	.9	−.1	.1	5.2	6.8	18.6	4.6	8.1	5.6	13.2	24.0	38.8
53 Other equities	5.6	1.9	−3.9	17.1	−10.6	16.8	23.3	2.1	−23.2	10.6	23.0	48.3
54 Acquisitions by financial institutions	7.4	4.5	9.7	16.8	22.1	27.9	22.3	25.3	18.9	19.3	36.4	62.4
55 Other net purchases	−.9	−2.7	−13.5	5.4	−25.9	7.5	5.7	−15.1	−36.6	4.4	10.6	24.7

NOTES BY LINE NUMBER.
1. Line 1 of table 1.58.
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.
13. Line 1 less line 2 plus line 11 and 12. Also line 20 less line 27 plus line 33. Also sum of lines 28 and 47 less lines 40 and 46.
18. Includes farm and commercial mortgages.
26. Line 39 less lines 40 and 46.
27. Excludes equity issues and investment company shares. Includes line 19.
29. Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates.
30. Demand deposits at commercial banks.
31. Excludes net investment of these reserves in corporate equities.
32. Mainly retained earnings and net miscellaneous liabilities.
33. Line 12 less line 20 plus line 27.
34–38. Lines 14–18 less amounts acquired by private finance. Line 38 includes mortgages.
40. Mainly an offset to line 9.
47. Lines 33 plus 39, or line 13 less line 28 plus 40 and 46.
48. Line 2/line 1.
49. Line 20/line 13.
50. Sum of lines 10 and 29.
51, 53. Includes issues by financial institutions.

NOTE. Full statements for sectors and transaction types in flows and in 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	1980	1981	1982	1983 Apr.	May	June	July	Aug.	Sept.r	Oct.r	Nov.r	Dec.
1 **Industrial production**[1]	**147.0**	**151.0**	**138.6**	**142.6**	**144.4**	**146.4**	**149.7**	**151.8**	**153.8**	**155.0**	**156.1**	**156.9**
Market groupings												
2 Products, total	146.7	150.6	141.8	144.5	146.2	148.1	150.9	153.2	154.9	155.8	156.9	158.0
3 Final, total	145.3	149.5	141.5	142.8	144.5	146.4	149.0	150.7	152.1	152.9	154.2	155.4
4 Consumer goods	145.4	147.9	142.6	147.7	150.4	152.4	154.8	156.3	157.3	157.1	157.8	158.7
5 Equipment	145.2	151.5	139.8	136.2	136.5	138.2	141.0	143.1	144.9	147.1	149.3	150.8
6 Intermediate	151.9	154.4	143.3	150.8	152.2	154.5	158.1	162.2	165.4	166.5	167.2	167.6
7 Materials	147.6	151.6	133.7	139.7	141.7	143.7	147.8	149.7	152.2	153.9	154.9	155.3
Industry groupings												
8 Manufacturing	146.7	150.4	137.6	143.1	145.1	147.4	150.6	152.8	155.1	156.4	157.2	157.8
Capacity utilization (percent)[1,2]												
9 Manufacturing	79.6	79.4	71.1	72.9	73.8	74.9	76.4	77.3	78.4	79.0	79.3	79.4
10 Industrial materials industries	80.4	80.7	70.1	72.5	73.5	74.4	76.5	77.4	78.6	79.4	79.8	80.1
11 Construction contracts (1977 = 100)[3]	107.0	111.0	111.0	129.0	148.0	151.0	137.0	146.0	143.0	139.0	145.0	n.a.
12 Nonagricultural employment, total[4]	137.4	138.5	136.2	135.4	135.9	136.5	137.0	136.4	138.1	138.4	138.9	139.3
13 Goods-producing, total	110.1	109.4	102.6	99.4	100.2	100.9	101.8	102.2	102.7	103.7	104.4	104.8
14 Manufacturing, total	104.3	103.7	96.9	94.5	95.1	95.6	96.3	96.6	97.0	98.0	98.6	99.1
15 Manufacturing, production-worker	99.3	98.0	89.4	86.9	87.6	88.2	89.2	89.5	89.9	91.2	91.9	92.5
16 Service-producing	152.4	154.4	154.7	155.2	155.5	156.1	156.3	155.1	157.5	157.5	157.9	158.2
17 Personal income, total	343.7	386.5	409.3	426.8r	431.6	433.7	436.1r	437.5r	441.5	446.3	449.6	n.a.
18 Wages and salary disbursements	317.7	349.7	367.2	382.2	386.9	389.0	391.9	393.6	396.2	400.5	401.5	n.a.
19 Manufacturing	264.4	287.3	286.2	293.4	296.4	299.2	302.6	304.6r	308.2	310.0	311.9	n.a.
20 Disposable personal income[5]	333.8	373.7	397.3	417.4	420.5	422.0	429.0r	430.1r	434.1	438.8	442.0	n.a.
21 Retail sales[6]	303.8	330.6	326.0	364.7	376.1	378.9	380.3	373.7	397.1	385.3	389.7	n.a.
Prices[7]												
22 Consumer	246.8	272.4	289.1	295.5	297.1	298.1	299.3	300.3	301.8	302.6	303.1	n.a.
23 Producer finished goods	247.0	269.8	280.7	283.0	284.3	285.0	285.7	286.2	285.1	287.9	286.8	n.a.

1. The capacity utilization series has been revised back to January 1967.
2. Ratios of indexes of production to indexes of capacity. Based on data from Federal Reserve, McGraw-Hill Economics Department, Department of Commerce, and other sources.
3. Index of dollar value of total construction contracts, including residential, nonresidential and heavy engineering, from McGraw-Hill Information 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).
6. Based on Bureau of Census data published in *Survey of Current Business.*
7. Data without seasonal adjustment, as published in *Monthly Labor Review.* 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.*

Figures for industrial production for the last two months are preliminary and estimated, respectively.

2.11 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION

Seasonally adjusted

Series	1983 Q1	Q2	Q3	Q4	1983 Q1	Q2	Q3	Q4	1983 Q1	Q2	Q3	Q4
	Output (1967 = 100)				Capacity (percent of 1967 output)				Utilization rate (percent)			
1 **Total industry**	**138.5**	**144.5**	**151.8**	**156.0**	**194.6**	**195.5**	**196.4**	**197.3**	**71.2**	**73.9**	**77.3**	**79.1**
2 Mining	116.7	112.3	116.1r	121.0	165.2	165.3	165.4	165.5	70.6	67.9	70.2r	73.1
3 Utilities	163.6	169.6	178.2	179.7	208.5	209.8	211.1	212.4	78.5	80.8	84.4	84.6
4 **Manufacturing**	**138.4**	**145.2**	**152.8**	**157.1**	**195.7**	**196.6**	**197.5**	**198.4**	**70.7**	**73.8**	**77.4**	**79.2**
5 Primary processing	137.0	145.2	152.8r	157.7	194.3	194.8	195.3	195.8	70.5	74.6	78.3	80.5
6 Advanced processing	139.7	145.1	152.8r	156.7	196.5	197.6	198.6	199.7	71.1	73.5	76.9	78.5
7 **Materials**	**134.8**	**141.7**	**149.9**	**154.7**	**192.3**	**192.9**	**193.4**	**194.0**	**70.1**	**73.5**	**77.5r**	**79.8**
8 Durable goods	125.2	134.7	144.2	150.4	195.2	195.6	196.0	196.5	64.2	68.9	73.6	76.6
9 Metal materials	78.6	84.9	89.3r	93.4	140.2	139.9	139.8	139.6	56.1	60.7	63.9	66.9
10 Nondurable goods	163.7	171.7	179.1r	185.0	217.8	218.8	219.6	220.6	75.2	78.5	81.5r	83.9
11 Textile, paper, and chemical	169.3	179.6	188.0r	195.2	229.4	230.7	231.6	232.7	73.8	77.9	81.2	83.9
12 Paper	149.9	153.4	162.8	n.a.	165.3	166.1	166.9	n.a.	90.7	92.3	97.5	n.a.
13 Chemical	204.7	219.4	227.8r	n.a.	294.8	296.6	298.3	n.a.	69.4	74.0	76.4	n.a.
14 Energy materials	122.2	121.5	127.4	127.6	153.9	154.3	154.7	155.3	79.5	78.7	82.3	82.2

2.11 Continued

Series	Previous cycle[1]		Latest cycle[2]		1982	1983								
	High	Low	High	Low	Dec.	Apr.	May	June	July	Aug.	Sept.[r]	Oct.[r]	Nov.[r]	Dec.
	Capacity utilization rate (percent)													
15 **Total industry**	**88.4**	**71.1**	**87.3**	**76.5**	**69.7**	**73.1**	**73.9**	**74.8**	**76.3**	**77.3**	**78.2**	**78.7**	**79.1**	**79.4**
16 Mining	91.8	86.0	88.5	84.0	71.7	67.5	68.2	68.1	69.5	70.2	70.8	71.7	73.0	74.5
17 Utilities	94.9	82.0	86.7	83.8	79.0	80.9	80.9	80.8	83.5	85.0	84.8	83.4	84.2	86.2
18 **Manufacturing**	**87.9**	**69.0**	**87.5**	**75.5**	**68.9**	**72.9**	**73.8**	**74.9**	**76.4**	**77.3**	**78.4**	**79.0**	**79.3**	**79.4**
19 Primary processing	93.7	68.2	91.4	72.6	66.2	73.4	74.6	75.7	77.1	78.1	79.7	80.6	80.4	80.5
20 Advanced processing	85.5	69.4	85.9	77.0	70.4	72.5	73.4	74.4	76.0	76.9	77.8	78.0	78.7	79.0
21 **Materials**	**92.6**	**69.3**	**88.9**	**74.2**	**66.6**	**72.5**	**73.5**	**74.4**	**76.5**	**77.4**	**78.6**	**79.4**	**79.8**	**80.1**
22 Durable goods	91.4	63.5	88.4	68.4	59.8	67.7	68.9	70.0	72.1	73.6	75.2	76.2	76.8	76.9
23 Metal materials	97.8	68.0	95.4	59.4	46.8	59.9	61.0	61.2	62.3	64.0	65.5	68.1	66.6	66.1
24 Nondurable goods	94.4	67.4	91.7	77.5	71.6	77.2	78.7	79.6	80.7	81.1	82.9	84.0	83.9	83.7
25 Textile, paper, and chemical	95.1	65.4	92.3	75.5	70.0	76.4	78.1	79.2	80.4	80.5	82.6	83.9	83.9	83.9
26 Paper	99.4	72.4	97.9	89.8	87.4	91.0	92.9	93.1	96.7	96.9	99.0	100.1	99.9	n.a.
27 Chemical	95.5	64.2	91.3	70.7	65.4	72.6	74.0	75.3	75.9	75.5	77.8	79.0	79.4	n.a.
28 Energy materials	94.5	84.4	88.7	84.4	78.5	78.9	78.5	78.8	82.6	82.8	81.6	81.3	81.8	83.3

1. Monthly high 1973; monthly low 1975.

2. Preliminary; monthly highs December 1978 through January 1980; monthly lows July through October 1980.

2.12 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Thousands of persons; monthly data are seasonally adjusted. Exceptions noted.

Category	1980	1981	1982	1983						
				June	July	Aug.	Sept.	Oct.[r]	Nov.[r]	Dec.
HOUSEHOLD SURVEY DATA										
1 **Noninstitutional population**[1]	**169,847**	**172,272**	**174,451**	**176,320**	**176,498**	**176,648**	**176,811**	**176,990**	**177,151**	**177,325**
2 Labor force (including Armed Forces)[1]	109,042	110,812	112,384	114,127	114,017[r]	114,325[r]	114,438[r]	114,077	114,235	114,340
3 Civilian labor force	106,940	108,670	110,204	111,905[r]	111,825[r]	112,117[r]	112,229[r]	111,866	112,035	112,136
Employment										
4 Nonagricultural industries[2]	95,938	97,030	96,125	97,264	97,726[r]	98,035[r]	98,568[r]	98,730	99,349	99,585
5 Agriculture	3,364	3,368	3,401	3,479[r]	3,499[r]	3,449[r]	3,308[r]	3,240	3,257	3,356
Unemployment										
6 Number	7,637	8,273	10,678	11,162[r]	10,600[r]	10,633[r]	10,353[r]	9,896	9,429	9,195
7 Rate (percent of civilian labor force)	7.1	7.6	9.7	10.0	9.5	9.5	9.2	8.8	8.4	8.2
8 Not in labor force	60,805	61,460	62,067	62,220[r]	62,481[r]	62,323[r]	62,373[r]	62,913	62,916	62,985
ESTABLISHMENT SURVEY DATA										
9 **Nonagricultural payroll employment**[3]	**90,406**	**91,156**	**89,596**	**89,844**	**90,152**	**89,748**[r]	**90,851**	**91,087**	**91,413**	**91,644**
10 Manufacturing	20,285	20,170	18,853	18,582	18,733	18,793	18,871	19,064	19,182	19,271
11 Mining	1,027	1,132	1,122	1,003	1,017	1,023	1,026	1,044	1,044	1,053
12 Contract construction	4,346	4,176	3,912	3,933	3,974	4,014	4,038	4,060	4,096	4,110
13 Transportation and public utilities	5,146	5,157	5,057	4,992	4,984	4,341	5,031	5,019	5,027	5,024
14 Trade	20,310	20,551	20,547	20,494	20,529	20,580	20,612	20,666	20,705	20,732
15 Finance	5,160	5,301	5,350	5,451	5,465	5,488	5,499	5,503	5,523	5,537
16 Service	17,890	20,547	20,401	19,668	19,770	19,835	19,913	19,956	20,051	20,122
17 Government	16,241	16,024	15,784	15,721	15,680	15,674[r]	15,861	15,775	15,785	15,795

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. Department 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 March 1983 benchmark and only seasonally adjusted data are available at this time. Based on data from *Employment and Earnings* (U.S. Department of Labor).

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value

Monthly data are seasonally adjusted

Grouping	1967 proportion	1982 avg.	1982 Dec.	1983 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.r	Oct.	Nov.p	Dec.e
			Index (1967 = 100)												
MAJOR MARKET															
1 **Total index**	**100.00**	**138.6**	**135.2**	**137.4**	**138.1**	**140.0**	**142.6**	**144.4**	**146.4**	**149.7**	**151.8**	**153.8**	**155.0**	**156.1**	**156.9**
2 Products	60.71	141.8	139.9	140.9	140.3	141.6	144.5	146.2	148.1	150.9	153.2	154.9	155.8	156.9	158.0
3 Final products	47.82	141.5	139.5	140.1	138.9	139.9	142.8	144.5	146.4	149.0	150.7	152.1	152.9	154.2	155.4
4 Consumer goods	27.68	142.6	142.0	143.6	143.4	144.3	147.7	150.4	152.4	154.8	156.3	157.3	157.1	157.8	158.7
5 Equipment	20.14	139.8	136.1	135.3	132.7	133.8	136.2	136.5	138.2	141.0	143.1	144.9	147.1	149.3	150.8
6 Intermediate products	12.89	143.3	141.5	143.7	145.3	147.8	150.8	152.2	154.5	158.1	162.2	165.4	166.5	167.2	167.6
7 Materials	39.29	133.7	127.8	132.0	134.9	137.6	139.7	141.7	143.7	147.8	149.7	152.2	153.9	154.9	155.3
Consumer goods															
8 Durable consumer goods	7.89	129.2	125.9	131.6	134.4	136.3	140.5	145.5	149.2	152.9	154.2	157.5	157.1	156.7	159.7
9 Automotive products	2.83	129.5	128.7	136.2	144.3	142.6	144.9	152.2	160.0	167.0	168.1	172.9	171.0	171.9	178.1
10 Autos and utility vehicles	2.03	99.0	99.0	107.0	120.8	116.4	117.8	124.9	135.4	145.4	147.0	153.1	149.2	150.1	158.6
11 Autos	1.90	86.6	87.9	97.1	107.3	99.9	102.7	107.4	118.3	129.8	132.0	135.0	129.6	129.4	137.4
12 Auto parts and allied goods	.80	206.9	204.0	210.2	203.9	209.3	213.6	221.5	222.6	221.9	221.8	223.1	226.2	227.3	227.5
13 Home goods	5.06	129.1	124.3	129.1	128.8	132.8	138.1	141.8	143.2	144.9	146.4	148.8	149.3	148.1	149.4
14 Appliances, A/C, and TV	1.40	102.6	94.2	109.5	105.8	105.0	106.1	112.8	114.4	116.2	121.2	125.2	130.8	125.9	129.4
15 Appliances and TV	1.33	104.6	98.3	112.9	108.8	108.5	109.7	116.1	118.4	119.7	125.0	129.7	135.1	130.2	.....
16 Carpeting and furniture	1.07	149.7	150.8	149.0	156.7	168.3	180.5	181.9	185.6	187.3	187.5	186.3	185.5	184.6	.....
17 Miscellaneous home goods	2.59	135.0	129.8	131.4	129.7	133.3	137.9	140.9	141.3	143.0	143.2	146.1	144.4	145.1	145.6
18 Nondurable consumer goods	19.79	148.0	148.4	148.3	147.0	147.5	150.5	152.3	153.6	155.6	157.1	157.2	157.1	158.2	158.3
19 Clothing	4.29	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
20 Consumer staples	15.50	159.0	158.8	158.6	157.4	158.1	161.1	162.8	164.3	166.1	168.0	167.6	167.3	168.2	168.3
21 Consumer foods and tobacco	8.33	149.7	149.5	150.9	149.5	148.4	150.9	153.2	155.9	156.6	156.3	154.6	155.5	.....	.....
22 Nonfood staples	7.17	169.7	169.6	167.6	166.5	169.4	172.9	174.0	174.1	177.2	181.6	182.7	180.9	181.9	182.7
23 Consumer chemical products	2.63	219.9	220.9	222.6	220.9	225.6	225.5	227.8	229.0	233.8	239.7	240.0	239.7	239.9	.....
24 Consumer paper products	1.92	127.7	128.3	127.1	127.9	128.1	129.2	128.6	130.1	132.6	137.4	138.2	137.6	138.1	.....
25 Consumer energy products	2.62	150.2	148.4	142.2	140.2	143.3	152.2	153.4	151.2	153.2	155.7	157.7	153.6	155.9	.....
26 Residential utilities	1.45	170.8	169.3	164.1	162.9	166.1	175.5	174.3	170.5	173.2	179.9	182.8	175.6	.....	.....
Equipment															
27 Business	12.63	157.9	148.1	146.6	142.7	143.7	146.9	147.7	150.2	153.3	156.6	158.7	161.5	164.4	165.8
28 Industrial	6.77	134.9	117.9	118.4	113.7	113.1	113.5	114.5	116.3	119.9	124.3	125.6	127.0	129.4	131.5
29 Building and mining	1.44	214.2	171.9	173.8	153.6	145.3	141.8	146.2	148.7	154.4	159.2	160.8	166.9	175.2	184.0
30 Manufacturing	3.85	107.2	97.0	97.6	97.9	99.7	101.7	102.5	105.0	108.9	113.3	115.0	115.3	115.9	116.3
31 Power	1.47	129.9	119.7	118.3	116.0	116.2	116.6	115.0	114.1	114.6	119.0	118.8	118.5	119.8	119.7
32 Commercial transit, farm	5.86	184.4	183.0	179.2	176.1	179.2	185.4	186.1	189.5	191.9	194.0	196.9	201.4	204.7	205.4
33 Commercial	3.26	253.5	258.6	254.9	251.2	255.7	264.3	265.0	270.9	276.0	277.4	281.7	288.3	294.0	295.0
34 Transit	1.93	103.9	96.2	90.8	88.2	90.1	92.0	92.6	93.2	92.0	95.9	97.6	100.0	99.4	99.5
35 Farm	.67	80.5	65.1	66.0	63.4	63.4	70.2	71.3	70.4	70.8	70.8	70.6	70.9	73.6	.....
36 Defense and space	7.51	109.4	115.9	116.4	116.1	117.0	118.2	117.6	118.0	120.4	120.2	121.8	122.9	123.9	125.7
Intermediate products															
37 Construction supplies	6.42	124.3	123.0	127.0	129.7	133.1	136.4	138.4	142.1	145.8	149.0	151.4	152.3	152.7	152.7
38 Business supplies	6.47	162.1	159.8	160.3	160.9	162.3	165.2	166.0	166.8	170.4	175.3	179.3	180.7	181.6	.....
39 Commercial energy products	1.14	181.1	182.4	180.6	178.6	180.3	183.3	183.1	181.4	185.2	186.9	190.2	187.0	191.2	.....
Materials															
40 Durable goods materials	20.35	125.0	116.5	121.5	125.3	128.7	132.4	134.7	137.0	141.1	144.2	147.4	149.5	150.9	150.9
41 Durable consumer parts	4.58	95.3	91.1	96.2	101.6	104.0	106.5	108.5	109.5	115.6	119.9	123.1	124.8	126.0	127.0
42 Equipment parts	5.44	166.8	155.3	157.5	158.8	162.5	167.2	170.6	175.8	180.8	183.6	186.0	188.5	193.4	193.7
43 Durable materials n.e.c.	10.34	116.2	107.4	113.8	118.2	121.9	125.4	127.5	128.7	131.5	134.2	137.8	139.9	139.5	139.0
44 Basic metal materials	5.57	79.9	68.7	78.1	82.4	86.0	87.8	89.3	89.6	90.8	93.1	94.8	98.2	96.4	.....
45 Nondurable goods materials	10.47	157.5	155.6	159.7	164.0	167.5	168.7	172.1	174.3	177.0	178.0	182.3	185.0	185.1	184.9
46 Textile, paper, and chemical materials	7.62	161.1	160.0	163.7	170.0	174.3	175.9	180.2	182.8	186.1	186.4	191.6	194.9	195.3	195.5
47 Textile materials	1.85	102.2	102.1	104.7	106.4	110.6	110.6	114.6	116.0	119.0	121.5	123.1	125.7	123.5	.....
48 Paper materials	1.62	145.6	144.1	150.1	150.1	149.5	150.8	154.4	155.0	161.1	161.8	165.5	167.5	167.5	.....
49 Chemical materials	4.15	193.5	192.0	195.4	206.2	212.5	214.9	219.6	223.6	225.9	225.1	232.4	236.5	238.2	.....
50 Containers, nondurable	1.70	161.4	155.2	162.1	159.6	163.8	163.2	164.3	166.1	166.5	170.6	173.8	175.9	177.4	.....
51 Nondurable materials n.e.c.	1.14	127.9	127.2	129.6	130.5	127.7	129.1	129.7	129.9	131.3	133.0	132.7	132.3	128.5	.....
52 Energy materials	8.48	125.1	120.4	123.0	121.8	121.9	121.6	121.1	121.8	127.7	128.0	126.4	126.1	127.1	129.6
53 Primary energy	4.65	116.0	113.5	116.5	115.4	114.4	113.9	113.8	112.6	115.4	113.9	112.9	114.2	114.6	.....
54 Converted fuel materials	3.82	136.3	128.9	130.8	129.6	131.1	131.0	129.9	132.9	142.7	145.2	142.8	140.7	142.3	.....
Supplementary groups															
55 Home goods and clothing	9.35	119.6	118.2	120.8	119.9	122.0	126.3	129.2	130.2	132.3	133.3	135.5	136.0	136.1	137.0
56 Energy, total	12.23	135.7	132.2	132.4	131.0	131.9	133.9	133.8	133.6	138.5	139.4	139.1	137.7	139.2	141.5
57 Products	3.76	159.6	158.7	153.8	151.9	154.5	161.7	162.4	160.4	162.9	165.2	167.5	163.7	166.6	.....
58 Materials	8.48	125.1	120.4	123.0	121.8	121.9	121.6	121.1	121.8	127.7	128.0	126.4	126.1	127.1	129.6

2.13 Continued

Grouping	SIC code	1967 proportion	1982 avg.	1982 Dec.	1983 Jan.	Feb.[c]	Mar.	Apr.	May	June	July	Aug.	Sept.[r]	Oct.	Nov.[p]	Dec.[e]
				Index (1967 = 100)												
Major Industry																
1 Mining and utilities	......	12.05	146.3	140.1	141.3	137.5	137.7	138.9	139.7	139.6	143.8	146.0	146.5	146.2	148.2	151.7
2 Mining	......	6.36	126.1	118.4	121.9	115.6	112.6	111.6	112.8	112.6	115.0	116.1	117.1	118.6	120.9	123.4
3 Utilities	......	5.69	168.7	164.2	163.1	162.0	165.8	169.3	169.7	169.8	176.0	179.3	179.3	176.9	178.8	183.4
4 Electric	......	3.88	190.5	185.6	184.4	183.0	188.2	192.7	192.9	192.0	200.9	205.4	204.5	201.2	203.8	210.1
5 Manufacturing	......	87.95	137.6	134.5	136.7	138.2	140.4	143.1	145.1	147.4	150.6	152.8	155.1	156.4	157.2	157.8
6 Nondurable	......	35.97	156.2	155.6	157.4	159.0	160.7	163.3	165.4	167.8	170.6	172.9	174.6	175.8	176.3	176.3
7 Durable	......	51.98	124.7	119.9	122.5	123.9	126.3	129.1	131.0	133.2	136.8	138.8	141.6	143.0	144.0	145.0
Mining																
8 Metal	10	.51	82.4	74.9	81.7	75.1	75.2	79.8	84.4	82.9	82.5	80.9	78.7	83.7	87.7	.....
9 Coal	11.12	.69	142.7	129.7	144.8	136.5	127.3	125.3	125.6	124.6	139.9	141.2	140.5	142.7	144.8	145.2
10 Oil and gas extraction	13	4.40	131.1	122.9	124.6	117.0	114.4	112.2	112.5	112.6	113.9	114.7	116.3	117.4	119.4	123.0
11 Stone and earth minerals	14	.75	112.1	111.7	112.8	115.7	114.0	117.7	122.5	121.7	121.2	125.0	126.5	127.4	130.0	.....
Nondurable manufactures																
12 Foods	20	8.75	151.1	152.8	154.4	153.0	152.0	153.7	155.6	157.7	159.9	159.3	158.2	157.6	.....	.....
13 Tobacco products	21	.67	118.0	109.9	104.7	108.5	113.4	114.8	112.9	120.0	112.9	117.1	112.7	109.1	.....	.....
14 Textile mill products	22	2.68	124.5	122.2	125.8	130.7	131.9	136.6	139.6	141.8	146.7	147.4	148.7	149.6	147.5	.....
15 Apparel products	23	3.31	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
16 Paper and products	26	3.21	150.8	151.1	158.8	155.6	156.3	157.0	161.5	163.0	165.1	168.6	170.4	172.1	172.5	175.0
17 Printing and publishing	27	4.72	144.1	142.8	141.3	144.0	145.9	145.7	145.2	147.4	152.0	157.8	161.7	162.7	163.1	163.2
18 Chemicals and products	28	7.74	196.1	195.9	197.6	202.3	205.7	208.5	211.0	214.7	218.3	220.3	224.1	228.1	228.3	.....
19 Petroleum products	29	1.79	121.8	118.7	113.5	111.7	114.8	120.6	123.8	123.0	124.3	123.2	125.1	123.6	124.2	119.8
20 Rubber and plastic products	30	2.24	254.7	249.7	256.2	264.0	272.0	283.0	288.0	293.8	296.1	306.9	310.9	313.2	315.4	.....
21 Leather and products	31	.86	60.9	56.0	59.5	61.7	59.4	58.7	59.6	60.1	62.3	64.4	64.2	64.8	66.0	.....
Durable manufactures																
22 Ordnance, private and government	19.91	3.64	86.9	92.5	93.5	93.3	91.9	93.2	92.6	93.3	95.2	96.8	98.0	98.8	99.5	100.7
23 Lumber and products	24	1.64	112.6	121.4	130.0	130.2	128.7	132.1	135.8	137.4	141.3	141.6	142.3	141.7	142.0	.....
24 Furniture and fixtures	25	1.37	151.9	153.7	150.0	154.0	161.0	167.7	169.6	173.1	175.2	179.0	180.7	181.5	180.2	.....
25 Clay, glass, stone products	32	2.74	128.2	125.4	128.0	131.8	135.6	138.3	139.2	141.7	145.8	147.9	151.7	151.9	153.9	.....
26 Primary metals	33	6.57	75.3	63.5	73.1	77.9	81.2	83.1	84.9	84.8	85.5	87.5	90.6	95.1	92.0	91.1
27 Iron and steel	331.2	4.21	61.7	46.6	59.0	64.3	66.9	68.5	69.5	69.7	71.8	75.1	78.2	84.0	80.5	.....
28 Fabricated metal products	34	5.93	114.8	107.3	107.6	110.3	113.9	115.3	115.5	118.5	122.7	126.0	127.4	127.2	129.3	129.7
29 Nonelectrical machinery	35	9.15	149.0	139.2	138.0	136.2	138.6	143.1	146.1	149.5	154.2	157.3	158.3	159.5	162.9	163.0
30 Electrical machinery	36	8.05	169.3	165.5	169.5	168.9	173.8	177.2	180.1	182.4	188.3	189.2	195.8	198.7	200.6	203.7
31 Transportation equipment	37	9.27	104.9	103.7	106.3	109.6	110.1	111.4	113.8	116.6	119.7	121.1	124.7	125.5	125.8	128.2
32 Motor vehicles and parts	371	4.50	109.8	108.8	113.9	123.0	123.2	125.5	130.4	136.2	142.3	144.3	150.9	150.9	152.5	157.1
33 Aerospace and miscellaneous transportation equipment	372–9	4.77	100.4	98.9	99.1	97.0	97.7	98.1	98.1	98.1	98.5	99.2	100.0	101.6	100.5	101.0
34 Instruments	38	2.11	161.9	155.2	154.5	153.4	154.0	155.1	156.0	156.1	159.3	161.6	163.6	164.5	165.1	167.2
35 Miscellaneous manufactures	39	1.51	137.0	128.2	131.3	133.9	136.9	145.0	149.0	151.0	153.7	153.1	151.7	150.4	151.6	152.5
	Gross value (billions of 1972 dollars, annual rates)															
Major Market																
36 Products, total	......	**507.4**	**579.6**	**572.9**	**578.1**	**578.4**	**584.1**	**592.6**	**601.8**	**610.5**	**620.5**	**626.6**	**637.0**	**639.1**	**643.1**	**646.2**
37 Final	......	390.9	451.1	445.8	448.3	447.3	451.3	457.7	465.6	471.8	478.2	481.8	489.9	491.3	493.4	497.2
38 Consumer goods	......	277.5	308.0	306.8	310.9	312.0	313.8	318.8	325.6	330.4	333.7	336.7	341.6	340.3	341.7	343.6
39 Equipment	......	113.4	143.1	138.9	137.4	135.3	137.5	138.9	140.0	141.4	144.5	145.1	148.4	151.0	151.6	153.6
40 Intermediate	......	116.6	128.5	127.1	129.8	131.1	132.8	134.9	136.2	138.7	142.3	144.8	147.1	147.8	149.8	148.9

1. 1972 dollar value.

2.14 HOUSING AND CONSTRUCTION

Monthly figures are at seasonally adjusted annual rates except as noted.

Item	1980	1981	1982	1982	1983								
				Dec.	Mar.	Apr.	May	June	July	Aug.[r]	Sept.[r]	Oct.[r]	Nov.
	Private residential real estate activity (thousands of units)												
New Units													
1 Permits authorized	1,191	986	1,001	1,326	1,467	1,536	1,635	1,761	1,782	1,652	1,506	1,630	1,650
2 1-family	710	564	546	753	859	841	940	1,013	920	874	837	880	906
3 2-or-more-family	480	421	454	573	608	695	695	748	862	778	669	750	744
4 Started	1,292	1,084	1,062	1,280	1,605	1,506	1,807	1,736	1,804	1,904	1,664	1,650	1,756
5 1-family	852	705	663	842	1,008	1,001	1,183	1,127	1,032	1,135	1,031	1,010	1,065
6 2-or-more-family	440	379	400	438	597	505	624	609	772	769	633	640	691
7 Under construction, end of period[1]	896	682	720	730	828	859	900	933	963	977	991	995	
8 1-family	515	382	400	411	472	489	518	532	537	542	544	542	
9 2-or-more-family	382	301	320	319	356	370	382	400	425	435	446	453	
10 Completed	1,502	1,266	1,006	1,035	1,147	1,164	1,353	1,386	1,432	1,729	1,470	1,588	n.a.
11 1-family	957	818	631	647	788	803	851	959	1,000	1,050	970	1,036	
12 2-or-more-family	545	447	374	388	359	361	502	427	432	679	500	552	
13 Mobile homes shipped	222	241	239	243	276	291	298	308	299	305	302	291	
Merchant builder activity in 1-family units													
14 Number sold	545	436	413	529	611	635	665	658	594[r]	544	597	635	638
15 Number for sale, end of period[1]	342	278	255	251	262	266	273	284	289[r]	296	299	301	308
Price (thousands of dollars)[2]													
Median													
16 Units sold	64.7	68.8	69.3	71.7	72.5	74.7	74.5	75.8	75.2	76.8	80.8	75.7	75.9
Average													
17 Units sold	76.4	83.1	83.8	86.7	86.2	87.6	88.8	90.9	89.2	91.3	97.0	88.7	92.1
Existing Units (1-family)													
18 Number sold	2,974	2,418	1,991	2,260	2,710	2,730	2,900	2,940	2,790	2,710	2,720	2,610	2,630
Price of units sold (thousands of dollars)[2]													
19 Median	62.1	66.1	67.7	67.8	68.9	68.8	69.2	71.4	71.8	71.5	69.9	69.8	70.3
20 Average	72.7	78.0	80.4	80.6	81.1	81.3	81.7	84.7	84.2	84.7	82.8	83.0	83.2
	Value of new construction[3] (millions of dollars)												
Construction													
21 Total put in place	**230,712**	**239,418**	**232,048**	**240,207**	**241,908**	**247,360**	**254,763**	**264,321**	**274,205[r]**	**281,997**	**285,384**	**271,914**	**271,868**
22 Private	175,700	186,069	180,979	190,768	194,865	199,462	206,029	214,729	222,759[r]	228,529	232,561	223,015	223,229
23 Residential	87,262	86,567	74,809	86,018	96,127	101,961	107,494	113,524	122,297[r]	127,136	129,142	121,736	113,271
24 Nonresidential, total	88,438	99,502	106,170	104,750	98,738	97,501	98,535	101,205	100,462[r]	101,393	103,419	101,279	104,958
Buildings													
25 Industrial	13,839	17,031	17,346	15,631	14,263	13,223	13,047	13,136	12,227	14,227	13,166	10,532	11,533
26 Commercial	29,940	34,243	37,281	36,934	35,469	33,619	33,291	35,898	35,871	36,277	36,901	36,118	38,019
27 Other	8,654	9,543	10,507	11,784	11,598	10,770	11,237	10,974[r]	11,250	12,038	12,564	12,279	12,374
28 Public utilities and other	36,005	38,685	41,036	40,401	37,408	39,889	40,960	41,197	41,114[r]	38,851	40,788	42,350	43,032
29 Public	55,011	53,346	51,068	49,439	47,043	47,897	48,734	49,592	51,446[r]	53,469	52,823	48,899	48,639
30 Military	1,880	1,966	2,205	2,432	2,541	2,784	2,255	1,894	2,655[r]	2,258	2,705	2,515	2,619
31 Highway	13,770	13,599	13,521	13,048	11,866	12,900	13,044	12,925	14,091	15,906	15,896	14,644	14,001
32 Conservation and development	5,089	5,300	5,029	4,625	4,894	5,023	4,548	4,853	5,608[r]	5,210	5,048	4,258	3,942
33 Other	34,272	32,481	30,313	29,334	27,742	27,190	28,887	29,920	29,092[r]	30,095	29,174	27,482	28,077

1. Not at annual rates.
2. Not seasonally adjusted.
3. Value of new construction data in recent periods may not be strictly comparable with data in prior periods because of 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 16,000 jurisdictions beginning with 1978.

2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data, except as noted

Item	Change from 12 months earlier		Change from 3 months earlier (at annual rate)				Change from 1 month earlier					Index level Nov. 1983 (1967 = 100)[1]
	1982 Nov.	1983 Nov.	1982 Dec.	1983 Mar.	1983 June	1983 Sept.	1983 July	1983 Aug.	1983 Sept.	1983 Oct.	1983 Nov.	
CONSUMER PRICES[2]												
1 **All items**	**4.6**	**3.2**	**.5**	**.4**	**5.4**	**5.3**	**.4**	**.4**	**.5**	**.4**	**.3**	**303.1**
2 Food	3.4	2.1	.8	2.8	1.7	1.7	−.1	.2	.3	.5	.1	292.5
3 Energy items	2.1	−.6	10.2	−25.1	21.0	7.1	.3	.7	.7	−.4	.0	419.9
4 All items less food and energy	5.2	4.3	−.3	4.4	3.9	6.2	.6	.5	.5	.5	.4	293.2
5 Commodities	5.7	5.2	5.4	5.7	2.9	7.1	.7	.5	.6	.6	.3	248.9
6 Services	4.8	3.5	−4.8	3.7	4.6	5.3	.4	.4	.4	.5	.5	344.9
PRODUCER PRICES												
7 Finished goods	3.7	.7	5.2	−4.7	3.0	2.5	.1	.4	.2	.3	−.2	286.8
8 Consumer foods	1.9	1.7	.8	4.1	.0	1.5	−.7	.5r	.7	1.1	−1.0	261.8
9 Consumer energy	1.4	−8.8	7.0	−35.5	11.4	3.7	.2r	.4r	.3	−.1	−1.0	778.6
10 Other consumer goods	5.1	2.0	7.9	−2.0	3.1	2.9	.3	.2	.1	.0	.5	242.1
11 Capital equipment	4.0	2.3	3.6	2.0	1.7	2.5	.2	.7	−.3	.3	.0	290.3
12 Intermediate materials[3]	.3	1.5	1.5	−4.7	3.2	5.3	.3r	.5r	.5	.4	.2	320.1
13 Excluding energy	.6	2.5	1.0	.8	2.9	4.0	.4r	.3r	.3	.2	.3	297.2
Crude materials												
14 Foods	−.8	6.6	1.3	18.1	.8	5.9	−2.6	4.0r	.2	.2	.0	252.0
15 Energy	4.9	−5.8	6.4	−9.2	−5.1	−1.5	−.6r	−.1r	.3	−1.0	.2	781.8
16 Other	−8.9	14.7	−8.0	−16.2	61.9	20.2	2.5r	.3r	1.8	−.3	1.7	260.3

1. Not seasonally adjusted.
2. Figures for consumer prices are those for all urban consumers and reflect a rental equivalence measure of homeownership after 1982.
3. Excludes intermediate materials for food manufacturing and manufactured animal feeds.

SOURCE. Bureau of Labor Statistics.

2.16 GROSS NATIONAL PRODUCT AND INCOME

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

Account	1980	1981	1982	1982		1983		
				Q3	Q4	Q1	Q2	Q3
GROSS NATIONAL PRODUCT								
1 **Total**	**2,631.7**	**2,954.1**	**3,073.0**	**3,090.7**	**3,109.6**	**3,171.5**	**3,272.0**	**3,362.2**
By source								
2 Personal consumption expenditures	1,668.1	1,857.2	1,991.9	2,008.8	2,046.9	2,073.0	2,147.0	2,181.1
3 Durable goods	214.7	236.1	244.5	243.4	252.1	258.5	277.7	282.8
4 Nondurable goods	668.8	733.9	761.0	766.6	773.0	777.1	799.6	814.8
5 Services	784.5	887.1	986.4	998.9	1,021.8	1,037.4	1,069.7	1,083.5
6 Gross private domestic investment	401.9	474.9	414.5	425.3	377.4	404.1	450.1	501.1
7 Fixed investment	411.7	456.5	439.1	430.2	433.8	443.5	464.6	492.5
8 Nonresidential	308.8	352.2	348.3	342.3	337.0	332.1	336.3	351.0
9 Structures	110.9	133.4	141.9	140.0	138.6	132.9	127.4	130.9
10 Producers' durable equipment	197.8	218.8	206.4	202.2	198.4	199.3	208.8	220.2
11 Residential structures	102.9	104.3	90.8	87.9	96.8	111.3	128.4	141.5
12 Nonfarm	98.1	99.8	86.0	83.4	91.2	106.7	123.3	136.3
13 Change in business inventories	−9.8	18.4	−24.5	−4.9	−56.4	−39.4	−14.5	8.5
14 Nonfarm	−4.5	10.9	−23.1	−2.3	−53.7	−39.0	−10.3	18.4
15 Net exports of goods and services	24.0	26.3	17.4	.9	5.6	17.0	−8.5	−18.3
16 Exports	338.8	368.8	347.6	346.0	321.6	326.9	327.1	341.1
17 Imports	314.8	342.5	330.2	345.0	316.1	309.9	335.6	359.4
18 Government purchases of goods and services	537.8	595.7	649.2	655.7	679.7	677.4	683.4	698.3
19 Federal	197.0	229.2	258.7	261.7	279.2	273.5	273.7	278.1
20 State and local	340.8	366.5	390.5	394.0	400.5	404.0	409.7	420.2
By major type of product								
21 Final sales, total	2,641.5	2,935.6	3,097.5	3,095.6	3,165.9	3,210.9	3,286.6	3,353.7
22 Goods	1,140.6	1,291.8	1,280.8	1,286.7	1,264.8	1,292.2	1,346.8	1.388.9
23 Durable	477.8	528.0	500.8	518.4	474.0	482.7	536.8	568.9
24 Nondurable	662.7	763.9	780.1	768.3	790.8	809.5	810.0	820.0
25 Services	1,225.2	1,374.2	1,511.2	1,527.2	1,560.5	1,588.4	1,623.4	1,651.0
26 Structures	266.0	288.0	281.0	276.9	284.3	290.9	301.9	322.3
27 Change in business inventories	−9.8	18.4	−24.5	−4.9	−56.4	−39.4	−14.5	8.5
28 Durable goods	−4.1	3.6	−15.5	6.4	−45.0	−38.2	−8.9	13.1
29 Nondurable goods	−5.7	14.8	−9.1	−11.3	−11.4	−1.2	−5.7	−4.5
30 MEMO: **Total GNP in 1972 dollars**	**1,475.0**	**1,513.8**	**1,485.4**	**1,485.7**	**1,480.7**	**1,490.1**	**1,525.1**	**1,553.4**
NATIONAL INCOME								
31 **Total**	**2,116.6**	**2,373.0**	**2,450.4**	**2,458.9**	**2,474.0**	**2,528.5**	**2,612.8**	**2,686.9**
32 Compensation of employees	1,599.6	1,769.2	1,865.7	1,879.5	1,889.0	1,923.7	1,968.7	2,011.8
33 Wages and salaries	1,356.6	1,493.2	1,568.1	1,579.8	1,586.0	1,610.6	1,647.1	1,681.5
34 Government and government enterprises	260.3	284.4	306.0	307.7	314.5	319.2	323.3	328.4
35 Other	1,096.4	1,208.8	1,262.1	1,272.1	1,271.5	1,291.5	1,323.8	1,353.1
36 Supplement to wages and salaries	243.0	276.0	297.6	299.7	302.9	313.1	321.6	330.3
37 Employer contributions for social insurance	115.0	132.5	140.9	141.5	142.5	148.8	151.5	153.9
38 Other labor income	128.0	143.5	156.6	158.2	160.4	164.3	170.1	176.4
39 Proprietors' income[1]	117.4	120.2	109.0	103.6	116.2	120.6	127.2	126.7
40 Business and professional[1]	95.6	89.7	87.4	87.8	90.2	98.4	106.2	111.2
41 Farm[1]	21.8	30.5	21.5	15.8	26.0	22.2	21.0	15.5
42 Rental income of persons[2]	31.5	41.4	49.9	50.9	52.3	54.1	54.8	53.9
43 Corporate profits[1]	175.4	192.3	164.8	168.5	161.9	181.8	218.2	248.4
44 Profits before tax[3]	234.6	227.0	174.2	177.3	167.5	169.7	203.3	229.1
45 Inventory valuation adjustment	−42.9	−23.6	−8.4	−9.0	−10.3	−1.7	−10.6	−18.3
46 Capital consumption adjustment	−16.3	−11.0	−1.1	.1	4.7	13.9	25.6	37.6
47 Net interest	192.6	249.9	261.1	256.4	254.7	248.3	243.8	246.1

1. With inventory valuation and capital consumption adjustments.
2. With capital consumption adjustment.
3. For after-tax profits, dividends, and the like, see table 1.48.

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	1980	1981	1982	1982		1983		
				Q3	Q4	Q1	Q2	Q3
PERSONAL INCOME AND SAVING								
1 **Total personal income**	**2,165.3**	**2,435.0**	**2,578.6**	**2,591.3**	**2,632.0**	**2,657.7**	**2,713.6**	**2,761.9**
2 Wage and salary disbursements	1,356.7	1,493.2	1,568.1	1,579.8	1,586.0	1,610.7	1,648.4	1,681.9
3 Commodity-producing industries	468.1	509.5	509.2	508.9	499.5	508.6	522.2	537.8
4 Manufacturing	354.6	385.3	383.8	384.8	377.4	385.4	397.4	409.2
5 Distributive industries	330.7	361.6	378.8	381.9	383.5	386.4	394.3	398.9
6 Service industries	297.6	337.7	374.1	381.2	388.5	396.4	407.3	416.4
7 Government and government enterprises	260.3	284.4	306.0	307.7	314.5	319.2	324.6	328.8
8 Other labor income	128.0	143.5	156.6	158.2	160.4	164.3	170.1	176.4
9 Proprietors' income[1]	117.4	120.2	109.0	103.6	116.2	120.6	127.2	126.7
10 Business and professional[1]	95.6	89.7	87.4	87.8	90.2	98.4	106.2	111.2
11 Farm[1]	21.8	30.5	21.5	15.8	26.0	22.2	21.0	15.5
12 Rental income of persons[2]	31.5	41.4	49.9	50.9	52.3	54.1	54.8	53.9
13 Dividends	56.8	62.8	66.4	66.4	67.9	68.8	69.3	70.9
14 Personal interest income	266.0	341.3	366.2	364.8	363.1	357.2	357.1	369.9
15 Transfer payments	297.6	337.2	374.6	380.4	399.0	398.5	405.3	402.6
16 Old-age survivors, disability, and health insurance benefits	154.2	182.0	204.5	209.3	216.5	217.4	221.1	223.8
17 LESS: Personal contributions for social insurance	88.7	104.6	112.0	112.7	112.9	116.5	118.6	120.5
18 EQUALS: Personal income	2,165.3	2,435.0	2,578.6	2,591.3	2,632.0	2,657.7	2,713.6	2,761.9
19 LESS: Personal tax and nontax payments	336.5	387.4	402.1	399.8	404.1	401.8	412.6	400.1
20 EQUALS: Disposable personal income	1,828.8	2,047.6	2,176.5	2,191.5	2,227.8	2,255.9	2,301.0	2,361.7
21 LESS: Personal outlays	1,718.7	1,912.4	2,051.1	2,068.4	2,107.0	2,134.2	2,209.5	2,245.9
22 EQUALS: Personal saving	110.2	135.3	125.4	123.0	120.8	121.7	91.5	115.8
MEMO:								
Per capita (1972 dollars)								
23 Gross national product	6,478.0	6,584.1	6,399.3	6,393.2	6,355.2	6,381.5	6,518.5	6,621.5
24 Personal consumption expenditures	4,092.3	4,161.5	4,179.8	4,178.4	4,204.5	4,225.7	4,318.8	4,330.8
25 Disposable personal income	4,487.0	4,587.0	4,567.0	4,558.0	4,576.0	4,599.0	4,629.0	4,690.0
26 Saving rate (percent)	6.0	6.6	5.8	5.6	5.4	5.4	4.0	4.9
GROSS SAVING								
27 **Gross saving**	**405.9**	**483.8**	**405.8**	**397.9**	**351.3**	**398.5**	**420.6**	**455.4**
28 Gross private saving	435.4	509.6	521.6	524.9	526.6	541.5	535.0	587.2
29 Personal saving	110.2	135.3	125.4	123.0	120.8	121.7	91.5	115.8
30 Undistributed corporate profits[1]	32.0	44.8	37.0	38.9	37.5	48.9	70.1	89.7
31 Corporate inventory valuation adjustment	-42.9	-23.6	-8.4	-9.0	-10.3	-1.7	-10.6	-18.3
Capital consumption allowances								
32 Corporate	179.3	202.9	222.0	224.5	227.7	228.3	229.8	233.1
33 Noncorporate	113.8	126.6	137.2	138.5	140.5	142.6	143.5	148.6
34 Wage accruals less disbursements	.0	.0	.0	.0	.0	.0	.0	.0
35 Government surplus, or deficit (−), national income and product accounts	-30.7	-26.9	-115.8	-127.0	-175.3	-142.9	-114.4	-131.8
36 Federal	-61.2	-62.2	-147.1	-158.3	-208.2	-183.3	-166.1	-187.3
37 State and local	30.6	35.3	31.3	31.3	32.9	40.4	51.7	55.5
38 Capital grants received by the United States, net	1.2	1.1	.0	.0	.0	.0	.0	.0
39 **Gross investment**	**408.2**	**478.9**	**406.2**	**400.5**	**355.5**	**397.4**	**417.1**	**457.9**
40 Gross private domestic	401.9	474.9	414.5	425.3	377.4	404.1	450.1	501.1
41 Net foreign	6.3	4.0	-8.3	-24.8	-21.9	-6.7	-33.0	-43.2
42 **Statistical discrepancy**	**2.3**	**-4.9**	**.5**	**2.5**	**4.2**	**-1.2**	**-3.5**	**2.5**

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	1980	1981	1982	1982		1983		
				Q3	Q4	Q1	Q2	Q3[p]
1 Balance on current account	421	4,592	−11,211	−6,596	−6,621	−3,587	−9,655	−11,976
2 Not seasonally adjusted	....	....	....	−8,143	−5,546	−3,395	−8,898	−13,996
3 Merchandise trade balance[2]	−25,544	−28,067	−36,389	−13,078	−11,354	−8,810	−14,661	−18,169
4 Merchandise exports	224,237	237,019	211,217	52,241	48,344	49,506	48,913	50,585
5 Merchandise imports	−249,781	−265,086	−247,606	−65,319	−59,698	−58,316	−63,574	−68,754
6 Military transactions, net	−2,286	−1,355	179	54	−26	516	117	−21
7 Investment income, net[3]	29,570	33,484	27,304	6,821	6,008	5,089	5,700	6,928
8 Other service transactions, net	5,738	7,462	5,729	1,349	1,182	1,179	1,012	1,347
9 Remittances, pensions, and other transfers	−2,347	−2,382	−2,621	−656	−661	−608	−636	−656
10 U.S. government grants (excluding military)	−4,709	−4,549	−5,413	−1,086	−1,770	−953	−1,187	−1,405
11 Change in U.S. government assets, other than official reserve assets, net (increase, −)	−5,140	−5,078	−5,732	−2,502	−934	−1,053	−1,162	−1,188
12 Change in U.S. official reserve assets (increase, −)	−8,155	−5,175	−4,965	−794	−1,949	−787	16	529
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	−16	−1,823	−1,371	−434	−297	−98	−303	−209
15 Reserve position in International Monetary Fund	−1,667	−2,491	−2,552	−459	−732	−2,139	−212	−88
16 Foreign currencies	−6,472	−861	−1,041	99	−920	1,450	531	826
17 Change in U.S. private assets abroad (increase, −)[3]	−72,757	−100,348	−107,348	−22,803	−16,670	−19,859	488	−5,770
18 Bank-reported claims	−46,838	−83,851	−109,346	−20,631	−17,511	−15,935	5,166	−498
19 Nonbank-reported claims	−3,174	−1,181	6,976	998	2,337	−2,374	−440	n.a.
20 U.S. purchase of foreign securities, net	−3,524	−5,636	−7,986	−3,331	−3,527	−1,808	−3,222	−1,122
21 U.S. direct investments abroad, net[3]	−19,221	−9,680	3,008	161	2,031	258	−1,016	−4,150
22 Change in foreign official assets in the United States (increase, +)	15,566	5,430	3,172	2,642	1,661	49	1,973	−3,235
23 U.S. Treasury securities	9,708	4,983	5,759	4,834	4,346	3,008	1,955	−692
24 Other U.S. government obligations	2,187	1,289	−670	−71	−556	−371	−170	−363
25 Other U.S. government liabilities[4]	685	−28	504	−160	130	−270	403	148
26 Other U.S. liabilities reported by U.S. banks	−159	−3,479	−2,054	−1,911	−1,717	−1,939	611	−1,870
27 Other foreign official assets[5]	3,145	2,665	−367	−50	−542	−379	−826	−458
28 Change in foreign private assets in the United States (increase, +)[3]	39,356	75,248	84,693	14,971	9,856	16,404	8,984	21,722
29 U.S. bank-reported liabilities	10,743	42,154	64,263	10,977	2,823	10,588	919	16,344
30 U.S. nonbank-reported liabilities	6,845	942	−3,104	−425	20	−2,136	134	n.a.
31 Foreign private purchases of U.S. Treasury securities, net	2,645	2,982	7,004	1,364	2,257	2,912	3,072	1,103
32 Foreign purchases of other U.S. securities, net	5,457	7,171	6,141	420	1,975	2,986	2,628	1,867
33 Foreign direct investments in the United States, net[3]	13,666	21,998	10,390	2,635	2,781	2,054	2,231	2,408
34 Allocation of SDRs	1,152	1,093	0	0	0	0	0	0
35 Discrepancy	29,556	24,238	41,390	15,082	14,657	8,833	−644	−82
36 Owing to seasonal adjustments	....	....	....	−1,190	1,042	−212	792	−1,355
37 Statistical discrepancy in recorded data before seasonal adjustment	29,556	24,238	41,390	16,272	13,615	9,045	−1,436	1,273
MEMO: Changes in official assets								
38 U.S. official reserve assets (increase, −)	−8,155	−5,175	−4,965	−794	−1,950[r]	−787	16	529
39 Foreign official assets in the United States (increase, +)	14,881	5,458	2,668	2,802	1,531	319	1,570	−3,383
40 Change in Organization of Petroleum Exporting Countries official assets in the United States (part of line 22 above)	12,769	13,581	7,420	368	−1,162	−1,397	−3,433	−2,151
41 Transfers under military grant programs (excluded from lines 4, 6, and 10 above)	756	680	644	267	158	42	30	49

1. Seasonal factors are no longer calculated for lines 12 through 41.
2. Data are on an international accounts (IA) basis. Differs from the Census basis data, shown in table 3.11, for reasons of coverage and timing; military exports are excluded from merchandise data and are included in line 6.
3. Includes reinvested earnings of incorporated affiliates.
4. Primarily associated with military sales contracts and other transactions arranged with or through foreign official agencies.
5. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and state and local governments.

NOTE. Data are from Bureau of Economic Analysis, *Survey of Current Business* (Department of Commerce).

3.11 U.S. FOREIGN TRADE

Millions of dollars; monthly data are seasonally adjusted.

Item	1980	1981	1982	1983 May	June	July	Aug.	Sept.	Oct.	Dec.
1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments	220,626	233,677	212,193	15,566	17,008	16,629	16,630	17,387	16,951	16,848
2 GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses	244,871	261,305	243,952	21,514	21,024	21,950	22,782	22,175	24,763	23,179
3 **Trade balance**	**−24,245**	**−27,628**	**−31,759**	**−5,948**	**−4,016**	**−5,321**	**−6,152**	**−4,788**	**−7,812**	**−6,331**

NOTE. The data through 1981 in this table are reported by the Bureau of Census data of a free-alongside-ship (f.a.s.) value basis—that is, value at the port of export. Beginning in 1981, foreign trade of the U.S. Virgin Islands is included in the Census basis trade data; this adjustment has been made for all data shown in the table. Beginning with 1982 data, the value of imports are on a customs valuation basis.

The Census basis data differ from merchandise trade data shown in table 3.10, U.S. International Transactions Summary, for reasons of coverage and timing. On the *export side*, the largest adjustments are: (1) the addition of exports to Canada not covered in Census statistics, and (2) the exclusion of military sales (which are combined with other military transactions and reported separately in the "service account" in table 3.10, line 6). On the *import side*, additions are made for gold, ship purchases, imports of electricity from Canada, and other transactions; military payments are excluded and shown separately as indicated above.

SOURCE. FT900 "Summary of U.S. Export and Import Merchandise Trade" (Department of Commerce, Bureau of the Census).

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Type	1980	1981	1982	1983 June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1 **Total**	**26,756**	**30,075**	**33,958**	**33,876**	**33,373**	**32,624**	**33,066**	**33,273**	**33,655**	**33,747**
2 Gold stock, including Exchange Stabilization Fund[1]	11,160	11,151	11,148	11,131	11,131	11,128	11,128	11,126	11,123	11,121
3 Special drawing rights[2,3]	2,610	4,095	5,250	5,478	5,496	5,543	5,628	5,641	5,735	5,025
4 Reserve position in International Monetary Fund[2]	2,852	5,055	7,348	9,413	9,475	9,296	9,399	9,554	9,883	11,312
5 Foreign currencies[4,5]	10,134	9,774	10,212	7,854	7,271	6,657	6,911	6,952	6,914	6,289

1. 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 3.13. Gold stock is valued at $42.22 per fine troy ounce.
2. Beginning July 1974, the IMF adopted a technique for valuing the SDR based on a weighted average of exchange rates for the currencies of member countries. From July 1974 through December 1980, 16 currencies were used; from January 1981, 5 currencies have been used. The U.S. SDR holdings and reserve position in the IMF also are valued on this basis beginning July 1974.
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; $1,139 million on Jan. 1, 1979; $1,152 million on Jan. 1, 1980; and $1,093 million on Jan. 1, 1981; plus transactions in SDRs.
4. Valued at current market exchange rates.
5. Includes U.S. government securities held under repurchase agreement against receipt of foreign currencies in 1979 and 1980.

3.13 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS

Millions of dollars, end of period

Assets	1980	1981	1982	1983 June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1 Deposits	411	505	328	279	369	248	297	339	360	190
Assets held in custody										
2 U.S. Treasury securities[1]	102,417	104,680	112,544	114,499	118,105	113,476	113,498	116,327	116,398	117,670
3 Earmarked gold[2]	14,965	14,804	14,716	14,724	14,727	14,693	14,621	14,550	14,475	14,414

1. Marketable U.S. Treasury bills, notes, and bonds; and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies.
2. Earmarked gold is valued at $42.22 per fine troy ounce.

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.

3.14 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data

Millions of dollars, end of period

Asset account	1980	1981	1982	1983 Apr.	May	June	July	Aug.	Sept.	Oct.p
					All foreign countries					
1 **Total, all currencies**	**401,135**	**462,847**	**469,432**	**453,296**	**452,253**	**465,772**	**455,802**	**452,320**	**460,236**	**458,871**
2 Claims on United States	28,460	63,743	91,768	91,262	91,908	97,810r	96,915	99,207	101,316	102,474
3 Parent bank	20,202	43,267	61,629	61,792	62,596	65,826	67,683	66,860	65,533	66,919
4 Other	8,258	20,476	30,139	29,470	29,312	31,984r	29,232	32,347	35,783	35,555
5 Claims on foreigners	354,960	378,954	358,258	344,069	342,298	349,819r	340,994	335,040	340,430	337,849
6 Other branches of parent bank	77,019	87,821	91,143	84,839	86,436	88,352	84,869	84,563	89,279	87,533
7 Banks	146,448	150,763	133,640	127,365	124,055	130,285	123,539	119,167r	120,202	117,641
8 Public borrowers	28,033	28,197	24,090	25,114	25,547	25,370	25,876	25,185	24,982	24,979
9 Nonbank foreigners	103,460	112,173	109,385	106,751	106,260	105,812r	106,710	106,125r	105,967	107,696
10 Other assets	17,715	20,150	19,406	17,965	18,047	18,143	17,893	18,073	18,490	18,548
11 **Total payable in U.S. dollars**	**291,798**	**350,735**	**361,712**	**344,618**	**343,851**	**357,405**	**350,459**	**348,335**	**354,570**	**351,487**
12 Claims on United States	27,191	62,142	90,048	88,985	89,552	95,533r	94,501	96,718	98,476	99,915
13 Parent bank	19,896	42,721	60,973	61,156	61,797	64,497	66,255	65,434	63,691	65,390
14 Other	7,295	19,421	29,075	27,829	27,755	31,036r	28,246	31,284	34,785	34,525
15 Claims on foreigners	255,391	276,937	259,646	245,097	243,896	251,259r	245,188	241,343	245,550	241,248
16 Other branches of parent bank	58,541	69,398	73,512	66,337	67,787	69,496	67,160	66,645	71,248	69,314
17 Banks	117,342	122,110	106,338	98,678	96,071	102,862	97,197	93,832r	95,138	92,059
18 Public borrowers	23,491	22,877	18,374	18,941	19,001	18,681	19,108	18,880	18,455	18,531
19 Nonbank foreigners	56,017	62,552	61,422	61,141	61,037	60,220r	61,723	61,986r	60,709	61,344
20 Other assets	9,216	11,656	12,018	10,536	10,403	10,613	10,770	10,274	10,544	10,324
					United Kingdom					
21 **Total, all currencies**	**144,717**	**157,229**	**161,067**	**152,408**	**151,821**	**155,631**	**153,209**	**154,865**	**156,048**	**156,803**
22 Claims on United States	7,509	11,823	27,354	25,139	24,847	26,279	26,012	29,722	28,935	30,853
23 Parent bank	5,275	7,885	23,017	20,657	20,456	21,384	20,849	22,169	20,816	22,794
24 Other	2,234	3,938	4,337	4,482	4,391	4,895	5,163	7,553	8,119	8,059
25 Claims on foreigners	131,142	138,888	127,734	121,727	121,187	123,835	121,757	119,672	121,530	120,660
26 Other branches of parent bank	34,760	41,367	37,000	32,973	33,361	35,787	35,632	35,555	36,382	36,556
27 Banks	58,741	56,315	50,767	48,301	47,623	48,328	46,643	44,303	45,451	43,888
28 Public borrowers	6,688	7,490	6,240	6,591	6,599	6,570	6,440	6,342	6,274	6,280
29 Nonbank foreigners	30,953	33,716	33,727	33,862	33,604	33,150	33,042	33,472	33,423	33,936
30 Other assets	6,066	6,518	5,979	5,542	5,787	5,517	5,440	5,471	5,583	5,290
31 **Total payable in U.S. dollars**	**99,699**	**115,188**	**123,740**	**113,170**	**112,585**	**118,023**	**116,526**	**119,377**	**121,238**	**121,817**
32 Claims on United States	7,116	11,246	26,761	24,374	24,044	25,536	25,180	28,905	27,828	30,095
33 Parent bank	5,229	7,721	22,756	20,354	20,092	21,017	20,434	21,720	20,036	22,371
34 Other	1,887	3,525	4,005	4,020	3,952	4,519	4,746	7,185	7,792	7,724
35 Claims on foreigners	89,723	99,850	92,228	84,981	84,779	88,587	87,450	86,868	89,539	88,253
36 Other branches of parent bank	28,268	35,439	31,648	27,131	27,579	30,025	30,122	30,053	31,409	31,414
37 Banks	42,073	40,703	36,717	33,228	32,801	34,417	33,159	31,718	33,237	31,796
38 Public borrowers	4,911	5,595	4,329	4,522	4,497	4,547	4,420	4,410	4,329	4,346
39 Nonbank foreigners	14,471	18,113	19,534	20,100	19,902	19,598	19,749	20,687	20,564	20,697
40 Other assets	2,860	4,092	4,751	3,815	3,762	3,900	3,896	3,604	3,871	3,469
					Bahamas and Caymans					
41 **Total, all currencies**	**123,837**	**149,108**	**145,156**	**142,126**	**141,021**	**146,792**	**142,384**	**139,422**	**143,123**	**141,288**
42 Claims on United States	17,751	46,546	59,403	61,417	62,546	66,471r	65,984	63,646	66,522	66,230
43 Parent bank	12,631	31,643	34,653	37,971	39,031	40,497	42,898	40,031	40,127	40,082
44 Other	5,120	14,903	24,750	23,446	23,515	25,974r	23,086	23,615	26,395	26,148
45 Claims on foreigners	101,926	98,057	81,450	77,034	74,817	76,719r	72,683	72,021	72,826	71,268
46 Other branches of parent bank	13,342	12,951	18,720	18,295	18,537	16,658	15,565	15,344	16,764	15,807
47 Banks	54,861	55,151	42,699	39,682	37,589	41,707	37,384	37,360	36,634	35,974
48 Public borrowers	12,577	10,010	6,413	6,388	6,170	5,935	6,538	6,404	6,461	6,527
49 Nonbank foreigners	21,146	19,945	13,618	12,669	12,521	12,419r	13,196	12,913	12,967	12,960
50 Other assets	4,160	4,505	4,303	3,675	3,658	3,602	3,717	3,755	3,775	3,790
51 **Total payable in U.S. dollars**	**117,654**	**143,743**	**139,605**	**136,192**	**135,192**	**140,702**	**136,253**	**132,956**	**136,826**	**134,667**

3.14 Continued

Liability account	1980	1981	1982	1983 Apr.	May	June	July	Aug.	Sept.	Oct.p
				All foreign countries						
52 **Total, all currencies**	**401,135**	**462,847**	**469,432**	**453,296**	**452,253**	**465,772**	**455,802**	**452,320**	**460,236**	**458,871**
53 To United States	91,079	137,767	178,918	184,071	183,851	191,485	187,665	183,591r	182,609	185,567
54 Parent bank	39,286	56,344	75,561	81,104	80,844	84,482	81,704	77,283r	78,013	85,034
55 Other banks in United States	14,473	19,197	33,368	32,687	31,815	33,672	31,490	29,880	30,941	27,066
56 Nonbanks	37,275	62,226	69,989	70,280	71,192	73,331	74,471	76,428	73,655	73,467
57 To foreigners	295,411	305,630	270,678	251,296	250,813	256,102	249,823	250,506r	259,486	254,573
58 Other branches of parent bank	75,773	86,396	90,148	84,146	84,903	86,546	83,911	82,903r	88,064	85,566
59 Banks	132,116	124,906	96,739	86,950	84,637	87,153	84,649	85,408r	86,606	84,542
60 Official institutions	32,473	25,997	19,614	18,384	17,199	18,621	18,287	17,766	20,513	19,403
61 Nonbank foreigners	55,049	68,331	64,177	61,816	64,074	63,782	62,976	64,429r	64,303	65,062
62 Other liabilities	14,690	19,450	19,836	17,929	17,589	18,185	18,314	18,223	18,141	18,731
63 **Total payable in U.S. dollars**	**303,281**	**364,447**	**379,003**	**363,592**	**363,354**	**376,055**	**368,499**	**365,583**	**373,035**	**369,912**
64 To United States	88,157	134,700	175,431	180,650	180,075	187,987	184,167	179,898r	178,834	181,669
65 Parent bank	37,528	54,492	73,235	79,022	78,578	82,285	79,448	74,969r	75,728	82,637
66 Other banks in United States	14,203	18,883	33,003	32,226	31,222	33,242	31,116	29,334	30,374	26,548
67 Nonbanks	36,426	61,325	69,193	69,402	70,275	72,460	73,603	75,595	72,732	72,484
68 To foreigners	206,883	217,602	192,348	173,556	174,176	178,877	174,733	175,832r	184,384	178,825
69 Other branches of parent bank	58,172	69,299	72,878	66,186	66,664	68,356	67,228	65,842r	70,658	68,064
70 Banks	87,497	79,594	57,355	48,428	47,424	49,916	48,062	49,578r	50,918	48,264
71 Official institutions	24,697	20,288	15,055	13,801	12,641	13,912	13,517	12,999	15,400	14,630
72 Nonbank foreigners	36,517	48,421	47,060	45,141	47,447	46,693	45,926	47,413r	47,408	47,867
73 Other liabilities	8,241	12,145	11,224	9,386	9,103	9,191	9,599	9,853	9,817	9,418
				United Kingdom						
74 **Total, all currencies**	**144,717**	**157,229**	**161,067**	**152,408**	**151,821**	**155,631**	**153,209**	**154,865**	**156,048**	**156,803**
75 To United States	21,785	38,022	53,954	52,883	53,603	56,952	56,959	58,347	56,924	60,903
76 Parent bank	4,225	5,444	13,091	14,343	13,907	14,461	15,011	16,145	16,852	21,385
77 Other banks in United States	5,716	7,502	12,205	12,119	12,773	13,503	12,993	12,462	12,174	10,751
78 Nonbanks	11,844	25,076	28,658	26,421	26,923	28,988	28,955	29,740	27,898	28,767
79 To foreigners	117,438	112,255	99,567	92,460	91,071	91,545	89,198	89,458	92,122	88,657
80 Other branches of parent bank	15,384	16,545	18,361	19,470	20,235	18,376	17,544	17,595	19,365	18,288
81 Banks	56,262	51,336	44,020	38,960	37,594	38,238	37,192	37,571	37,122	35,847
82 Official institutions	21,412	16,517	11,504	10,520	9,413	10,848	10,146	9,588	11,448	10,611
83 Nonbank foreigners	24,380	27,857	25,682	23,510	23,829	24,083	24,316	24,704	24,187	23,911
84 Other liabilities	5,494	6,952	7,546	7,065	7,147	7,134	7,052	7,060	7,002	7,243
85 **Total payable in U.S. dollars**	**103,440**	**120,277**	**130,261**	**120,683**	**120,324**	**124,760**	**123,265**	**125,656**	**127,868**	**128,600**
86 To United States	21,080	37,332	53,029	51,993	52,473	56,092	56,081	57,359	55,931	59,824
87 Parent bank	4,078	5,350	12,814	14,212	13,696	14,308	14,812	15,829	16,673	21,145
88 Other banks in United States	5,626	7,249	12,026	11,929	12,439	13,313	12,833	12,223	11,886	10,523
89 Nonbanks	11,376	24,733	28,189	25,852	26,338	28,471	28,436	29,307	27,372	28,156
90 To foreigners	79,636	79,034	73,477	65,485	64,621	65,428	63,818	64,801	68,252	65,277
91 Other branches of parent bank	10,474	12,048	14,300	14,815	15,636	14,117	13,386	13,421	15,166	14,542
92 Banks	35,388	32,298	28,810	23,821	22,960	23,895	23,453	24,447	24,478	23,136
93 Official institutions	17,024	13,612	9,668	8,474	7,306	8,786	8,065	7,630	9,381	8,742
94 Nonbank foreigners	16,750	21,076	20,699	18,375	18,719	18,630	18,914	19,303	19,227	18,857
95 Other liabilities	2,724	3,911	3,755	3,205	3,230	3,240	3,366	3,496	3,685	3,499
				Bahamas and Caymans						
96 **Total, all currencies**	**123,837**	**149,108**	**145,156**	**142,126**	**141,021**	**146,792**	**142,384**	**139,422**	**143,123**	**141,288**
97 To United States	59,666	85,759	104,425	109,698	108,847	111,631	108,575	104,193	104,641	104,166
98 Parent bank	28,181	39,451	47,081	52,063	51,145	53,626	50,729	46,214	45,468	48,241
99 Other banks in United States	7,379	10,474	18,466	17,451	16,143	16,921	15,495	14,560	16,191	14,294
100 Nonbanks	24,106	35,834	38,878	40,184	41,559	41,084	42,351	43,419	42,982	41,631
101 To foreigners	61,218	60,012	38,274	30,210	29,998	33,088	31,560	32,875	36,163	34,743
102 Other branches of parent bank	17,040	20,641	15,796	10,314	10,073	11,822	12,262	12,808	14,683	14,196
103 Banks	29,895	23,202	10,166	8,126	7,618	9,024	8,012	8,737	9,521	9,068
104 Official institutions	4,361	3,498	1,967	1,710	1,734	1,796	2,101	2,140	2,237	1,976
105 Nonbank foreigners	9,922	12,671	10,345	10,060	10,573	10,446	9,185	9,190	9,722	9,503
106 Other liabilities	2,953	3,337	2,457	2,218	2,176	2,073	2,249	2,354	2,319	2,379
107 **Total payable in U.S. dollars**	**119,657**	**145,284**	**141,908**	**138,987**	**137,925**	**143,502**	**139,198**	**135,950**	**139,829**	**137,490**

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1981	1982	1983 May	June	July	Aug.	Sept.[r]	Oct.	Nov.[p]
1 **Total**[1]	**169,735**	**172,699**	**174,541**	**174,628**	**175,986**	**173,071**	**171,551**	**173,347**	**173,973**
By type									
2 Liabilities reported by banks in the United States[2]	26,737	24,989	23,514	23,677	21,831	22,510	21,914	22,002	22,679
3 U.S. Treasury bills and certificates[3]	52,389	46,658	49,281	49,068	53,434	50,965	50,374	51,618	52,558
U.S. Treasury bonds and notes									
4 Marketable	53,186	67,684	70,677	71,095	70,181	69,296	69,301	69,872	69,183
5 Nonmarketable[4]	11,791	8,750	7,950	7,950	7,950	7,950	7,950	7,950	7,250
6 U.S. securities other than U.S. Treasury securities[5]	25,632	24,588	23,119	22,838	22,590	22,350	22,012	21,905	22,303
By area									
7 Western Europe[1]	65,699	61,288	63,125	63,742	66,409	64,361	63,889	64,824	65,544
8 Canada	2,403	2,070	2,977	3,117	3,293	3,141	2,712	2,816	2,670
9 Latin America and Caribbean	6,953	6,057	5,920	6,509	5,421	5,676	5,501	5,629	6,467
10 Asia	91,607	95,993	95,568	94,688	94,336	93,135	92,833	92,502	91,669
11 Africa	1,829	1,350	1,203	1,075	1,138	1,173	1,196	1,023	798
12 Other countries[6]	1,244	5,911	5,748	5,497	5,389	5,585	5,420	6,553	6,825

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.

3.16 LIABILITIES TO AND CLAIMS ON FOREIGNERS Reported by Banks in the United States Payable in Foreign Currencies

Millions of dollars, end of period

Item	1979	1980	1981	1982 Dec.	1983 Mar.	June	Sept.
1 Banks' own liabilities	1,918	3,748	3,523	4,844	5,075	5,810	5,943
2 Banks' own claims	2,419	4,206	4,980	7,707	8,097	7,817	7,919
3 Deposits	994	2,507	3,398	4,251	3,725	3,878	3,063
4 Other claims	1,425	1,699	1,582	3,456	4,372	3,940	4,856
5 Claims of banks' domestic customers[1]	580	962	971	676	637	684	717

1. 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.

3.17 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	1980	1981▲	1982	1983 May	June	July	Aug.	Sept.r	Oct.	Nov.p
1 **All foreigners**	**205,297**	**243,889**	**307,023**	**317,666**	**320,984**	**326,808**	**332,196**	**337,910**	**337,675**	**349,852**
2 Banks' own liabilities	124,791	163,817	227,056	233,843	236,845	238,934	245,539	251,421	248,816	260,072
3 Demand deposits	23,462	19,631	15,971	16,935	17,314	15,760	15,672	16,375	17,097	17,234
4 Time deposits[1]	15,076	29,039	67,910	70,831	73,938	73,554	77,883	81,091	80,471	83,036
5 Other[2]	17,583	17,647	23,980	23,841	24,881	22,601	23,785	24,956	22,554	24,246
6 Own foreign offices[3]	68,670	97,500	119,195	122,236	120,712	127,019	128,200	129,000	128,694	135,556
7 Banks' custody liabilities[4]	80,506	80,072	79,967	83,823	84,139	87,873	86,657	86,488	88,858	89,781
8 U.S. Treasury bills and certificates[5]	57,595	55,315	55,628	60,508	61,245	65,133	63,915	64,062	65,735	66,746
9 Other negotiable and readily transferable instruments[6]	20,079	18,788	20,636	19,169	18,731	18,106	17,977	17,292	17,162	18,364
10 Other	2,832	5,970	3,702	4,146	4,163	4,634	4,765	5,135	5,961	4,671
11 **Nonmonetary international and regional organizations**[7]	**2,344**	**2,721**	**4,922**	**5,803**	**5,456**	**5,678**	**5,555**	**5,308**	**4,619**	**6,296**
12 Banks' own liabilities	444	638	1,909	3,467	3,048	4,030	3,433	3,024	3,294	4,888
13 Demand deposits	146	262	106	267	165	307	325	252	452	439
14 Time deposits[1]	85	58	1,664	2,511	2,483	3,010	2,507	2,168	2,487	4,065
15 Other[2]	212	318	139	690	400	713	601	605	355	381
16 Banks' custody liabilities[4]	1,900	2,083	3,013	2,335	2,408	1,648	2,121	2,284	1,325	1,408
17 U.S. Treasury bills and certificates	254	541	1,621	1,280	1,538	678	1,294	1,442	441	484
18 Other negotiable and readily transferable instruments[6]	1,646	1,542	1,392	1,055	870	970	828	842	884	923
19 Other	0	0	0	0	0	0	0	0	0	0
20 **Official institutions**[8]	**86,624**	**79,126**	**71,647**	**72,795**	**72,747**	**75,265**	**73,476**	**72,289**	**73,621**	**75,237**
21 Banks' own liabilities	17,826	17,109	16,640	16,768	16,723	15,613	16,285	16,147	16,497	16,546
22 Demand deposits	3,771	2,564	1,981	2,058	2,198	1,940	1,685	1,930	1,818	2,083
23 Time deposits[1]	3,612	4,230	5,528	6,367	6,352	6,605	6,370	6,185	6,658	6,402
24 Other[2]	10,443	10,315	9,131	8,343	8,173	7,068	8,230	8,033	8,022	8,060
25 Banks' custody liabilities[4]	68,798	62,018	55,008	56,026	56,023	59,652	57,191	56,142	57,124	58,691
26 U.S. Treasury bills and certificates[5]	56,243	52,389	46,658	49,281	49,068	53,434	50,965	50,374	51,618	52,558
27 Other negotiable and readily transferable instruments[6]	12,501	9,581	8,321	6,724	6,937	6,189	6,186	5,735	5,469	6,105
28 Other	54	47	28	22	17	29	39	32	36	28
29 **Banks**[9]	**96,415**	**136,008**	**185,848**	**188,957**	**191,977**	**194,869**	**200,554**	**205,879**	**203,576**	**211,947**
30 Banks' own liabilities	90,456	124,312	169,416	169,536	172,521	174,750	180,114	184,811	181,635	190,552
31 Unaffiliated foreign banks	21,786	26,812	50,221	47,301	51,809	47,731	51,914	55,811	52,940	54,999
32 Demand deposits	14,188	11,614	8,675	8,832	9,134	8,074	8,302	8,618	9,104	8,762
33 Time deposits[1]	1,703	8,720	28,261	25,429	27,944	26,512	29,300	31,468	30,331	31,220
34 Other[2]	5,895	6,477	13,285	13,039	14,730	13,145	14,312	15,725	13,505	15,018
35 Own foreign offices[3]	68,670	97,500	119,195	122,236	120,712	127,019	128,200	129,000	128,694	135,552
36 Banks' custody liabilities[4]	5,959	11,696	16,432	19,420	19,456	20,119	20,440	21,069	21,941	21,396
37 U.S. Treasury bills and certificates	623	1,685	5,809	7,824	8,396	8,599	9,015	9,440	10,036	9,967
38 Other negotiable and readily transferable instruments[6]	2,748	4,400	7,857	8,315	7,771	7,821	7,581	7,553	7,542	7,228
39 Other	2,588	5,611	2,766	3,282	3,289	3,699	3,845	4,075	4,363	4,201
40 **Other foreigners**	**19,914**	**26,035**	**44,606**	**50,111**	**50,805**	**50,996**	**52,612**	**54,433**	**55,859**	**56,372**
41 Banks' own liabilities	16,065	21,759	39,092	44,070	44,552	44,542	45,707	47,439	47,391	48,086
42 Demand deposits	5,356	5,191	5,209	5,777	5,817	5,439	5,360	5,575	5,723	5,950
43 Time deposits	9,676	16,030	32,457	36,524	37,158	37,428	39,706	41,270	40,995	41,349
44 Other[2]	1,033	537	1,426	1,769	1,578	1,675	642	594	673	787
45 Banks' custody liabilities[4]	3,849	4,276	5,514	6,041	6,253	6,454	6,905	6,995	8,468	8,286
46 U.S. Treasury bills and certificates	474	699	1,540	2,123	2,242	2,422	2,641	2,805	3,640	3,737
47 Other negotiable and readily transferable instruments[6]	3,185	3,265	3,065	3,076	3,154	3,126	3,383	3,162	3,267	4,108
48 Other	190	312	908	842	857	906	881	1,028	1,562	441
49 MEMO: Negotiable time certificates of deposit in custody for foreigners	10,745	10,747	14,307	11,537	11,589	11,062	10,720	10,336	9,975	10,324

1. Excludes negotiable time certificates of deposit, which are included in "Other negotiable and readily transferable instruments."
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 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."
▲ Liabilities and claims of banks in the United States were increased, beginning in December 1981, by the shift from foreign branches to international banking facilities in the United States of liabilities to, and claims on, foreign residents.

3.17 Continued

Area and country	1980	1981▲	1982	1983						
				May	June	July	Aug.	Sept.r	Oct.	Nov.p
1 **Total**	**205,297**	**243,889**	**307,023**	**317,666**	**320,984**	**326,808**	**332,196**	**337,910**	**337,675**	**349,852**
2 **Foreign countries**	**202,953**	**241,168**	**302,101**	**311,863**	**315,528**	**321,130**	**326,641**	**332,601**	**333,056**	**343,556**
3 Europe	90,897	91,275	117,753	116,077	118,531	118,788	120,925	125,850	126,669	129,300
4 Austria	523	596	519	572	640	610	556	659	570	641
5 Belgium-Luxembourg	4,019	4,117	2,517	2,610	2,843	2,955	3,116	2,795	2,853	2,464
6 Denmark	497	333	509	732	616	612	573	593	544	535
7 Finland	455	296	748	280	447	292	459	373	372	375
8 France	12,125	8,486	8,171	6,652	6,766	8,845	8,488	8,827	8,640	8,083
9 Germany	9,973	7,645	5,351	3,971	3,423	3,707	3,537	3,438	4,307	4,331
10 Greece	670	463	537	648	567	588	636	604	595	546
11 Italy	7,572	7,267	5,626	5,573	6,634	7,790	7,277	6,931	7,703	7,818
12 Netherlands	2,441	2,823	3,362	3,550	3,246	3,413	3,633	3,892	3,737	3,715
13 Norway	1,344	1,457	1,567	9,227	1,719	900	1,044	1,457	1,072	1,526
14 Portugal	374	354	388	427	350	338	315	302	297	305
15 Spain	1,500	916	1,405	1,621	1,615	1,694	1,585	1,678	1,592	1,540
16 Sweden	1,737	1,545	1,390	1,356	1,493	1,407	1,204	1,337	1,479	1,686
17 Switzerland	16,689	18,716	29,066	29,781	29,941	29,958	29,867	29,938	30,725	30,434
18 Turkey	242	518	296	248	198	224	315	333	277	319
19 United Kingdom	22,680	28,286	48,172	48,840	50,343	48,015	51,206	55,602	54,746	57,393
20 Yugoslavia	681	375	499	549	504	427	462	506	464	552
21 Other Western Europe[1]	6,939	6,541	7,006	6,061	6,666	6,514	6,237	6,038	6,082	6,493
22 U.S.S.R.	68	49	50	53	71	45	31	23	37	27
23 Other Eastern Europe[2]	370	493	573	327	448	453	384	525	576	519
24 Canada	10,031	10,250	12,232	16,309	16,345	16,676	17,917	16,470	16,325	16,332
25 Latin America and Caribbean	53,170	85,223	114,133	118,528	120,440	124,257	126,600	127,077	127,171	134,336
26 Argentina	2,132	2,445	3,578	4,746	4,763	5,017	4,249	4,148	4,018	4,382
27 Bahamas	16,381	34,856	44,719	49,751	49,741	54,506	52,002	49,859	51,114	53,957
28 Bermuda	670	765	1,572	1,831	2,064	2,360	2,847	2,833	2,632	2,608
29 Brazil	1,216	1,568	2,014	2,483	2,675	2,681	3,017	3,406	3,818	4,187
30 British West Indies	12,766	17,794	26,376	23,312	24,213	24,172	26,957	28,442	27,410	30,479
31 Chile	460	664	1,626	1,345	1,355	1,385	1,472	1,613	1,697	1,781
32 Colombia	3,077	2,993	2,594	1,873	1,719	1,618	1,674	1,611	1,617	1,647
33 Cuba	6	9	9	8	13	11	12	10	10	10
34 Ecuador	371	434	455	658	581	532	601	670	825	1,004
35 Guatemala	367	479	670	711	705	697	718	758	750	769
36 Jamaica	97	87	126	108	130	108	106	109	105	234
37 Mexico	4,547	7,235	8,377	8,536	9,027	9,142	9,445	9,697	9,447	9,484
38 Netherlands Antilles	413	3,182	3,597	3,622	3,514	3,434	3,486	3,581	3,860	3,932
39 Panama	4,718	4,857	4,805	5,749	5,670	5,608	5,934	6,079	5,902	5,915
40 Peru	403	694	1,147	1,005	1,148	1,055	1,129	1,203	1,049	1,119
41 Uruguay	254	367	759	919	955	958	1,033	1,116	1,202	1,160
42 Venezuela	3,170	4,245	8,417	8,576	8,631	7,715	8,587	8,382	8,202	8,026
43 Other Latin America and Caribbean	2,123	2,548	3,291	3,295	3,537	3,257	3,331	3,561	3,513	3,645
44 Asia	42,420	49,822	48,716	52,117	51,957	53,025	52,628	54,583	53,370	54,028
China										
45 Mainland	49	158	203	158	208	192	176	190	216	184
46 Taiwan	1,662	2,082	2,761	3,765	3,744	3,913	4,086	3,852	3,992	4,060
47 Hong Kong	2,548	3,950	4,465	5,195	5,587	5,554	5,604	6,582	6,507	6,963
48 India	416	385	433	719	669	606	528	712	830	713
49 Indonesia	730	640	857	765	554	1,245	839	622	871	659
50 Israel	883	592	606	789	835	670	812	848	812	803
51 Japan	16,281	20,750	16,078	17,403	17,006	17,655	16,922	17,418	17,103	17,088
52 Korea	1,528	2,013	1,692	1,459	1,326	1,552	1,553	1,478	1,353	1,591
53 Philippines	919	874	770	783	818	770	933	1,181	747	1,011
54 Thailand	464	534	629	566	692	537	531	581	522	569
55 Middle-East oil-exporting countries[3]	14,453	12,992	13,433	12,610	11,832	11,865	11,764	12,661	12,410	12,496
56 Other Asia	2,487	4,853	6,789	7,906	8,685	8,467	8,877	8,458	8,007	7,890
57 Africa	5,187	3,180	3,124	2,876	2,693	2,916	2,853	3,132	2,845	2,694
58 Egypt	485	360	432	513	467	554	465	488	576	589
59 Morocco	33	32	81	50	54	57	48	84	73	96
60 South Africa	288	420	292	358	355	403	452	520	394	389
61 Zaire	57	26	23	32	59	55	29	34	43	32
62 Oil-exporting countries[4]	3,540	1,395	1,280	867	743	928	934	963	736	679
63 Other Africa	783	946	1,016	1,057	1,014	919	926	1,042	1,023	909
64 Other countries	1,247	1,419	6,143	5,956	5,562	5,469	5,719	5,490	6,675	6,866
65 Australia	950	1,223	5,904	5,778	5,404	5,250	5,512	5,284	6,461	6,665
66 All other	297	196	239	178	159	219	208	206	214	201
67 Nonmonetary international and regional organizations	2,344	2,721	4,922	5,803	5,456	5,678	5,555	5,308	4,619	6,296
68 International	1,157	1,661	4,049	5,078	4,747	4,987	4,861	4,674	3,944	5,547
69 Latin American regional	890	710	517	457	443	454	441	445	437	415
70 Other regional[5]	296	350	357	267	266	237	252	189	238	334

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, the German Democratic Republic, Hungary, Poland, and Romania.
3. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
4. Comprises Algeria, Gabon, Libya, and Nigeria.
5. Asian, African, Middle Eastern, and European regional organizations, except the Bank for International Settlements, which is included in "Other Western Europe."

▲ Liabilities and claims of banks in the United States were increased, beginning in December 1981, by the shift from foreign branches to international banking facilities in the United States of liabilities to, and claims on, foreign residents.

3.18 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	1980	1981▲	1982	1983 May	1983 June	1983 July	1983 Aug.	1983 Sept.[r]	1983 Oct.	1983 Nov.[p]
1 **Total**	**172,592**	**251,573**	**355,694**	**364,096**	**372,437**	**366,155**	**371,924**	**375,536**	**375,243**	**374,262**
2 **Foreign countries**	**172,514**	**251,517**	**355,625**	**364,019**	**372,337**	**366,070**	**371,839**	**374,939**	**375,183**	**374,192**
3 Europe	32,108	49,262	85,508	83,975	86,335	84,496	87,876	90,522	88,835	88,302
4 Austria	236	121	229	309	342	383	338	351	334	390
5 Belgium-Luxembourg	1,621	2,849	5,138	5,689	5,796	5,449	5,890	5,650	5,503	5,404
6 Denmark	127	187	554	1,059	1,077	1,064	1,124	1,131	1,103	1,190
7 Finland	460	546	990	766	870	777	637	697	789	788
8 France	2,958	4,127	7,251	7,839	7,941	7,900	8,589	7,869	7,390	7,779
9 Germany	948	940	1,876	1,208	1,404	1,112	1,153	1,428	1,095	1,250
10 Greece	256	333	452	607	576	458	375	408	369	402
11 Italy	3,364	5,240	7,560	6,985	7,323	7,401	7,387	7,038	7,686	8,300
12 Netherlands	575	682	1,425	1,282	1,165	967	1,048	1,189	1,063	1,300
13 Norway	227	384	572	683	652	598	634	550	575	564
14 Portugal	331	529	950	818	846	844	848	861	893	887
15 Spain	993	2,095	3,744	3,062	3,199	3,339	3,373	3,389	3,128	3,565
16 Sweden	783	1,205	3,038	2,307	2,864	2,910	2,836	3,081	3,059	3,196
17 Switzerland	1,446	2,213	1,639	1,085	1,598	1,727	1,630	1,765	1,579	1,948
18 Turkey	145	424	560	578	570	629	594	616	660	693
19 United Kingdom	14,917	23,849	45,706	45,949	46,250	45,346	47,751	50,780	49,965	46,913
20 Yugoslavia	853	1,225	1,430	1,482	1,463	1,381	1,351	1,369	1,468	1,570
21 Other Western Europe[1]	179	211	368	254	334	356	406	529	394	417
22 U.S.S.R	281	377	263	349	373	288	232	215	206	169
23 Other Eastern Europe[2]	1,410	1,725	1,762	1,664	1,692	1,566	1,680	1,606	1,575	1,578
24 Canada	4,810	9,193	13,678	16,536	16,616	16,497	17,501	16,525	15,885	16,259
25 Latin America and Caribbean	92,992	138,331	188,199	198,139	198,880	195,018	195,219	194,391	197,794	199,943
26 Argentina	5,689	7,527	10,974	11,550	11,243	11,112	11,334	11,444	11,618	11,846
27 Bahamas	29,419	43,535	56,880	58,965	62,153	58,824	54,670	55,009	58,944	58,653
28 Bermuda	218	346	603	628	447	358	390	578	494	784
29 Brazil	10,496	16,926	23,271	23,541	23,333	23,711	24,224	24,282	24,176	24,352
30 British West Indies	15,663	21,972	29,101	33,356	32,518	30,349	31,804	30,877	30,796	32,459
31 Chile	1,951	3,690	5,513	5,568	5,161	5,188	5,389	5,792	5,740	5,888
32 Colombia	1,752	2,018	3,211	3,485	3,600	3,656	3,592	3,665	3,648	3,750
33 Cuba	3	3	3	0	0	0	0	0	3	0
34 Ecuador	1,190	1,531	2,062	2,040	2,038	2,018	2,014	2,020	2,154	2,258
35 Guatemala[3]	137	124	124	90	90	96	100	112	115	122
36 Jamaica[3]	36	62	181	197	207	209	204	214	203	210
37 Mexico	12,595	22,439	29,552	31,939	32,318	32,862	33,689	33,740	33,496	33,446
38 Netherlands Antilles	821	1,076	839	827	519	943	838	897	996	1,143
39 Panama	4,974	6,794	10,210	9,686	8,824	9,127	10,091	9,189	8,835	8,292
40 Peru	890	1,218	2,357	2,416	2,624	2,506	2,421	2,470	2,434	2,426
41 Uruguay	137	157	686	824	820	833	820	857	883	902
42 Venezuela	5,438	7,069	10,643	10,748	10,848	11,121	11,045	11,037	10,881	10,958
43 Other Latin America and Caribbean	1,583	1,844	1,991	2,280	2,138	2,104	2,592	2,209	2,378	2,453
44 Asia	39,078	49,851	60,786	57,412	62,502	61,874	62,538	64,751	63,425	60,486
China										
45 Mainland	195	107	214	219	166	124	179	227	295	249
46 Taiwan	2,469	2,461	2,288	1,613	1,760	1,715	1,644	1,829	1,618	1,488
47 Hong Kong	2,247	4,132	6,698	7,552	7,845	8,033	8,022	8,704	8,180	8,654
48 India	142	123	222	198	230	245	275	259	324	300
49 Indonesia	245	352	348	569	537	595	635	688	697	704
50 Israel	1,172	1,567	2,029	1,926	2,181	1,657	1,639	1,726	1,780	1,816
51 Japan	21,361	26,797	28,302	24,757	27,381	27,758	27,416	28,563	28,228	25,634
52 Korea	5,697	7,340	9,387	8,940	9,143	9,639	9,696	9,634	9,314	9,383
53 Philippines	989	1,819	2,625	2,493	2,829	2,640	2,530	2,777	2,369	2,384
54 Thailand	876	565	643	707	788	689	735	806	831	867
55 Middle East oil-exporting countries[4]	1,432	1,581	3,087	4,027	4,452	4,003	4,654	4,142	4,607	4,221
56 Other Asia	2,252	3,009	4,943	4,413	5,191	4,776	5,114	5,395	5,182	4,786
57 Africa	2,377	3,503	5,346	5,538	5,662	5,937	6,527	6,482	6,889	6,768
58 Egypt	151	238	322	378	421	486	529	596	623	670
59 Morocco	223	284	353	441	463	484	444	444	462	461
60 South Africa	370	1,011	2,012	2,123	2,231	2,407	2,630	2,719	2,582	2,867
61 Zaire	94	112	57	47	46	45	40	38	38	37
62 Oil-exporting countries[5]	805	657	801	851	830	850	1,052	964	1,481	1,024
63 Other	734	1,201	1,802	1,699	1,671	1,664	1,832	1,722	1,703	1,709
64 Other countries	1,150	1,376	2,107	2,418	2,342	2,248	2,177	2,267	2,357	2,434
65 Australia	859	1,203	1,713	1,756	1,722	1,635	1,635	1,675	1,692	1,814
66 All other	290	172	394	662	620	613	542	593	664	620
67 Nonmonetary international and regional organizations[6]	78	56	68	77	100	85	85	598	60	70

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, the German Democratic Republic, Hungary, Poland, and Romania.
3. Included in "Other Latin America and Caribbean" through March 1978.
4. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
5. Comprises Algeria, Gabon, Libya, and Nigeria.
6. Excludes the Bank for International Settlements, which is included in "Other Western Europe."

NOTE. Data for period before April 1978 include claims of banks' domestic customers on foreigners.

▲ Liabilities and claims of banks in the United States were increased, beginning in December 1981, by the shift from foreign branches to international banking facilities in the United States of liabilities to, and claims on, foreign residents.

3.19 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	1980	1981▲	1982	1983						
				May	June	July	Aug.	Sept.r	Oct.	Nov.p
1 **Total**	**198,698**	**287,541**	**396,004**	....	**407,910**	....	....	**411,639**	....	....
2 Banks' own claims on foreigners	172,592	251,573	355,694	364,096	372,437	366,155	371,924	375,536	375,243	374,262
3 Foreign public borrowers	20,882	31,260	45,409	47,821	49,240	49,609	51,586	53,699	54,756	55,278
4 Own foreign offices[1]	65,084	96,653	127,448	139,392	140,139	135,686	137,155	137,382	144,673	140,095
5 Unaffiliated foreign banks	50,168	74,688	121,333	116,017	120,559	117,720	120,495	121,900	114,160	116,434
6 Deposits	8,254	23,365	44,180	44,403	46,883	46,166	47,157	48,179	44,714	44,448
7 Other	41,914	51,322	77,153	71,613	73,676	71,554	73,338	73,721	69,446	71,985
8 All other foreigners	36,459	48,972	61,504	60,867	62,499	63,141	62,688	62,556	61,654	62,456
9 Claims of banks' domestic customers[2]	26,106	35,968	40,310	....	35,473	....	....	36,102	....	....
10 Deposits	885	1,378	2,491	....	2,631	....	....	2,654	....	....
11 Negotiable and readily transferable instruments[3]	15,574	26,352	30,763	....	26,708	....	....	27,550	....	....
12 Outstanding collections and other claims	9,648	8,238	7,056	....	6,133	....	....	5,898	....	....
13 MEMO: Customer liability on acceptances	22,714	29,952	38,338	....	34,811	....	....	34,585	....	....
Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States[4]	24,468	39,862	41,702r	43,490r	41,162r	41,443r	41,899r	41,652	44,189r	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. 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.

▲ Liabilities and claims of banks in the United States were increased, beginning in December 1981, by the shift from foreign branches to international banking facilities in the United States of liabilities to, and claims on, foreign residents.

NOTE. Beginning April 1978, data for banks' own claims are given on a monthly basis, but the data for claims of banks' own domestic customers are available on a quarterly basis only.

3.20 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	1980	1981▲	1982		1983		
			Sept.	Dec.	Mar.	June	Sept.
1 **Total**	**106,748**	**154,574**	**215,200**	**227,967**	**229,437**	**231,022**	**233,676**
By borrower							
2 Maturity of 1 year or less[1]	82,555	116,378	163,465	173,736	173,631	173,596	174,629
3 Foreign public borrowers	9,974	15,142	20,095	21,236	21,667	22,442	25,519
4 All other foreigners	72,581	101,236	143,370	152,500	151,964	151,154	149,111
5 Maturity of over 1 year[1]	24,193	38,197	51,735	54,231	55,807	57,427	59,046
6 Foreign public borrowers	10,152	15,589	22,016	23,127	24,693	26,170	27,077
7 All other foreigners	14,041	22,608	29,719	31,104	31,113	31,257	31,970
By area							
Maturity of 1 year or less[1]							
8 Europe	18,715	28,130	45,908	50,493	53,986	51,797	52,665
9 Canada	2,723	4,662	7,062	7,642	6,845	6,957	6,443
10 Latin America and Caribbean	32,034	48,701	72,353	73,239	74,998	74,622	76,031
11 Asia	26,686	31,485	33,358	37,455	32,574	35,183	33,442
12 Africa	1,757	2,457	3,621	3,680	3,872	3,854	4,657
13 All other[2]	640	943	1,163	1,226	1,355	1,182	1,391
Maturity of over 1 year[1]							
14 Europe	5,118	8,100	10,564	11,636	11,986	12,181	11,613
15 Canada	1,448	1,808	2,003	1,931	1,924	1,864	1,756
16 Latin America and Caribbean	15,075	25,209	34,112	35,245	35,844	36,604	38,254
17 Asia	1,865	1,907	3,092	3,185	3,573	4,045	4,581
18 Africa	507	900	1,328	1,494	1,485	1,667	1,734
19 All other[2]	179	272	635	740	995	1,066	1,108

1. Remaining time to maturity.
2. Includes nonmonetary international and regional organizations.

▲ Liabilities and claims of banks in the United States were increased, beginning in December 1981, by the shift from foreign branches to international banking facilities in the United States of liabilities to, and claims on, foreign residents.

3.21 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	1979	1980	1981		1982				1983		
			Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.
1 **Total**	**303.9**	**352.0**	**400.0**	**415.2**	**419.6**	**435.1**	**437.9**	**438.5**	**440.1**	**435.2**	**421.0**
2 G-10 countries and Switzerland	138.4	162.1	172.3	175.5	174.5	176.2	175.3	179.5	181.8	175.8	164.9
3 Belgium-Luxembourg	11.1	13.0	14.1	13.3	13.2	14.1	13.6	13.1	13.7	13.3	12.4
4 France	11.7	14.1	16.0	15.3	16.0	16.5	15.8	17.1	17.1	17.1	16.0
5 Germany	12.2	12.1	12.7	12.9	12.5	12.7	12.2	12.7	13.4	12.5	11.5
6 Italy	6.4	8.2	8.6	9.6	9.0	9.0	9.7	10.3	10.2	10.5	9.7
7 Netherlands	4.8	4.4	3.7	4.0	4.0	4.1	3.8	3.6	4.3	4.1	3.6
8 Sweden	2.4	2.9	3.5	3.7	4.1	4.0	4.7	5.0	4.3	4.7	4.8
9 Switzerland	4.7	5.0	5.1	5.5	5.3	5.1	5.1	5.0	4.6	4.7	4.2
10 United Kingdom	56.4	67.4	68.8	70.1	70.3	69.3	70.2	72.0	72.7	69.7	65.1
11 Canada	6.3	8.4	11.8	10.9	11.6	11.4	11.0	10.4	12.4	10.7	8.8
12 Japan	22.4	26.5	28.1	30.2	28.5	29.9	29.3	30.1	29.1	28.5	28.8
13 Other developed countries	19.9	21.6	26.4	28.4	30.7	32.1	32.7	33.7	33.9	34.3	33.9
14 Austria	2.0	1.9	2.2	1.9	2.1	2.1	2.0	1.9	2.1	2.1	1.9
15 Denmark	2.2	2.3	2.5	2.3	2.5	2.6	2.5	2.4	3.3	3.3	3.3
16 Finland	1.2	1.4	1.4	1.7	1.6	1.6	1.8	2.2	2.1	2.1	1.8
17 Greece	2.4	2.8	2.9	2.8	2.9	2.7	2.6	3.0	2.9	2.8	2.9
18 Norway	2.3	2.6	3.0	3.1	3.2	3.2	3.4	3.3	3.3	3.4	3.2
19 Portugal	.7	.6	1.0	1.1	1.2	1.5	1.6	1.5	1.4	1.4	1.3
20 Spain	3.5	4.4	5.8	6.6	7.2	7.3	7.7	7.5	7.0	7.2	7.1
21 Turkey	1.4	1.5	1.5	1.4	1.6	1.5	1.5	1.4	1.5	1.4	1.5
22 Other Western Europe	1.4	1.7	1.9	2.1	2.1	2.2	2.1	2.3	2.2	2.1	2.1
23 South Africa	1.3	1.1	2.5	2.8	3.3	3.5	3.6	3.7	3.6	3.9	4.6
24 Australia	1.3	1.3	1.9	2.5	3.0	4.0	4.0	4.4	4.6	4.5	4.3
25 OPEC countries[2]	22.9	22.7	23.5	24.8	25.4	26.4	27.3	27.4	28.5	28.0	27.0
26 Ecuador	1.7	2.1	2.1	2.2	2.3	2.4	2.3	2.2	2.2	2.2	2.1
27 Venezuela	8.7	9.1	9.2	9.9	10.0	10.1	10.4	10.5	10.4	10.2	9.6
28 Indonesia	1.9	1.8	2.5	2.6	2.7	2.8	2.9	3.2	3.5	3.2	3.4
29 Middle East countries	8.0	6.9	7.1	7.5	8.2	8.7	9.0	8.7	9.3	9.5	9.0
30 African countries	2.6	2.8	2.6	2.5	2.2	2.5	2.7	2.8	3.0	3.0	2.8
31 Non-OPEC developing countries	63.0	77.4	90.3	96.3	97.5	103.6	104.0	107.0	107.5	108.1	107.6
Latin America											
32 Argentina	5.0	7.9	9.3	9.4	10.0	9.6	9.2	8.9	9.0	9.4	9.4
33 Brazil	15.2	16.2	17.7	19.1	19.7	21.4	22.4	22.9	23.1	22.5	22.6
34 Chile	2.5	3.7	5.5	5.8	6.0	6.4	6.2	6.3	6.0	5.8	6.1
35 Colombia	2.2	2.6	2.5	2.6	2.3	2.6	2.8	3.1	2.9	3.2	3.2
36 Mexico	12.0	15.9	20.0	21.6	22.9	25.2	25.0	24.5	25.0	25.0	25.5
37 Peru	1.5	1.8	1.8	2.0	1.9	2.5	2.6	2.6	2.4	2.6	2.3
38 Other Latin America	3.7	3.9	4.2	4.1	4.1	4.0	4.3	4.0	4.2	4.3	4.2
Asia											
China											
39 Mainland	.1	.2	.2	.2	.2	.3	.2	.2	.2	.2	.2
40 Taiwan	3.4	4.2	5.1	5.1	5.1	5.0	4.9	5.2	5.1	5.1	5.1
41 India	.2	.3	.3	.3	.5	.5	.5	.6	.4	.5	.5
42 Israel	1.3	1.5	1.5	2.1	1.7	2.2	1.9	2.3	2.0	2.3	1.7
43 Korea (South)	5.4	7.1	8.6	9.4	8.6	8.9	9.3	10.8	10.8	10.8	10.5
44 Malaysia	1.0	1.1	1.4	1.7	1.7	1.9	1.8	2.1	2.5	2.6	2.8
45 Philippines	4.2	5.1	5.7	6.0	5.9	6.3	6.0	6.3	6.6	6.4	6.1
46 Thailand	1.5	1.6	1.4	1.5	1.4	1.3	1.3	1.6	1.6	1.8	1.7
47 Other Asia	.5	.6	.8	1.0	1.2	1.1	1.3	1.1	1.4	1.2	1.0
Africa											
48 Egypt	.6	.8	1.0	1.1	1.3	1.3	1.3	1.2	1.1	1.2	1.4
49 Morocco	.6	.7	.7	.7	.7	.7	.8	.7	.8	.8	.8
50 Zaire	.2	.2	.2	.2	.2	.2	.1	.1	.1	.1	.1
51 Other Africa[3]	1.7	2.1	2.2	2.3	2.3	2.3	2.2	2.4	2.3	2.2	2.4
52 Eastern Europe	7.3	7.4	7.7	7.8	7.2	6.7	6.3	6.2	5.8	5.8	5.3
53 U.S.S.R.	.7	.4	.4	.6	.4	.4	.3	.3	.3	.4	.2
54 Yugoslavia	1.8	2.3	2.5	2.5	2.5	2.4	2.2	2.2	2.2	2.3	2.2
55 Other	4.8	4.6	4.7	4.7	4.3	3.9	3.8	3.7	3.3	3.1	2.9
56 Offshore banking centers	40.4	47.0	61.8	63.7	65.7	72.0	72.0	66.9	66.2	67.4	65.6
57 Bahamas	13.7	13.7	21.4	19.0	20.2	24.1	21.4	19.2	17.7	19.9	19.2
58 Bermuda	.8	.6	.8	.7	.7	.7	.8	.9	1.0	.8	.9
59 Cayman Islands and other British West Indies	9.4	10.6	12.1	12.4	12.1	12.3	13.6	12.9	11.9	11.9	10.1
60 Netherlands Antilles	1.2	2.1	2.2	3.2	3.2	3.0	3.3	3.3	3.1	2.6	4.2
61 Panama[4]	4.3	5.4	6.8	7.7	7.2	7.4	8.1	7.6	7.1	6.5	5.6
62 Lebanon	.2	.2	.2	.2	.2	.2	.1	.1	.1	.1	.1
63 Hong Kong	6.0	8.1	10.3	11.8	12.9	14.3	14.9	13.8	15.0	14.5	15.0
64 Singapore	4.5	5.9	8.0	8.7	9.3	9.9	9.8	9.1	10.3	11.0	10.4
65 Others[5]	.4	.3	.1	.1	.1	.1	.0	.0	.0	.0	.1
66 Miscellaneous and unallocated[6]	11.7	14.0	18.2	18.8	18.5	18.4	20.3	17.9	16.4	15.7	16.9

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 3.14 (the sum of lines 7 through 10) with the claims of U.S. offices in table 3.18 (excluding those held by agencies and branches of foreign banks and those constituting claims on own foreign branches).

2. Besides the Organization of Petroleum Exporting Countries shown individually, this group includes other members of OPEC (Algeria, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, and United Arab Emirates) as well as Bahrain and Oman (not formally members of OPEC).

3. Excludes Liberia.

4. Includes Canal Zone beginning December 1979.

5. Foreign branch claims only.

6. Includes New Zealand, Liberia, and international and regional organizations.

3.22 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States[1]

Millions of dollars, end of period

Type, and area or country	1979	1980	1981	1982 June	1982 Sept.	1982 Dec.	1983 Mar.	1983 June[r]
1 **Total**	**17,433**	**29,434**	**28,618r**	**25,532r**	**25,149r**	**25,142r**	**22,925**	**22,267**
2 Payable in dollars	14,323	25,689	24,909r	22,770r	22,051r	22,042r	20,032	19,477
3 Payable in foreign currencies	3,110	3,745	3,709r	2,763	3,099	3,099	2,893	2,790
By type								
4 Financial liabilities	7,523	11,330	12,157r	10,144r	10,855r	10,499r	10,478	10,760
5 Payable in dollars	5,223	8,528	9,499r	8,203r	8,565r	8,424r	8,533	8,730
6 Payable in foreign currencies	2,300	2,802	2,658r	1,941	2,291	2,075	1,945	2,031
7 Commercial liabilities	9,910	18,104	16,461	15,388r	14,294r	14,642r	12,447	11,507
8 Trade payables	4,591	12,201	10,818	9,475	8,084r	7,687r	5,620	5,979
9 Advance receipts and other liabilities	5,320	5,903	5,643	5,913r	6,209r	6,955r	6,827	5,527
10 Payable in dollars	9,100	17,161	15,409	14,566r	13,486r	13,618r	11,499	10,747
11 Payable in foreign currencies	811	943	1,052	822	808	1,024	948	759
By area or country								
Financial liabilities								
12 Europe	4,665	6,481	6,825r	5,944	6,389	6,172	6,090	6,126
13 Belgium-Luxembourg	338	479	471	518	494	502	407	436
14 France	175	327	709	581	672	635	685	697
15 Germany	497	582	491	439	446	470	487	460
16 Netherlands	829	681	748	517	759	702	687	728
17 Switzerland	170	354	715	661	670	673	623	595
18 United Kingdom	2,477	3,923	3,565r	3,081	3,212	3,061	3,071	3,060
19 Canada	532	964	963r	784r	753r	735r	723	854
20 Latin America and Caribbean	1,514	3,136	3,356	2,805	2,969	2,707	2,690	2,435
21 Bahamas	404	964	1,279	1,003	938	890	817	695
22 Bermuda	81	1	7	7	9	14	18	10
23 Brazil	18	23	22	24	28	28	39	34
24 British West Indies	516	1,452	1,241	1,044	981	1,002	1,001	932
25 Mexico	121	99	102	83	85	121	149	151
26 Venezuela	72	81	98	100	104	114	121	124
27 Asia	804	723	976	582r	714r	857r	943	1,319
28 Japan	726	644	792	395r	479r	633r	699	943
29 Middle East oil-exporting countries[2]	31	38	75	66	67	69	68	205
30 Africa	4	11	14	17	17	17	20	17
31 Oil-exporting countries[3]	1	1	0	0	0	0	0	0
32 All other[4]	4	15	24	11	13	12	13	9
Commercial liabilities								
33 Europe	3,709	4,402	3,770	3,844	3,957	3,639r	3,430	3,335
34 Belgium-Luxembourg	137	90	71	47	50	52	45	41
35 France	467	582	573	703	762	595	576	614
36 Germany	545	679	545	457	436	459r	440	426
37 Netherlands	227	219	220	246	277	346	351	342
38 Switzerland	316	499	424	412	358	363	354	357
39 United Kingdom	1,080	1,209	880	951	1,001	851r	679	621
40 Canada	924	888	897	1,134	1,197	1,496r	1,454	1,478
41 Latin America and Caribbean	1,325	1,300	1,044	1,460	1,235	991	1,050	999
42 Bahamas	69	8	2	20	6	16	4	1
43 Bermuda	32	75	67	102	48	89	117	76
44 Brazil	203	111	67	62	128	60	51	49
45 British West Indies	21	35	2	2	3	32	4	22
46 Mexico	257	367	340	769	499	379	355	391
47 Venezuela	301	319	276	219	269	148	183	219
48 Asia	2,991	10,242	9,384	7,591r	6,641r	7,160r	5,437	4,685
49 Japan	583	802	1,094	1,085	1,192r	1,226r	1,235	1,122
50 Middle East oil-exporting countries[2,5]	1,014	8,098	7,008	5,195	4,178	4,531	2,803	2,294
51 Africa	728	817	703	729	669	704	497	492
52 Oil-exporting countries[3]	384	517	344	340	248	277	158	167
53 All other[4]	233	456	664	630	595	651	578	518

1. For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p. 550.
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.
5. Revisions include a reclassification of transactions, which also affects the totals for Asia and the grand totals.

3.23 CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States[1]

Millions of dollars, end of period

Type, and area or country	1979	1980	1981	1982			1983	
				June	Sept.	Dec.	Mar.	June
1 **Total**	**31,299**	**34,482**	**36,185**	**31,039r**	**30,232r**	**27,988r**	**30,726r**	**31,622r**
2 Payable in dollars	28,096	31,528	32,582	28,525r	27,571r	25,360r	27,984r	29,046r
3 Payable in foreign currencies	3,203	2,955	3,603	2,513r	2,661r	2,628r	2,741	2,576r
By type								
4 Financial claims	18,398	19,763	21,142	18,814r	18,356r	17,033r	19,743r	21,148r
5 Deposits	12,858	14,166	15,081	14,041r	13,241r	12,497r	15,092r	16,324r
6 Payable in dollars	11,936	13,381	14,456	13,671r	12,828r	12,071r	14,614r	15,897r
7 Payable in foreign currencies	923	785	625	370	413	426	478	426r
8 Other financial claims	5,540	5,597	6,061	4,773r	5,115r	4,536r	4,651	4,824r
9 Payable in dollars	3,714	3,914	3,599	3,194	3,419	2,895	3,006	3,226r
10 Payable in foreign currencies	1,826	1,683	2,462	1,579r	1,696r	1,641r	1,645	1,598r
11 Commercial claims	12,901	14,720	15,043	12,225r	11,877r	10,954r	10,983	10,474
12 Trade receivables	12,185	13,960	14,007	11,045r	10,770r	9,945r	9,780	9,222
13 Advance payments and other claims	716	759	1,036	1,179	1,106	1,010	1,203	1,252
14 Payable in dollars	12,447	14,233	14,527	11,661r	11,324r	10,394r	10,364	9,923
15 Payable in foreign currencies	454	487	516	564	552	561	619	551
By area or country								
Financial claims								
16 Europe	6,179	6,069	4,596	4,867r	4,967r	4,772r	6,066	7,207r
17 Belgium-Luxembourg	32	145	43	13	16	10	58	12
18 France	177	298	285	324	326	134	90	137
19 Germany	409	230	224	148	215r	178	127	216r
20 Netherlands	53	51	50	106r	119r	97r	140	136
21 Switzerland	73	54	117	74	60	107	99	34r
22 United Kingdom	5,099	4,987	3,546	3,930r	3,859r	3,981r	5,301	6,437r
23 Canada	5,003	5,036	6,755	4,436r	4,386r	4,287r	4,612r	4,870r
24 Latin America and Caribbean	6,312	7,811	8,812	8,487r	7,948r	7,087r	8,173r	7,997r
25 Bahamas	2,773	3,477	3,650	3,832r	3,435r	3,160r	3,756r	3,244r
26 Bermuda	30	135	18	42	16	8	10	72r
27 Brazil	163	96	30	76	76	62	50	48
28 British West Indies	2,011	2,755	3,971	3,676r	3,411r	2,929r	3,080r	3,317r
29 Mexico	157	208	313	274	268	274	352	348
30 Venezuela	143	137	148	134	133	139	156	152
31 Asia	601	607	758	802	846	698	712	771r
32 Japan	199	189	366	327	268	153	233	288r
33 Middle East oil-exporting countries[2]	16	20	37	33	30	15	18	14
34 Africa	258	208	173	156	165	158	153	154
35 Oil-exporting countries[3]	49	26	46	41	50	48	45	48
36 All other[4]	44	32	48	66	44	31	25	149
Commercial claims								
37 Europe	4,922	5,544	5,405	4,331r	4,231r	3,758r	3,592	3,392
38 Belgium-Luxembourg	202	233	234	211	178	150	140	144
39 France	727	1,129	776	636	646	473	489	495
40 Germany	593	599	561	394	427	356	419	358
41 Netherlands	298	318	299	291	268r	347	309	242
42 Switzerland	272	354	431	414	291	339	227	303
43 United Kingdom	901	929	985	905	1,035	793	754	737
44 Canada	859	914	967	714	666	635	674	740
45 Latin America and Caribbean	2,879	3,766	3,479	2,790r	2,772	2,514r	2,690	2,714
46 Bahamas	21	21	12	30	19	21	30	30
47 Bermuda	197	108	223	225	154	259	172	108
48 Brazil	645	861	668	423	481	258	401	510
49 British West Indies	16	34	12	10	7	12	21	21
50 Mexico	708	1,102	1,022	750	869	767	886	951
51 Venezuela	343	410	424	383	373	351	288	273
52 Asia	3,451	3,522	3,959	3,329r	3,098r	3,045r	3,126	2,741
53 Japan	1,177	1,052	1,245	1,144r	973	1,047	1,115	854
54 Middle East oil-exporting countries[2]	765	825	905	809	777	748	701	696
55 Africa	551	653	772	648	661r	588	559	527
56 Oil-exporting countries[3]	130	153	152	138	148	140	131	130
57 All other[4]	240	321	461	413	448	415	342	360

1. For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p. 550.
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.

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transactions, and area or country	1981	1982	1983 Jan.–Nov.	1983 May	June	July	Aug.	Sept.	Oct.	Nov.p
	U.S. corporate securities									
STOCKS										
1 Foreign purchases	40,686	41,942	63,878	6,625	6,864	5,758	5,181	5,516r	5,528	4,847
2 Foreign sales	34,856	37,965	58,696	6,365	6,454	5,198	5,142	5,116	5,392	4,783
3 **Net purchases, or sales (−)**	**5,830**	**3,976**	**5,182**	**260**	**410**	**560**	**39**	**400r**	**136**	**65**
4 **Foreign countries**	**5,803**	**3,892**	**5,076**	**258**	**435**	**551**	**40**	**392r**	**132**	**64**
5 Europe	3,662	2,616	4,302	302	202	442	97	261r	−99	−58
6 France	900	−143	−34	−28	14	33	−77	−10	−36	−66
7 Germany	−22	333	1,104	86	−31	135	54	48	55	53
8 Netherlands	42	−60	−123	−81	−57	7	−13	−49	−15	24
9 Switzerland	288	−532	1,522	269	186	187	56	123	−18	−97
10 United Kingdom	2,235	3,152	1,758	122	95	49	79	171	−136	21
11 Canada	783	221	964	92	98	1	75	154	124	0
12 Latin America and Caribbean	−30	308	287	63	28	35	−98	106r	−44	17
13 Middle East[1]	1,140	366	−820	−192	36	−59	−88	−178	49	44
14 Other Asia	287	246	280	0	68	146	75	51	103	63
15 Africa	7	2	40	3	1	0	7	4	−1	1
16 Other countries	−46	131	23	−10	2	−12	−28	−6	−1	−3
17 **Nonmonetary international and regional organizations**	**27**	**85**	**106**	**2**	**−25**	**9**	**−1**	**8**	**4**	**0**
BONDS[2]										
18 Foreign purchases	17,304	21,918	22,485	2,458	1,546	1,438	2,141	1,888	2,537	2,018
19 Foreign sales	12,272	20,463	21,700	2,289	1,741	1,463	1,995	1,960	2,465	1,304
20 **Net purchases, or sales (−)**	**5,033**	**1,456**	**785**	**169**	**−195**	**−25**	**146**	**−72**	**72**	**714**
21 **Foreign countries**	**4,972**	**1,483**	**777**	**193**	**−197**	**−49**	**44**	**−77**	**169**	**695**
22 Europe	1,351	2,081	1,029	474	−122	−74	115	14	303	458
23 France	11	295	−78	7	−7	−5	−6	0	2	−31
24 Germany	848	2,116	293	85	−12	−8	25	41	66	53
25 Netherlands	70	28	47	12	−4	5	−3	1	11	5
26 Switzerland	108	161	558	188	28	−8	−1	−19	7	15
27 United Kingdom	196	−581	574	141	120	−33	112	32	136	390
28 Canada	−12	25	149	22	−10	53	−3	−10	22	46
29 Latin America and Caribbean	132	160	74	10	19	13	−21	4	24	−6
30 Middle East[1]	3,465	−748	−1,165	−378	−168	−119	−121	−105	−221	95
31 Other Asia	44	−23	638	62	47	78	74	19	45	101
32 Africa	−1	−19	0	1	2	0	0	2	0	0
33 Other countries	−7	7	52	2	35	0	0	−2	−4	0
34 **Nonmonetary international and regional organizations**	**61**	**−28**	**8**	**−24**	**2**	**24**	**102**	**6**	**−97**	**20**
	Foreign securities									
35 Stocks, net purchases, or sales (−)	−247	−1,341	−3,015	−641	−647	−487	−214	−106	−14	626
36 Foreign purchases	9,339	7,163	12,641	1,079	1,346	972	1,032	1,297r	1,140	1,549
37 Foreign sales	9,586	8,504	15,656	1,720	1,993	1,458	1,246	1,403r	1,154	923
38 Bonds, net purchases, or sales (−)	−5,460	−6,602	−3,209	−838	127	−219	−463	−54	−172	−77
39 Foreign purchases	17,553	29,843	33,377	2,655	3,220	2,534	2,708	3,714	3,902	3,112
40 Foreign sales	23,013	36,445	36,586	3,493	3,092	2,754	3,171	3,768	4,075	3,188
41 **Net purchases, or sales (−), of stocks and bonds**	**−5,707**	**−7,942**	**−6,224**	**−1,479**	**−520**	**−706**	**−677**	**−160**	**−186**	**550**
42 **Foreign countries**	**−4,694**	**−6,777**	**−5,887**	**−973**	**−546**	**−715**	**−684**	**−146**	**−235**	445
43 Europe	−728	−2,481	−5,134	−632	−583	−682	−301	124	−338	−417
44 Canada	−3,697	−2,364	−1,135	−287	5	55	−97	−355	6	432
45 Latin America and Caribbean	69	286	1,103	243	−80	47	62	23r	5	135
46 Asia	−367	−1,845	−841	−310	−182	−145	23	105r	90	160
47 Africa	−55	−9	141	9	13	11	14	16	11	1
48 Other countries	84	−364	−21	4	280	0	−385	−59	−10	135
49 **Nonmonetary international and regional organizations**	**−1,012**	**−1,165**	**−337**	**−506**	**26**	**9**	**7**	**−14**	**49**	**105**

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.

3.25 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Holdings and Transactions

Millions of dollars

Country or area	1981	1982	1983 Jan.–Nov.	1983 May	June	July	Aug.	Sept.[r]	Oct.	Nov.[p]
	Holdings (end of period)[1]									
1 **Estimated total[2]**	**70,249**	**85,179**	....	**89,513**	**91,070**	**88,788**	**87,439**	**88,617**	**91,046**	**89,879**
2 Foreign countries[2]	64,565	80,596	....	84,351	84,887	83,571	82,746	82,719	84,416	84,123
3 Europe[2]	24,012	29,284	....	33,628	33,638	33,081	32,996	33,370	34,415	35,098
4 Belgium-Luxembourg	543	447	....	−76	−68	99	95	58	18	2
5 Germany[2]	11,861	14,841	....	16,954	16,877	16,314	16,119	16,155	16,570	17,092
6 Netherlands	1,991	2,754	....	3,255	3,251	3,262	3,234	3,034	2,987	3,048
7 Sweden	643	677	....	680	665	684	644	666	714	758
8 Switzerland[2]	846	1,540	....	914	877	855	965	1,087	1,177	1,064
9 United Kingdom	6,709	6,549	....	8,048	8,233	8,235	8,270	8,289	8,629	8,667
10 Other Western Europe	1,419	2,476	....	3,855	3,803	3,631	3,669	4,081	4,321	4,467
11 Eastern Europe	0	0	....	0	0	0	0	0	0	0
12 Canada	514	602	....	874	982	1,057	1,087	1,062	1,264	1,225
13 Latin America and Caribbean	736	1,076	....	1,039	1,041	886	800	774	695	914
14 Venezuela	286	188	....	72	72	62	62	65	66	64
15 Other Latin America and Caribbean	319	656	....	775	773	636	622	631	540	674
16 Netherlands Antilles	131	232	....	192	196	188	116	78	89	176
17 Asia	38,671	49,502	....	48,686	49,094	48,394	47,690	47,387	47,908	46,764
18 Japan	10,780	11,578	....	12,130	12,592	12,763	13,007	13,210	13,446	13,600
19 Africa	631	77	....	79	79	79	79	79	79	79
20 All other	2	55	....	45	53	74	94	48	56	43
21 Nonmonetary international and regional organizations	5,684	4,583	....	5,162	6,183	5,217	4,693	5,898	6,630	5,756
22 International	5,638	4,186	....	4,514	5,372	4,500	4,086	5,421	6,094	5,030
23 Latin American regional	1	6	....	6	6	6	6	6	6	0
	Transactions (net purchases, or sales (−) during period)									
24 **Total[2]**	**12,699**	**14,930**	**4,706**	**1,960**	**1,557**	**−2,281**	**−1,350**	**1,178**	**2,429**	**−1,161**
25 Foreign countries[2]	11,604	16,031	3,527	245	536	−1,316	−826	−26	1,697	−293
26 Official institutions	11,730	14,508	1,445	34	418	−914	−885	5	571	−689
27 Other foreign[2]	−126	1,518	2,085	211	118	−400	59	−31	1,126	395
28 Nonmonetary international and regional organizations	1,095	−1,096	1,180	1,716	1,021	−966	−523	1,205	732	−867
MEMO: Oil-exporting countries										
29 Middle East[3]	11,156	7,534	−5,324	−566	−277	−172	−1,764	−305	−400	−929
30 Africa[4]	−289	−552	−1	−1	0	0	0	0	0	0

1. 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.

2. Beginning December 1978, includes U.S. Treasury notes publicly issued to private foreign residents denominated in foreign currencies.

3. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

4. Comprises Algeria, Gabon, Libya, and Nigeria.

3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Percent per annum

Country	Rate on Dec. 31, 1983 Per-cent	Month effective	Country	Rate on Dec. 31, 1983 Per-cent	Month effective	Country	Rate on Dec. 31, 1983 Per-cent	Month effective
Austria	3.75	Mar. 1983	France[1]	11.75	Dec. 1983	Norway	8.0	June 1979
Belgium	9.0	June 1983	Germany, Fed. Rep. of	4.0	Mar. 1983	Switzerland	4.0	Mar. 1983
Brazil	49.0	Mar. 1981	Italy	17.0	Apr. 1983	United Kingdom[2]	....	....
Canada	10.04	Dec. 1983	Japan	5.0	Oct. 1983	Venezuela	13.0	Sept. 1982
Denmark	7.5	Apr. 1983	Netherlands	5.0	Sept. 1983			

1. As of the end of February 1981, the rate is that at which the Bank of France discounts Treasury bills for 7 to 10 days.

2. Minimum lending rate suspended as of Aug. 20, 1981.

NOTE. Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or government 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	1981	1982	1983	1983 June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1 Eurodollars	16.79	12.24	9.57	9.66	10.00	10.27	9.82	9.54	9.79	10.08
2 United Kingdom	13.86	12.21	10.06	9.91	9.84	9.83	9.63	9.34	9.26	9.34
3 Canada	18.84	14.38	9.48	9.41	9.42	9.49	9.35	9.31	9.40	9.83
4 Germany	12.05	8.81	5.73	5.52	5.54	5.66	5.83	6.13	6.26	6.43
5 Switzerland	9.15	5.04	4.11	4.98	4.77	4.61	4.40	4.07	4.11	4.29
6 Netherlands	11.52	8.26	5.58	5.81	5.58	6.03	6.15	6.07	6.17	6.20
7 France	15.28	14.61	12.44	12.59	12.33	12.33	12.42	12.42	12.31	12.16
8 Italy	19.98	19.99	18.95	17.72	17.50	17.50	17.42	17.51	17.71	17.75
9 Belgium	15.28	14.10	10.51	9.73	9.08	9.25	9.25	9.44	9.89	10.50
10 Japan	7.58	6.84	6.49	6.46	6.47	6.52	6.68	6.52	6.35	6.45

NOTE. Rates are for 3-month interbank loans except for Canada, finance company paper; Belgium, 3-month Treasury bills; and Japan, Gensaki rate.

3.28 FOREIGN EXCHANGE RATES

Currency units per dollar

Country/currency	1981	1982	1983	1983 July	Aug.	Sept.	Oct.	Nov.	Dec.
1 Argentina/peso	n.a.	20985.00	8.59	8.85	8.94	11.22	11.65	11.65	16.73
2 Australia/dollar[1]	114.95	101.65	90.14	87.54	87.93	88.77	91.37	91.59	90.04
3 Austria/schilling	15.948	17.060	17.968	18.208	18.799	18.754	18.305	18.900	19.383
4 Belgium/franc	37.194	45.780	51.121	51.862	53.609	53.841	53.034	54.538	55.939
5 Brazil/cruzeiro	92.374	179.22	573.27	571.73	643.34	701.38	784.35	870.21	943.43
6 Canada/dollar	1.1990	1.2344	1.2325	1.2323	1.2338	1.2326	1.2320	1.2367	1.2469
7 Chile/peso	n.a.	51.118	79.350	78.987	80.011	81.767	83.710	85.600	86.557
8 China, P.R./yuan	1.7031	1.8978	1.9809	1.9966	1.9843	1.9867	1.9664	1.9940	1.9920
9 Colombia/peso	n.a.	64.071	78.563	78.997	80.707	82.494	84.196	85.938	87.173
10 Denmark/krone	7.1350	8.3443	9.1483	9.3142	9.6308	9.5926	9.4172	9.6791	9.9530
11 Finland/markka	4.3128	4.8086	5.5636	5.5863	5.7063	5.7057	5.6390	5.7468	5.8515
12 France/franc	5.4396	6.5793	7.6203	7.7878	8.0442	8.0598	7.9526	8.1646	8.3839
13 Germany/deutsche mark	2.2631	2.428	2.5539	2.5914	2.6736	2.6679	2.6032	2.6846	2.7500
14 Greece/drachma	n.a.	66.872	87.895	84.677	89.217	92.837	92.968	96.229	98.815
15 Hong Kong/dollar	5.5678	6.0697	7.2569	7.1678	7.4416	8.0079	8.0947	7.8120	7.8044
16 India/rupee	8.6807	9.4846	10.1040	10.0875	10.187	10.200	10.229	10.378	10.4895
17 Indonesia/rupiah	n.a.	660.43	911.31	978.57	984.09	986.24	984.12	988.84	994.62
18 Ireland/pound[1]	161.32	142.05	124.81	121.87	117.99	117.41	119.15	115.85	112.91
19 Israel/shekel	n.a.	24.407	55.865	49.614	55.949	60.059	77.808	89.344	100.599
20 Italy/lira	1138.60	1354.00	1519.30	1533.41	1589.74	1602.62	1582.81	1625.79	1666.88
21 Japan/yen	220.63	249.06	237.55	240.52	244.46	242.35	232.89	235.03	234.46
22 Malaysia/ringgit	2.3048	2.3395	2.3204	2.3319	2.3523	2.3506	2.3451	2.3450	2.3407
23 Mexico/peso	24.547	72.990	155.01	149.36	151.59	152.20	157.18	162.36	164.84
24 Netherlands/guilder	2.4998	2.6719	2.8543	2.8985	2.9912	2.9844	2.9206	3.0078	3.0856
25 New Zealand/dollar[1]	86.848	75.101	66.790	65.383	65.100	65.316	66.162	65.854	65.120
26 Norway/krone	5.7430	6.4567	7.3012	7.3280	7.4641	7.4271	7.3244	7.4696	7.7237
27 Peru/sol	n.a.	694.59	1610.20	1645.99	1853.18	1995.33	2074.82	2131.13	2213.73
28 Philippines/peso	7.8113	8.5324	11.0940	11.050	11.050	11.050	13.750	14.050	14.050
29 Portugal/escudo	61.739	80.101	111.610	119.03	123.03	124.41	124.41	127.82	131.91
30 Singapore/dollar	2.1053	2.1406	2.1136	2.1294	2.1416	2.1417	2.1350	2.1334	2.1317
31 South Africa/rand[1]	114.77	92.297	89.85	91.19	89.55	89.86	88.82	84.23	82.15
32 South Korea/won	n.a.	731.93	776.04	779.88	787.19	790.83	791.37	796.32	799.23
33 Spain/peseta	92.396	110.09	143.500	147.973	151.302	152.022	151.30	154.66	158.01
34 Sri Lanka/rupee	18.967	20.756	23.510	24.082	24.257	24.397	24.410	24.572	24.767
35 Sweden/krona	5.0659	6.2838	7.6717	7.6936	7.8585	7.8773	7.7844	7.9201	8.0608
36 Switzerland/franc	1.9674	2.0327	2.1006	2.1184	2.1632	2.1623	2.1122	2.1701	2.1983
37 Taiwan/Dollar	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	39.420	38.780	39.613
38 Thailand/baht	21.731	23.014	22.991	22.990	22.990	22.990	22.990	22.990	22.992
39 United Kingdom/pound[1]	202.43	174.80	151.59	152.73	150.26	149.86	149.69	147.66	143.38
40 Venezuela/bolivar	4.2781	4.2981	10.6840	12.595	15.600	13.833	13.088	12.782	12.834
MEMO: United States/dollar[2]	102.94	116.57	125.34	126.62	129.77	129.74	127.50	130.26	132.84

1. Value in U.S. cents.
2. 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 p. 700 of the August 1978 BULLETIN.

NOTE. Averages of certified noon buying rates in New York for cable tranfers.

Guide to Tabular Presentation, Statistical Releases, and Special Tables

GUIDE TO TABULAR PRESENTATION

Symbols and Abbreviations

c	Corrected
e	Estimated
p	Preliminary
r	Revised (Notation appears on column heading when about half of the 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.

STATISTICAL RELEASES

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SPECIAL TABLES

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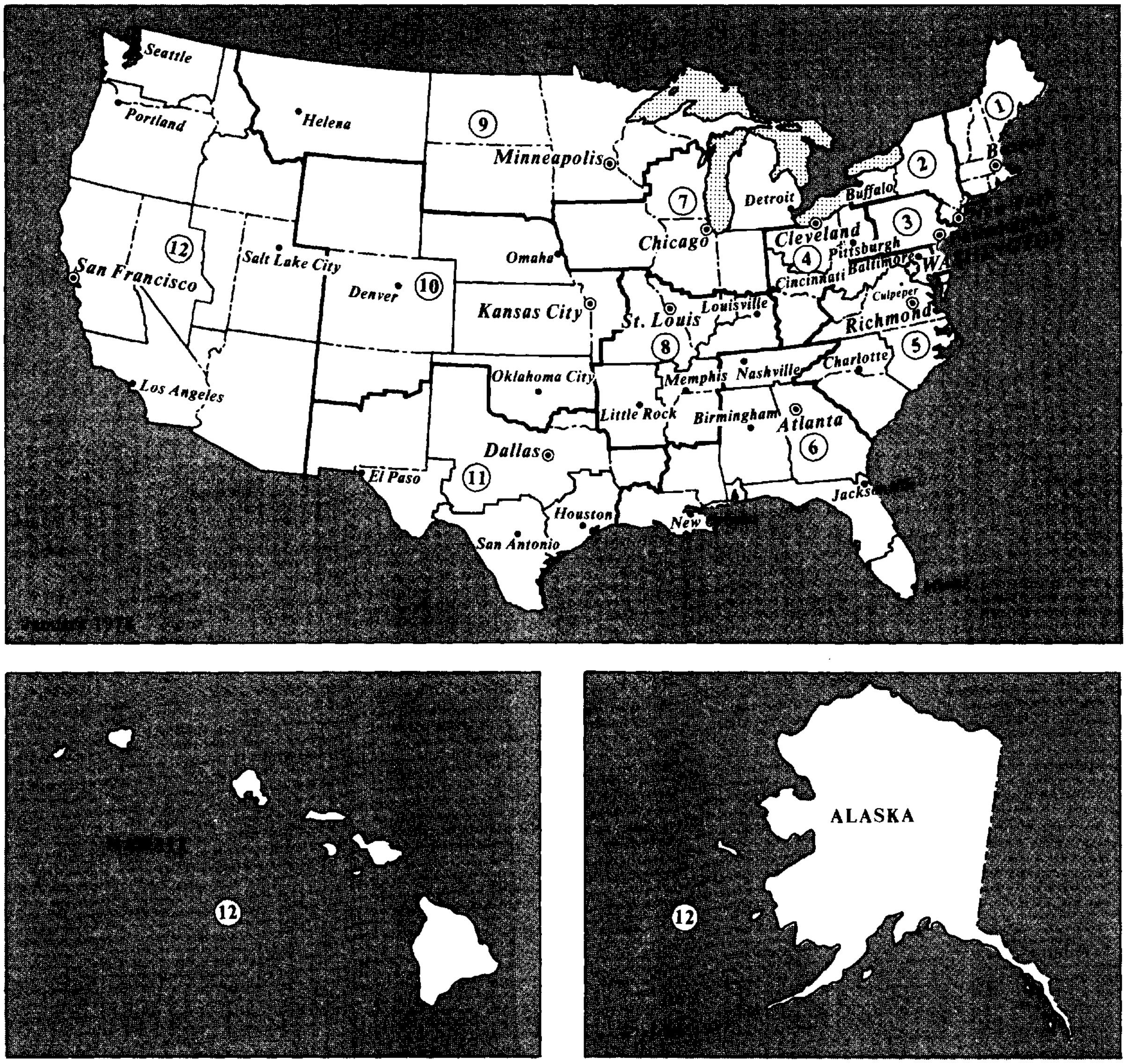

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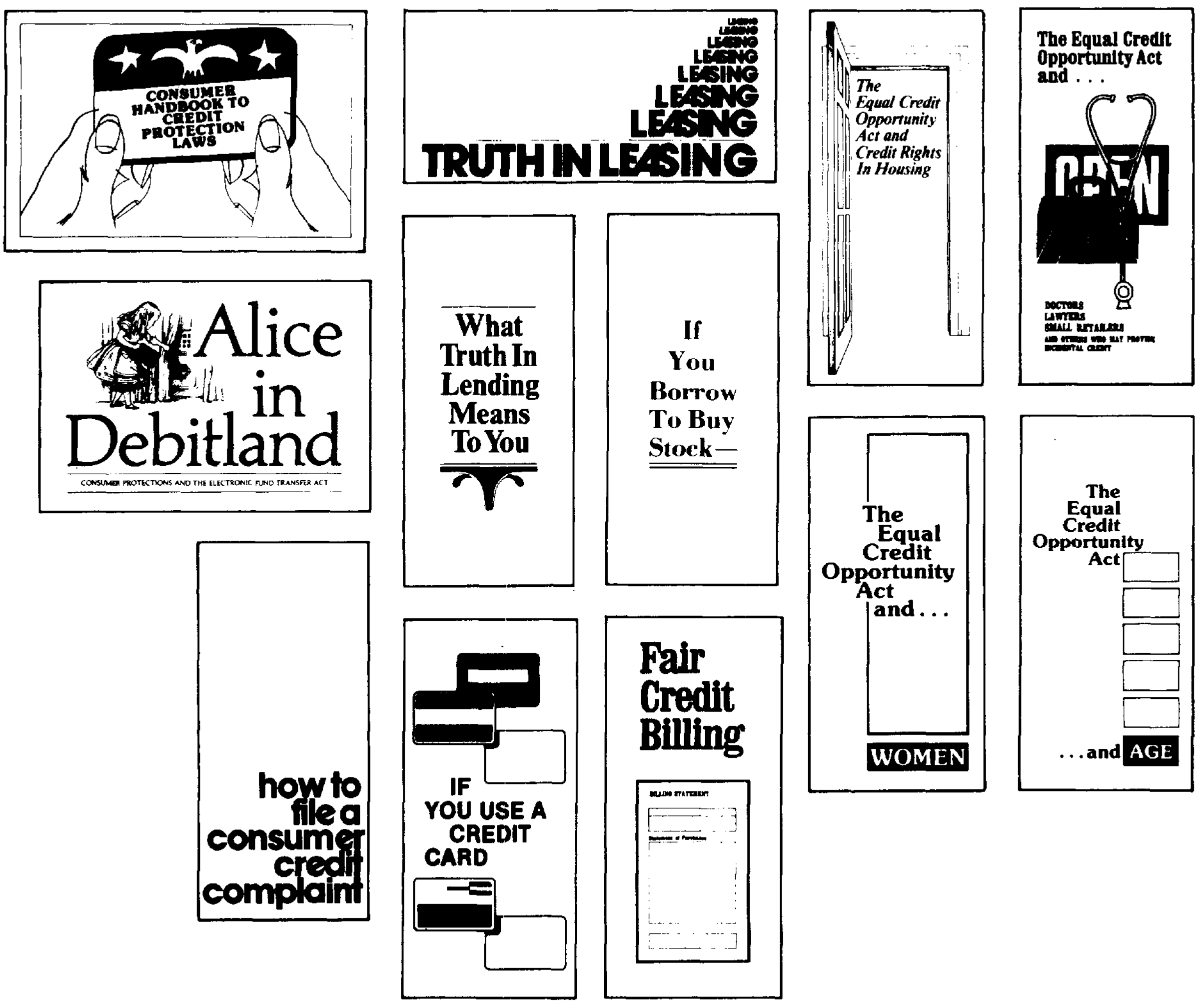

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