# FEDERAL RESERVE BULLETIN 

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

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# The Consumer Advisory Council: The First Five Years 

> This article was prepared by Marcia A. Hakala, former vice chairman of the Board's Consumer Advisory Council, with the assistance of Ann Marie Bray, Kay Oliver, and Dolores S. Smith of the Board staff.

In its role as the nation's central banker the Board of Governors of the Federal Reserve System has a significant impact on the daily lives of American consumers. The Board's decisions on monetary policy can exert a force on interest rates, on the availability of credit, and on the rate of inflation.

Over the past 13 years, the Board has become involved in yet other ways in consumer affairs. With the passage by the Congress in 1968 of the first federal legislation for the protection of individual consumer-borrowers, the Board began under statutory fiat to assume a major role in the writing and enforcement of rules governing the rights and responsibilities of consumers in their dealings with the financial and credit industry.

With each new mandate-first truth in lending disclosures, then credit card rules, equal credit opportunity, fair credit billing rights, consumer leasing, and so on-the Board's involvement in consumer matters has deepened. In a parallel development the organized participation of private citizens as advisers to the Board in the exercise of these functions has expanded-first under the aegis of the Advisory Committee on Truth in Lending, and currently through the Board's Consumer Advisory Council. The approach of the fifth anniversary of the Consumer Advisory Council provides an appropriate occasion for a status report.

## ORIGIN of the Council

In 1968, the Congress established, as part of the truth in lending legislation, an advisory commit-
tee to assist the Board in drafting the implementing Regulation Z. As the Board's responsibilities in consumer regulations expanded, it seemed only natural to supplant the committee with a group that had a broader focus. At the suggestion of the Board, the Congress added to the Equal Credit Opportunity Act Amendments of 1976 a provision creating the Consumer Advisory Council. According to that provision, the council was to advise and consult with the Board in the exercise of its functions under the Consumer Credit Protection Act and in other consumerrelated matters that the Board might place before the membership.

The rationale behind the formation of these advisory bodies was to open a channel through which the Federal Reserve Board could receive, from specialists in the field, advice and information to help it carry out its consumer-related responsibilities. The council could also act as a public sounding board to assist the Federal Reserve in uncovering implications of particular proposals.

## MEMBERSHIP AND ORGANIZATION

The law that created the Consumer Advisory Council instructed the Federal Reserve Board to "seek to achieve a fair representation of the interests of creditors and consumers." Beyond that, it left the Board wide flexibility regarding the council's membership and organization. The rules of organization and procedure that the Board subsequently adopted with respect to the council's operations made these points:

[^0]chairman, and a secretary, the last selected from the Board's staff.

- Meetings would be open to the public.
- Members of the public would have the opportunity to submit written comments on the topics to be discussed at council meetings.

Three individuals have headed the council thus far. Leonor K. Sullivan, a member of the Congress for twenty-four years, was the first chairman. For twelve years, from 1963 to 1975, Mrs. Sullivan was Chairman of the Subcommittee on Consumer Affairs of the House Banking and Currency Committee. She was one of the principal authors of the 1968 Consumer Credit Protection Act, and in 1970 she sponsored the Fair Credit Reporting Act. In 1974, she proposed legislation to prohibit discrimination in the extension of credit based on age, color, race, religion, sex, or marital status. The Equal Credit Opportunity Act grew out of her proposal.

The second chairman was William D. Warren, a well-known scholar and author in the field of consumer and commercial law, and dean of the School of Law at the University of California at Los Angeles. He served as a consultant on debtor-creditor and consumer law to the National Commission on Consumer Finance, and was reporter-draftsman of the Uniform Consumer Credit Code between 1964 and 1974.

Since January 1981, the chairman has been Ralph J. Rohner, professor of law at the Columbus School of Law at the Catholic University of America. Professor Rohner served as counsel to the Subcommittee on Consumer Affairs of the Senate Committee on Banking, Housing, and Urban Affairs, and has written extensively on federal consumer credit legislation.

The mission of the Consumer Advisory Council was to lend the Board its expertise with respect to the development and implementation of consumer-related regulations and programs, striving for equity, effectiveness, and minimum burden. In keeping with that mission the council has been characterized since its inception by a broad range of backgrounds and locales. (See the table and the map.) This diversity has been useful. Among creditors, for example, the needs and problems of different types and sizes of organizations can diverge, even to the point of conflict. The clientele of a creditor, its asset and

Members of the Consumer Advisory Council, by professional affiliation, 1976-81

liability structure, its size, and the nature of its assets and revenues can go a long way to determining its concerns with respect to consumer regulations. Small organizations often point out that some of the provisions of Regulation E (Electronic Fund Transfers), Regulation Z (Truth in Lending), and Regulation BB (Community Reinvestment), and the federal programs to enforce such regulations, can be a tremendous burden and can place them at a competitive disadvantage because they lack the legal staffs and the economic resources of larger organizations. Recognizing these differences, the Board has named individuals to the council from diverse institutions.

Consumer representatives have had even more heterogeneous backgrounds. Some of them have been founders and long-time leaders of the consumer movement. Representatives of state and local consumer protection and civil rights offices have offered expertise from their special vantage points. Consumer education specialists have been a valuable resource because consumer education is usually at least part of the solution for many consumer problems raised at council sessions. Educators and attorneys on the council have included articulate, nationally recognized spokespersons for consumer rights. The knowl-

Geographic distribution of CAC membership, 1976-81


Shaded areas indicate home states of Consumer Advisory Council members; darker shading shows first council.
edge and efforts of other members with lowincome clients have enabled them to make their own special contributions.
Academicians have constituted a third category of council members. In appointing law professors, economists, and other academicians, the Board has drawn on individuals who cannot be neatly categorized as consumer or creditor representatives, but who can provide a neutral force in the council's deliberations and a special perspective on complicated consumer finance issues.
To say that most council members can be characterized by their affiliations as creditor representatives or consumer representatives does not mean that the positions they take during the council's discussions can be characterized that way. One member of the Board commented that in listening to the council's discussions he was often unable to tell which members represented consumers and which represented creditors.

## PRocedures and Operations

Through the nearly five years of its existence, the Consumer Advisory Council has explored ways of enhancing its value to the Board and of making service on the council more meaningful to its members. Experience with the many and often complex issues in the regulation of consumer credit and financial services has led to refined procedures and streamlined operations.
In October 1977, the council established a task force on procedures. Working with the Board's Committee on Consumer Affairs, it recommended, among other things, that the council have fuller discussions of fewer topics at each meeting. With Board concurrence, the task force also urged that council members participate more directly in selecting agenda topics. Consequently, a formal procedure known as the Delphi technique was adopted. This balloting technique
permits a systematic compilation of opinions for group decisionmaking that is well suited to the needs of the geographically dispersed members. Council members are asked to suggest topics, all of which are listed and voted upon in order of preference. Items receiving the highest totals are placed on the agenda. Other topics may be added by the council's chairman and vice chairman and by Board members.

Task forces and committees have proven useful, time-saving mechanisms for fuller council involvement in complex issues and Board activities. A small group of council members can take a concentrated look at a specific issue or play a specialized role in gathering information about an issue. In addition, council members expert in a particular area can be tapped to serve on or to head a group looking into that area. Such groups report on their activities and bring their recommendations to the full council.

Currently, the council has two standing committees. The Economic Impact Analysis Committee was established in June 1979 to explore the role that the council could play in the costbenefit analysis of consumer financial-protection regulations. So far the committee has considered whether better (cheaper, clearer, more timely) alternatives exist to the disclosure now given consumers under the Fair Credit Billing Act, and whether charges for error resolution on alleged errors in electronic fund transfers have a "chilling'" effect or other influence on the behavior of consumers.

The Legislation Committee was created in October 1979 to advise the council on proposed legislation. It is currently identifying issues concerning competition and structure in financial markets (impact of money market mutual funds, interstate banking activities, and so on), usury ceilings and the costs of credit to consumers, and the multiple sources of regulatory requirements.

This year an ad hoc committee was named by the chairman to develop a consumer education item for discussion at a future council meeting. This group has the mandate of identifying aspects of consumer education that it feels the council should address.

In the early days, some members expressed frustration because the council did not take votes on issues after its discussions and consequently
did not appear to be complying with its mandate to advise the Board. Others believed that no useful purpose would be served by voting because members would feel obligated to cast ballots along consumer-creditor "party lines;" inasmuch as the council was balanced, votes by creditor representatives would cancel out those cast by consumer representatives. Voting, some thought, might even inhibit members in expressing their views because meetings are open to the public.

As the council gained experience, an objective problem-solving system began to develop. Members not only were freely expressing their own positions on issues, but also were understanding the concerns of the "opposing" side and engaging in a real dialogue. Discussions sometimes became heated; but on some occasions, when the council had at last reached a consensus, members on both sides had been persuaded to accept a middle ground. The council had thus become a forum for informed discussions about issues of public interest.

## AGENDA ITEMS

By law, the council advises the Board with respect to the Board's responsibilities under the Consumer Credit Protection Act and other con-sumer-related matters on which the Board seeks advice. In addition, through use of the Delphi ballot process the council has voted to discuss a wide variety of other topics: consumer bankruptcy, state usury ceilings, negotiable order of withdrawal accounts, and interstate banking, to name a few.

Over the past five years the council has devoted a substantial portion of its time to various aspects of three major consumer regulations: Regulation Z, Regulation E, and Regulation B (Equal Credit Opportunity). In particular, it has grappled often with proposals to amend the truth in lending rules, with the development of enforcement policies, and with the implications of credit-scoring practices for consumers and for the industry.

Because the council was already in existence in 1978, when the Electronic Fund Transfer Act was passed, it was able to advise the Board about
the implementing regulation from the beginning. More recently, the council has considered ways to reconcile the conflicts between certain provisions of that regulation and the corresponding provisions of Regulation Z. The council recently recommended that the Board not attempt to integrate those provisions until the Permanent Editorial Board for the Uniform Commercial Code completed its efforts to make appropriate changes in the uniform state laws, changes that the council thought ought to precede any revision in Federal Reserve regulations. The Federal Reserve Board has followed the council's suggestion.

## IMPACT

Assessing the impact of group deliberations on the decisionmaking process is extremely difficult. But the work of one council task force affords a glimpse of ways in which the council aids the Board.

Even during the formative stages of the council, members expressed concern to the Board that consumers might not be fully benefiting from protections afforded them because they lacked information regarding consumer credit legislation. To test this hypothesis the council established a Consumer Education Task Force to do some regional research. Members representing a cross-section of states-California, Maryland, Michigan, Nebraska, Iowa, Texas, and Virgin-ia-surveyed educational systems in their areas to explore these questions: Were consumer education courses being taught? If so, to what extent and to whom? Were they required or elective? The task force also gathered examples of instructional materials.

The study confirmed the need for broader dissemination of consumer information. After further deliberation, the council urged the Board to respond to a particular need-that of reaching young people-through educating teachers about consumer credit protections.

Participants in the first teacher workshop, held in Washington in February 1979, found it particularly helpful, and five more seminars have been held with metropolitan Washington school districts. Teacher workshops are now an ongoing
program at more than half of the Federal Reserve Banks. In addition, council members have provided editorial help in preparation of the Board's educational pamphlets and have suggested wider avenues of distribution for consumer materials.
Council input also appears to affect rules issued by the Board. In some instances the issue has been relatively simple. A good example is the council's consideration of a rule in truth in lending that deals with customer reimbursement for computational overcharges. The Board had asked for the council's views on the amount below which a creditor should not be required to repay the consumer. The council proposed a one-dollar figure, which the Board later set.
Other times the issues have been complex, with far-reaching implications for consumers. In one such case, the Board reconsidered a rule in Regulation Z, in part because of a request from council members. The rule defined the consumer's right to rescind a credit transaction if the creditor was taking a security interest in the consumer's home. This right was intended to give consumers an opportunity to reconsider the transaction because a default could result in the loss of the home.

The Board had published a proposal for an amendment to the rule generally limiting the circumstances in which the consumer could rescind a transaction under an open-end credit plan. In due course, the Board adopted the amended rule. Protests followed-from consumer groups and also from council members, who wanted to have more direct input into the decision.

At its next scheduled meeting, the council expressed grave concern about the possible consequences of the rule for consumers and urged the Board to reverse its position. Soon after, the Board reopened the rulemaking proceedings and asked for public comment on whether it should suspend, repeal, or modify the rescission amendment.
The Board ultimately revoked the amendment, noting its consideration of "the concern expressed by . . . the Board's Consumer Advisory Council [and others] . . . that consumers might be led unawares into more debt than they could afford and might as a result lose their homes-a consequence that the right of rescission is intended to help prevent."

The council has also been valuable to the Board for the "grass roots" information that members have been able to offer from around the country. Although the Board solicits public comment on proposed regulations or amendments to existing regulations in an effort to determine the impact they will have on consumers, comments by council members have a first-hand freshness that is sometimes lacking in the written comments from the public. The varied experiences and contacts of council members also serve the Board in uncovering consumer concerns that its formal procedures might miss.

Since all consumers are not alike (what benefits one group may hurt another), the Board must weigh not only the anticipated effect of its decisions on consumers as a group against the anticipated effect on other segments of the society, but also the sometimes conflicting effects on con-
sumers themselves. In these kinds of deliberations, the council has been of special value to the Board; thus its impact cannot be measured solely by the instances in which its positions have prevailed in final Board actions.

## In Conclusion

In the nearly five years since the council began, a solid working relationship, ensuring that council input is considered by the Board in making consumer-related decisions, has been established between the council and the Board and its staff. At the same time, those who have served on the council have derived from their experience a deeper understanding of the infinite complexity of the Board's regulatory functions.

# An Approach to Regulatory Simplification 

This article was prepared by Jesse B. Filkins, Jr., of the Board's Division of Consumer and Community Affairs.

Over the recent past, industry practices at all levels have been permeated by government regulation. The last decade has been a particularly active period of regulation in the consumer credit industry. Federal statutes now require creditors to disclose a great deal of information to consumers about the credit being offered while, at the same time, restricting lenders in their practices. Many of these statutes have been implemented by the Board of Governors of the Federal Reserve System. ${ }^{1}$

Lately, a consensus has emerged that the proliferation of government regulation exacts a toll from industry that may be too high, particularly for small businesses; and the mood of the country has begun to swing in favor of less regulation. The Congress has expressed its concern for legislative and regulatory reform through passage of the Truth in Lending Simplification and Reform Act, the Financial Regulation Simplification Act of 1980, and the Regulatory Flexibility Act. ${ }^{2}$ In light of these laws how can a regulatory agency charged with implementing

[^1]legislation further the cause of regulatory reform while retaining the basic protections for consumers mandated by the Congress? This article looks at the Federal Reserve Board's approach to regulatory simplification in general and focuses on the implementation of the Truth in Lending Simplification and Reform Act.

## REGULATORY IMPROVEMENT

Mindful of the burdens regulation imposes on business and individuals, the Federal Reserve Board in 1975 enlisted some of its former officers to review its regulations and make recommendations for their improvement. In 1978, this review was restructured as a full-scale Regulatory Improvement Project under the Office of the Secretary and was charged with improving the Board's regulations and rulemaking procedures. The project coordinates the efforts of Reserve Bank and Board staff in the zero-based reviews of all of the Board's regulations and provides substantive and editorial review of regulatory revisions and amendments in compliance with the Financial Regulation Simplification Act and the Regulatory Flexibility Act.

In addition, the Board has established a Federal Reserve Regulatory Service designed to simplify the presentation of regulatory material and broaden access to it. The service has published all Board regulations, interpretations, and rulings in a single two-volume reference set.

The Board has also expanded its rulemaking procedures to encourage more and earlier public involvement. Since January 1979, the rulemaking procedures have provided for advance notice of rulemaking; identification of areas in which the

[^2]Board particularly wants comment; open conferences or informal public hearings; and direct solicitation of the views of interested persons or groups, with emphasis on getting views from diverse sources.

## TRUTH IN LENDING

Truth in Lending offers an example of how the Board has simplified one of its regulations.

The Depository Institutions Deregulation and Monetary Control Act of 1980 required the Board to conduct an extensive analysis and reevaluation of several of its major regulations. Title VI, the Truth in Lending Simplification and Reform Act, called for extensive revision of the lending rules embodied in Regulation Z .

Truth in Lending, like so much of the consumer protection legislation, started out as a response to perceived abuses by creditors. The Congress was concerned that creditors were not providing enough information about credit, that the terminology used in the industry was so varied that consumers shopping for credit became confused and thus were at a disadvantage, and that ultimately free competition among lenders was hindered. The Congress therefore required creditors to provide sufficient information in uniform, simple terms so that consumers could make an informed choice among sources of credit. The bill that became the Truth in Lending Act was designed to "insure a full disclosure of the cost of credit," "improve and strengthen the free competition system," and prevent "deception and confusion in connection with disclosing the actual cost of credit. ${ }^{3}$ To these ends it focused on disclosure of certain information in easily understood, common terms such as the "finance charge" (the dollar amount of the cost of credit), and it introduced the term "annual percentage rate" as a uniform indicator of the cost of credit. To fulfill its responsibility for implementing the act, the Board in 1969 issued Regulation Z.

Over the next decade, legislation affecting consumer credit grew both in volume and in

[^3]complexity. Statutes were passed dealing with nondiscrimination in consumer credit, disclosures of residential mortgage lending, consumer rights in the emerging electronic banking field, and unfair and deceptive acts by banks. The Truth in Lending Act was amended in 1970, 1974, and 1976 to include new provisions on credit cards, resolution of billing errors, and consumer leasing. The regulation grew from about 32 pages to more than 76 pages containing many complex, technical requirements.

While consumer protection was increasing, so was the regulatory burden on the credit industry. Forms became unwieldy and expensive to produce because of the number of disclosures required and the frequent changes in requirements. Moreover, because of the technical provisions of the act and the regulation and because of the statutory penalties imposed for violations, creditors requested more and more guidance. By 1980, the Board and its staff had issued more than 1,500 interpretations and letters. Compliance difficulties were compounded by decisions in the more than 15,000 Truth in Lending civil lawsuits filed in federal courts since 1969, many of them based on technicalities. ${ }^{4}$

## Simplification and Reform

In March 1980, the Congress, concerned about the impact of this large and complex statutory and regulatory scheme on consumers and on creditors, particularly small businesses, passed the Truth in Lending Simplification and Reform Act. This act was designed to ease compliance by eliminating ambiguities in the law, by simplifying and reducing the number of disclosures required, and by providing for model forms and clauses that would assure compliance when they were used properly by creditors.

Passage of the act, however, posed a formidable question for the Board's staff: how were they to simplify a regulatory apparatus of the magnitude of Truth in Lending? The complexity of the act and of the industry that it regulates precluded

[^4]a brief, simple regulation. Despite the attempt by the Congress, the Truth in Lending Act was still far from simple: the statute remained more than 15,000 words long. The variety of credit programs that the regulation addresses had expanded so much that it was difficult to write an uncomplicated regulation. And to maintain consistency with past decisions, any revision of the regulation would have to take into account the relevant interpretations and letters.

## Goals of Simplification

Although the Regulatory Improvement Project has responsibility for coordinating the review function for regulatory improvement, the task of revising Regulation Z was assigned to the Division of Consumer and Community Affairs, the division responsible for drafting the Board's consumer regulations.

A first step was to establish goals for the revision of Regulation $Z$ that could serve as a basis for regulatory efforts. One goal was to reduce substantially the burden of compliance on creditors. A second was to simplify the regulatory format by consolidating the interpretations and letters into a single comprehensive document. And a third was to make disclosures more understandable for consumers. Some individuals were concerned that consumers were having as much difficulty in understanding Truth in Lending disclosures as they had in understanding transactions without them; moreover, the original goal of facilitating credit shopping was thought to be thwarted by the complexity of the required disclosures.

Another aspect was to adopt the often-stated congressional objective of providing specific relief for small businesses, when possible. Thus, one goal was to recognize in the regulation that the needs of small institutions, with simple credit plans, are different from those of large institutions with complex plans. The compliance efforts of small businesses could also be facilitated by simplifying the language, focusing on the most important basic disclosures, and deemphasizing the technical areas.

Finally, the staff adopted a goal of encouraging improved and voluntary compliance, which
could be achieved through good-faith efforts. Thus, creditors could provide earlier disclosures to consumers and make shopping for credit easier.

## Principles Applied

A set of working principles was developed to organize the project, set central themes, and furnish specific guidance on how to reach simplification goals.

One working principle was that the regulation contain precise, simple rules rather than ambiguous language that required clarification by interpretation. For example, the old regulation applied to a person who "in the ordinary course of business regularly extends" consumer credit. The revised regulation defines "regularly" to mean the extending of credit more than twentyfive times per year (or five times per year for loans secured by real estate).
Another principle was that the regulation emphasize the disclosures most relevant to credit decisionmaking. Disclosure regulations have often been criticized on the ground of "information overload," when consumers are so inundated with disclosures that they cannot properly analyze their statements. One way the regulation controls the amount of information supplied to consumers is by eliminating detailed disclosures concerning consumer defaults. It also removes the requirement for disclosing minor changes made in outstanding contracts.
Because of the detailed requirements of the old regulation, creditors' disclosure forms were often complex and confusing and, far from helping consumers, may have inhibited their understanding of the credit terms. In the new regulation, creditors were to be given increased flexibility in making their disclosures. The hope was that an easing of regulatory rigidity would allow creditors to create clearer, more understandable forms for the basic information. For instance, the old regulation prescribed in detail an example of the effects of a rate increase in a variable-rate loan. The new regulation permits creditors to design their own illustrations.

Applying these principles, the Board has produced a regulation that is 40 percent shorter than
the old one, that is easier to read and understand, and that affords creditors more freedom to tailor the disclosure to their own credit plans. The result should be more meaningful disclosures to consumers and thus better informed credit shopping, one of the primary goals of the original Truth in Lending legislation.

## A Simplified Structure

Clarifying the language of the regulation and reducing the complexity and volume of disclosure were only part of the simplification process. It was also decided that a simpler, better organized format would make Regulation Z easier to use and thereby improve compliance. In the past, users had been forced to peruse the regulation, check the Board interpretations, look for slip sheets, and sort through hundreds of official and unofficial staff letters. To alleviate this problem the revised regulation groups together all rules regarding credit-related programs. Provisions related to consumer leasing, previously found in several parts of the regulation, have been removed from Regulation Z altogether and consolidated into a new regulation, Regulation $M$ (Consumer Leasing). This change helps the users of the leasing provisions while simplifying Regulation Z because leasing and credit generally are subject to separate provisions.

The staff also made the regulation easier to follow by instituting a "commentary" that interprets the regulation. Previously, interpretations were offered in individual official and unofficial staff letters. Now the commentary permits all of the interpretive material to be presented in a single document, which will normally be updated only once a year. ${ }^{5}$ Users need not constantly

[^5]check several sources to determine whether they are in compliance with the regulation. Creditors who act in conformity with the commentary are protected from civil liability. ${ }^{6}$

Inclusion of model forms and clauses was another step toward making the regulation easier to use. This idea had been high on the list of Board recommendations made in congressional hearings before passage of the simplification amendments. In developing the forms, the Board consulted suppliers of forms to the credit industry. It also took account of "Plain English" requirements in state laws. Use of the model forms and clauses is optional; however, there is a presumption of compliance when they are properly used.

## A Continuing Process

Although the revision of Regulation Z is now complete, simplification remains an essential part of the regulatory process. The Regulatory Improvement Project has ongoing responsibility to ensure that the Board's regulations meet the goals of the Financial Regulation Simplification Act. During the past two years the staff of the project has coordinated zero-based reviews and cooperated with Reserve Bank and Board staff in substantive revisions of a number of Board regulations and is currently working on others, including those on bank holding companies and margin credit. Project members will continue to explore better means of presenting regulatory proposals to reduce paperwork.

[^6]
# Recent Revisions in the Money Stock <br> Benchmark, Seasonal Adjustment, and Calculation of Shift-Adjusted M1-B 


#### Abstract

Thomas D. Simpson, John R. Williams, and other members of the staff of the Board's Division of Research and Statistics prepared this article.


In May and June of this year the Federal Reserve announced updated seasonal adjustment methods and benchmark revisions for the money stock, as well as a procedure for calculating a measure of M1-B that abstracts from shifts to negotiable order of withdrawal accounts authorized in 1981. Whereas seasonal adjustment factors are updated regularly, recent revisions were complicated by the growing importance of the other checkable deposits component and by unusual patterns of deposit flows in 1980 during and after the special credit restraint program. ${ }^{1}$ Benchmark revisions involved the conversion to use of new reports of deposits collected by the Federal Reserve under the Monetary Control Act of 1980, as well as the usual adjustments based on quarterly call report data; in addition, traveler's checks were added to M1-A and the broader aggregates.
This article briefly describes the benchmark revisions and their effects on the pattern of monetary growth. It also describes in general terms the methodology for calculating the seasonal factors, particularly the procedures used to avoid distortions of seasonal factors resulting from unusual deposit flows in the spring and summer of 1980 . Finally, it discusses the procedure for constructing a measure of M1-B that abstracts from shifts to NOW accounts in $1981 .^{2}$

[^7]
## BENCHMARK

Measures of the money stock have been benchmarked to incorporate data from the June, September, and December 1980 call reports and certain data on deposits collected as a result of the Monetary Control Act (MCA). In addition, the inclusion of traveler's checks of nonbank issuers has raised the levels of M1-A and the broader aggregates although it has had minimal effects on their growth rates.
The bulk of the new data called for by the MCA are now used in computing the money stock. New reports of deposits for institutions with total deposits of between $\$ 2$ million and $\$ 15$ million have been incorporated; in January 1981, these institutions began reporting for one week each quarter with one-third of them reporting each month. The benchmark also incorporates daily data on deposits reported since November 1980 for foreign-related institutions-U.S. branches and agencies of foreign banks and Edge Act corporations-and for other checkable deposits (OCD) at thrift institutions with total deposits greater than $\$ 15$ million as of December 1979. Daily deposit data of nonmember commercial banks with deposits greater than $\$ 15$ million had been incorporated at the time of the preceding benchmark revision in January 1981. Efforts are currently under way to convert to the use of daily data on time and savings deposits at thrift institutions.
The largest revisions to growth in M1-A and M1-B were for early 1981 (table 1). M1-A growth was lowered in the first quarter of this year, mainly because of the new reports by quarterly reporting banks. Growth in M1-B also was lowered as an upward revision in OCD at quarterly reporting institutions did not offset the downward revisions to demand deposits at these institutions and to NOW accounts at savings and loan associations. The pattern of revisions to growth

1. Comparison of old and revised growth rates of the monetary aggregates, 1979-81
Quarterly averages, seasonally adjusted at annual rates, in percent

| Aggregate and quarter | Old rate | Revised rate | Difference |
| :---: | :---: | :---: | :---: |
| M1-A |  |  |  |
| 1979: 4 | 4.2 | 4.0 | $-.2$ |
| 1980: 1 | 5.2 | 5.2 | 0 |
| 2 | -4.8 | -4.9 | -. 1 |
| 3 | 11.5 | 11.3 | -. 2 |
| 4 | 8.0 | 8.2 | . 2 |
| 1981: 1 | -18.6 | -20.8 | -2.2 |
| M1-B |  |  |  |
| 1979: 4 | 4.7 | 4.6 | -. 1 |
| 1980: 1 | 6.8 | 6.8 | 0 |
| 2 | -2.9 | -3.0 | -. 1 |
| 3 | 13.9 | 13.9 | 0 |
| 4 | 10.9 | 10.8 | -. 1 |
| 1981: 1 | 6.6 | 4.9 | 1.7 |
| 1981: 1 | $\left\{1.1^{1}\right.$ | $-.8$ | -1.91 ] |
| M2 |  |  |  |
| 1979: 4 | 6.1 | 6.1 | 0 |
| 1980: 1 | 8.9 | 8.7 | -. 2 |
| 2 | 5.4 | 5.1 | -. 3 |
| 3 | 15.7 | 15.4 | $-.3$ |
| 4 | 8.1 | 8.1 | 0 |
| 1981: 1 | 8.4 | 8.2 | -. 2 |
| M3 |  |  |  |
| 1979: 4 | 8.0 | 7.9 | -. 1 |
| 1980: 1 | 9.1 | 9.1 | 0 |
| 2 | 6.9 | 6.0 | 0 |
| 3 | 13.1 | 13.1 | 0 |
| 4 | 10.3 | 11.3 | 1.0 |
| 1981: 1 | 12.0 | 12.4 | . 4 |

1. Adjusted for shifts in 1981 into other checkable deposits from sources other than demand deposits. See the text for a discussion of shift adjustment.
rates for shift-adjusted M1-B is similar to that for M1-B. Benchmark revisions to M2 growth in 1981 have been relatively small. Growth in M3 was raised for late 1980 and early 1981, primarily as a result of the new daily data on largedenomination time deposits at foreign-related institutions.

## SEASONAL ADJUSTMENT METHODS

Ordinarily, updating seasonal factors for components of the monetary aggregates involves application of standard programs-specifically, the $\mathrm{X}-11$ package-to historical data series incorporating data received since the last updating. Revised monthly seasonal factors are derived directly for each series. Weekly seasonal factors are then constructed from the monthly factors on the basis of historical intramonthly patterns and the particular timing of weeks within each month.

However, seasonal adjustment factors that are derived using standard programs tend to be distorted by unusual or deviant patterns. ${ }^{3}$ Thus the updating of seasonal adjustment factors using data for 1980 was complicated by the extraordinary, and probably nonrecurring, patterns of deposit flows in the spring and summer associated with the implementation and subsequent removal of the special credit restraint program. ${ }^{4}$ In addition, special treatment was given to the changing composition of M1-B brought about by expansion of OCD in recent years.

Table 2 compares the old seasonal factors with the new factors produced by standard seasonal adjustment procedures incorporating data for 1980, both for the demand deposit component of M1-A and for the M1-B transaction component defined as demand deposits plus two-thirds of OCD. The standard procedures produced new seasonal factors for demand deposits that were lower than the old factors-in some cases, markedly so-for the March-to-July period, while new factors for most remaining months were higher (compare columns 1 and 2 or columns 4 and 5). Preventing distortions to seasonal factors, therefore, requires a modification of these procedures.

In the context of the $\mathrm{X}-11$ method used by the Board, an appropriate procedure is to preadjust the series to minimize the effects of the uncommon fluctuations in 1980 on the seasonal adjustment factors. Preadjustment consists of removing from each series the estimated distortion during the period of credit controls and its after-

[^8]2. Seasonal factors for the transaction deposit components of M1-A and M1-B, 1980

| Month | M1-A <br> (demand deposits) |  |  | M1-B <br> (demand deposits plus $2 / 3$ of other checkable deposits) |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Old factor based on data through 1979 | New factor |  | Old factor based on data through 19792 | New factor |  |
|  |  | Without preadjustment | With preadjustment |  | Without preadjustment | With preadjustment |
|  | (1) | (2) | (3) | (4) | (5) | (6) |
| January.... | 1.021 | 1.022 | 1.019 | 1.021 | 1.022 | 1.020 |
| February... | . 974 | . 974 | . 973 | . 975 | . 974 | . 972 |
| March ..... | . 978 | . 976 | . 978 | . 978 | . 977 | . 977 |
| April ...... | 1.014 | 1.012 | 1.015 | 1.014 | 1.012 | 1.013 |
| May... | .979 .995 | .973 .993 | . 989 | . 989 | . 974 | . 978 |
| June....... | . 995 | . 993 | . 996 | . 996 | . 993 | . 997 |
| July ..... | 1.005 | 1.003 | 1.004 | 1.003 | 1.003 | 1.005 |
| August ... | . 991 | . 991 | . 991 | . 989 | . 992 | . 992 |
| September | . 998 | 1.003 | 1.000 | . 998 | 1.002 | 1.001 |
| October.... | 1.007 | 1.009 | 1.006 | 1.005 | 1.008 | 1.007 |
| November | 1.007 | 1.010 | 1.007 | 1.007 | 1.009 | 1.007 |
| December.. | 1.029 | 1.032 | 1.030 | 1.031 | 1.031 | 1.029 |

1. Previously published seasonal factors used for demand deposits in both M1-A and M1-B.
math; seasonal factors are then calculated using the preadjusted series.
The technique chosen to estimate the distortions is the "intervention analysis" of Box and Tiao. ${ }^{5}$ This procedure employs a model of the data series, such as an ARIMA (autoregressive integrated moving average) model, and augments it by a functional form suitable for capturing the effects of the "intervention," in this case the imposition and subsequent removal of credit controls. ${ }^{6}$ Each affected series is preadjusted by removing that part of the fitted combined model representing the intervention. The seasonal factors are obtained by applying the standard X-11 program to the resulting series. These factors are then applied to the original data to obtain the seasonally adjusted series.
The seasonal adjustment factors derived by the preadjustment procedure are shown in table 2 , column 3 for the demand deposit component of M1-A and in column 6 for the transaction

[^9]2. These factors were computed for illustrative purposes and have never been used in the construction of the aggregates.
deposit component of M1-B, which consists of the total of demand deposits and two-thirds of OCD (that part of OCD estimated to have shifted out of demand deposits before 1981). In most months revisions in seasonal factors are smaller with the intervention technique than with the standard seasonal adjustment procedure.

## Constructing M1-B and ShiftAdJUSTED M1-B IN 1981

The nationwide extension of NOW accounts at year-end 1980 has led to a significant further adjustment of the public's asset portfolios to newly available deposit accounts. In particular, households have been shifting funds from savings deposits and other sources outside demand deposits into NOW accounts, thereby raising M1-B. As a consequence, growth in M1-B in early 1981 has tended to overstate the underlying expansion in the public's transaction balances. During this transitional period, the Federal Reserve has been publishing both M1-B and an adjusted M1-B, which abstracts from shifts to newly opened OCD accounts. Basically, this procedure removes from M1-B inflows to OCD accounts in 1981 estimated to have originated in sources other than demand deposits.
The procedure for constructing the shiftadjusted measure of the narrow money stock
involves estimating inflows to OCD accounts after allowing for trend growth and seasonal variations in those accounts in existence at the end of 1980. Estimated inflows to OCD accounts that were opened in 1981 are then apportioned between inflows from demand deposits and those from savings and other sources outside demand deposits on the basis of evidence from samples of depository institutions and households and econometric techniques. ${ }^{7}$ This evidence suggests that the proportion of growth in OCD-above that attributable to accounts in existence before 1981-that was shifted or diverted from sources other than demand deposits was about 20 to 25 percent in January and 25 to 30 percent in later months.

Calculations of M1-B and shift-adjusted M1-B, both seasonally adjusted, are based on the midpoints of those ranges. The following seasonally adjusted components are summed in deriving the seasonally adjusted level of M1-B: currency, traveler's checks, the level of OCD accounts in existence at the end of 1980 plus their estimated

[^10]trend growth in 1981, the sum of demand deposits and OCD estimated to have come from demand deposits during 1981, and OCD estimated to have come from sources other than demand deposits during 1981. From this total, subtraction of a consolidation component representing the amount of demand deposits owned by thrift institutions estimated to be used in servicing their OCD liabilities yields seasonally adjusted M1-B. ${ }^{8}$ Finally, the shift-adjusted measure of M1-B equals M1-B seasonally adjusted less seasonally adjusted OCD estimated to have come from sources other than demand deposits during $1981 .{ }^{9}$

Other checkable deposits seasonally adjusted can be derived as the difference between M1-B seasonally adjusted and M1-A seasonally adjusted, plus the M1-B consolidation component. M1-A seasonally adjusted is constructed by summing the following seasonally adjusted components: currency, traveler's checks, and demand deposits using the seasonal factor for demand deposits (rather than the factor for transaction deposits used in constructing M1-B). Because the behavior of demand deposits has been dominated increasingly by variations in corporate and other nonhousehold accounts as households have shifted to OCD, the seasonal factor for demand deposits differs slightly from the transaction factor used in constructing M1-B (table 1).

[^11]
## Industrial Production

## Released for publication July 15

Industrial production edged down 0.1 percent in June on a seasonally adjusted basis, as declines occurred in the output of construction supplies, home goods, and durable and nondurable materials. There was a post-strike rebound in coal production and moderate increases in other energy materials and in automotive products. In addition, utility output advanced strongly because of a greater-than-seasonal surge in electricity generation. Output in manufacturing decreased perceptibly. At 152.7 percent of the 1967 average, the total index in June was 7.9 percent above the recession-affected level of a year earlier and 0.7 percent above the level of January 1981.

In market groupings, output of consumer goods declined 0.3 percent in June. A rise in auto production was more than offset by decreases in the output of home goods such as appliances and nondurable consumer goods-particularly food and other staples. Autos were assembled at an annual rate of 7.4 million units, 1.4 percent above May. Output of business equipment continued to lose momentum; production was essentially unchanged in June, reflecting slight increases in building and mining and manufacturing equip-
ment, but somewhat larger declines in transit, commercial, and power equipment. Production of defense equipment was essentially unchanged for the second month. Output of construction supplies was reduced 1.4 percent in June after small declines in the previous two months.


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

Major market groupings

| Grouping | $1967=100$ |  | Percentage change from preceding month |  |  |  |  | Percentage change, <br> June 1980 to June 1981 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1981 |  | 1981 |  |  |  |  |  |
|  | May ${ }^{\text {p }}$ | June ${ }^{\text {e }}$ | Feb. | Mar. | Apr. | May | June |  |
| Total industrial production ..... | 152.8 | 152.7 | -. 1 | . 5 | . 0 | . 4 | -. 1 | 7.9 |
| Products, total ................... | 151.9 | 151.4 | -. 3 | . 6 | . 7 | . 3 | -. 3 | 6.2 |
| Final products.................. | 150.9 | 150.7 | -. 3 | . 9 | . 7 | . 4 | -. 1 | 5.9 |
| Consumer goods............ | 149.8 | 149.4 | -. 2 | . 9 | 7 | . 4 | -. 3 | 5.1 |
| Durable.................... | 146.5 | 145.8 | . 1 | 3.2 | . 5 | 1.7 | -. 5 | 13.7 |
| Nondurable ............... | 151.1 | 150.8 | -. 3 | . 0 | . 8 | -. 1 | -. 2 | 2.2 |
| Business equipment ....... | 183.2 | 183.0 | -. 3 | 1.2 | . 9 | . 6 | -. 1 | 7.8 |
| Defense and space.......... | 100.9 | 100.9 | -. 8 | . 3 | .3 -3 | . 1 | . 0 | 4.2 |
| Intermediate products ....... | 155.3 | 154.3 144 | -. 5 | -. 4 | -. ${ }^{-5}$ | -. 4 | -. 6 | 7.5 12.4 |
| Construction supplies ....................... | 146.4 154.3 | 144.4 154.7 | -. 3 | . 2 | -. 5 | - $\quad .7$ | -1.4 .3 | 12.4 10.5 |

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

Major industry groupings

| Grouping | $1967=100$ |  | Percentage change from preceding month |  |  |  |  | Percentage change, June 1980 to June 1981 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1981 |  | 1981 |  |  |  |  |  |
|  | May ${ }^{\text {p }}$ | June ${ }^{\text {e }}$ | Feb. | Mar. | Apr. | May | June |  |
| Manufacturing.... | 152.9 | 152.2 | -. 1 | . 5 | . 4 | . 4 | -. 5 | 8.5 |
| Durable.......... | 143.6 | 142.7 | -. 5 | 1.1 | . 3 | . 7 | -. 6 | 9.9 |
| Nondurable .... | 166.4 | 165.9 | . 5 | -. 4 | . 4 | . 1 | $-.3$ | 6.8 |
| Mining | 135.9 | 141.3 | 1.6 | . 1 | -5.4 | . 1 | 4.0 | 6.3 |
| Utilities....... | 170.5 | 172.5 | -1.5 | . 5 | . 0 | . 6 | 1.2 | 1.9 |

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

Output of materials increased 0.3 percent, as a rise of 4.1 percent in the production of energy materials-due mainly to the post-strike surge in coal mining-more than offset declines in output of 0.7 percent in durable materials and 0.3 percent in nondurable materials.
In industry groupings, manufacturing output
was reduced 0.5 percent in June, reflecting declines of 0.6 percent in durable goods manufacturing and 0.3 percent in nondurable goods industries. Reductions were widespread among industries but most notable in primary metals, lumber, and paper. Mining was up 4.0 percent, and utility output increased 1.2 percent.

# Statements to Congress 

Statement by Frederick H. Schultz, Vice Chairman, Board of Governors of the Federal Reserve System, before the Subcommittee on Conservation, Credit, and Rural Development of the Committee on Agriculture, U.S. House of Representatives, June 23, 1981.

I appreciate this opportunity to appear before your committee to discuss Federal Reserve policy and the implications for the agricultural sector. The Board recognizes the critical role of agriculture in meeting fundamental human needs here and abroad; we also are conscious of the importance of a vital farm sector for the strength and stability of the American economy. We know, too, that many segments of the agricultural community are experiencing difficult times, in part because of financial conditions.

I would note that the Federal Reserve has greatly enhanced its collection of data on farm credit conditions and has become a significant source of timely information in this area. In the mid-1970s, when it became evident that the volatility of agricultural commodity prices and of credit conditions had increased, several regional Reserve Banks joined in conducting quarterly surveys of trends at agricultural banks. Then, in 1977, the Federal Reserve began a quarterly national survey of interest rates and other terms of bank loans to farmers. Most recently, an Agricultural Finance Databook was established as a regular quarterly publication of the Board of Governors.

An examination of the available data indicates quite clearly that, while the farm sector-like others-is confronted today with a problem of high credit costs, it is not facing a significant problem with respect to credit availability. You will recall the serious concerns about shortages of agricultural credit supply at rural banks in late 1979 and early 1980. For agricultural banks nationwide, the average loan-deposit ratio-one indicator of banks' capacity to make additional loans-had reached 68 percent by the fall of

1979, having climbed in the late 1970s from the 55 percent area that had prevailed throughout the period from 1968 to 1975. Many agricultural bankers believed that they might be unable to accommodate the increased loan demands they expected from farmers in the spring of 1980.

However, even during this period of concern, changes were in train in deposit and loan trends that subsequently alleviated the liquidity squeeze. On the deposit side, favorable 1979 farm income and the availability of the attractive new six-month money market certificate (MMC) helped to maintain a substantial inflow of lendable funds. Meanwhile, with interest rates on loans at banks rising faster than those posted by production credit associations and the Farmers Home Administration early last year, demands for production credit were diverted from the banks. The business recession also cut into nonfarm loan demands. As a result of all these developments, agricultural banks saw their loandeposit ratio fall sharply last year, to 60 percent. Thus far in 1981, loan growth at these banks has picked up a bit, but deposit growth has kept pace so that liquidity positions in the aggregate have not deteriorated.

However, as I noted, the more comfortable credit availability situation has not isolated farmers from the stresses of high interest rates. Indeed, the direction of change in recent years has been toward a greater integration of the credit markets, lowering the old sectoral and geographic barriers. Credit developments across the economy tend now to follow a similar course. In the case of agricultural banks, the six-month MMC has been a major factor in linking the local farm loan market to the national credit market. The MMC has enabled agricultural banks to remain competitive in the market for savings, and in the process it has transformed their liability structure. The MMC was introduced in mid1978, and by March 1981 it accounted for 27 percent of the total resources of agricultural banks; with large-denomination certificates of
deposit ( $\$ 100,000$ plus) accounting for another 7 percent, roughly a third of the banks' footings were in the form of short-term deposits carrying market-related rates.

The shift into MMCs from passbook savings and other low-rate instruments resulted in a marked upward adjustment of the average cost of funds for agricultural banks, and that cost is much more responsive than it was in the past to swings in money market rates. Traditionally, loan rates at rural banks have been based on the average cost of funds, rather than on what the banks could earn in the money market at any given time. This sluggishness of average costs in the pre-MMC era was mirrored in a comparative stability of farm loan rates, but the transformation of bank liability structure that has occurred over the past three years has changed this picture drastically. For example, in our quarterly survey of bank lending to farmers, the effective average rate charged by smaller banks reached 17.1 percent in May 1980-in a week when the national business prime rate was 18 percent. It then fell to 13.7 percent in August, when the prime rate was 11 percent. In the latest survey, made this May, the effective loan rate at the smaller banks was 17.5 percent at a time when the prime was 19 percent. Thus, farm loan rates at these banks, which account for about five-sixths of farm lending, have been fluctuating much more than in the past, though not so much as the business prime rate.

At very large banks that are active in national money markets and that account for the remaining one-sixth of farm lending, the average farm loan rate follows the prime quite closely, and is usually slightly above it. In the May survey, effective farm loan rates at these banks averaged 19.5 percent, just above the national business prime.

Of course, individual loans show a substantial dispersion of rates. In May, for example, 13 percent of the farm loan volume was reported at effective rates of less than 16 percent, and 16 percent had rates above 20 percent. Thus, the interest rate experience of individual farmers has varied considerably. I might also note that, on average, operators of small farms may have been able to borrow at somewhat lower rates than large farmers. At least, for example, the May survey data show that the effective rates on loans
of less than $\$ 100,000$ averaged 17.5 percent while those on larger loans averaged 18.2 percent. At small banks this difference has narrowed in recent quarters, but it remains in evidence at large banks.

On the whole, our figures indicate that farm borrowers at banks have, on average, paid somewhat lower rates than most business borrowers when market rates of interest have risen to high levels. This does not, however, alter the fact that interest charges have risen significantly for most farmers, especially for those who are heavy users of short-term production credit. These higher interest costs inhibit agricultural investment and production just as they do investment and production in other sectors of the economy. Under the circumstances it is natural to ask whether economic policies are being directed toward easing the pressures on interest rates.

In answering this question, it is necessary to recognize that inflation is the major source of the high interest rates we have today. We are faced with a deeply entrenched inflation and inflationary psychology that has created major imbalances and inefficiencies in our economy. Indeed, by now it is widely accepted that ending the inflation is absolutely essential if we are to put the nation securely on a path of balanced economic growth and high employment.

Inflation leaves its imprint on financial markets as surely as it does on the markets for commodities and labor. In an inflationary environment, nominal sales and incomes must rise in order to maintain the same real levels of activity, and so too must the nominal volumes of money and credit. The inflated credit demands will be met by lenders only if nominal interest rates rise enough to compensate for the expected lower purchasing power of the dollars with which debts are repaid-and borrowers are willing to pay that price when they share those expectations.

Once an inflation has gathered momentum, the monetary authority has, at least in principle, several options available to it, none of which are especially appealing. It can seek to accommodate the enlarged demands for money and thus attempt to sustain the real growth of the economy. This approach has at least two major pitfalls. First, the history of inflation suggests that it is difficult to achieve a "steady state"-inflation tends to escalate. Second, even a steady inflation
tends, over time, in an economy like ours to result in significant distortions and dislocations that impose real economic costs.

Another option-one that some people have advocated-is to apply a shock treatment by completely shutting off the supply of money for a period. Unfortunately, when inflationary expectations are deeply embedded in contractual and other arrangements, such a drastic approach may rend the financial fabric and exact an unacceptable toll in terms of lost economic production.

A third option, and the one we are pursuing, is in effect a middle course: We are putting the economy on a strict monetary diet-a regimen that will over time squeeze out the inflationary fat from our financial flows and force adjustments on the part of business and labor consistent with a return to price stability. Such a gradual approach is not without its risks. If the commitment to the strategy is questioned, the adjustments of wage and price behavior will be slower and the economic costs correspondingly greater. There also is the risk of misestimating the effects of the selected policy targets, with the consequence that more or less pressure may be placed on the economy than is desirable. While the scope for fine-tuning clearly is very limited, it must be recognized that in a world of rapidly changing financial institutions, technology, and practices, a need exists to stay alert to the possibility that a given monetary growth rate may vary in its impact on financial markets and the economy.

On balance, however, the risks of this gradual approach are outweighed by its advantages. Consequently, the Federal Reserve intends to continue seeking a slowing in monetary expansion. We have set objectives for the growth of money this year that imply a significant deceleration from the pace of recent years, and we anticipate further progress toward noninflationary rates of monetary growth in the years ahead.
The consequences of this policy for interest rates cannot be predicted with any precision. Moreover, it must be emphasized that our policies are not aimed at attaining any particular level or structure of interest rates. However, knowing the concern of the committee about the outlook for interest rates, let me make a few general remarks. The first would be that the initial direct impact of monetary restraint is to
place upward pressure on market interest ratesespecially shorter-term rates. As the availability of money falls short of what is demanded, interest rates tend to rise as businesses, households, and others compete for the available supply. In time, the higher rates also tend to damp spending, and thereby to ease inflationary pressuresa process that may involve some economic slack. This is the circumstance in which we seem to find ourselves today. The degree and duration of that slack can be greatly reduced if, on observing the commitment of government to anti-inflation policy, people adapt their wage and price decisions quickly to the underlying economic realities.

As inflation and inflationary expectations begin to wind down, the groundwork will be laid for a moderation of interest rates. Over the long haul, the size of the so-called inflation premium is a major determinant of nominal interest rate levels. In this respect, it is fair to say that the Federal Reserve is pursuing a policy that offers the best hope for a sustained reduction of interest rates.

It is to be emphasized, however, that the path to lower interest rates will be shorter and less bumpy if other governmental policies move in directions that are complementary to the thrust of monetary policy. The most critical area in this regard is the federal budget. An expansive federal budget stimulates aggregate demand and, at least initially, results in an enlarged deficit and a greater federal call on the credit markets by the federal government. Higher interest rates are the result, so long as the Federal Reserve does not deviate from its targets in order to accommodate the government's financial demands. Thus, because our economy is already being taxed by high interest rates-and I speak not only of agriculture, but of a good many other major sectors-I urge you to place a top priority on maintaining the current momentum toward curtailment of the growth of federal spending. I would urge you as well to exercise caution with respect to tax cuts, to take care that any cuts are not so great as to offset the deficit-reducing effect of the expenditure restraint and that they are focused as much as possible on fostering greater productivity. In this latter regard, I believe that the greatest productivity gains per dollar of reduced taxes are available if tax cuts are directed
at the business sector, including the business of agriculture; I recognize, however, that the high personal tax burdens that have developed also call for some remedy, and that well-designed action on this front could well have a significant payoff in terms of enhanced productivity. But I
would underscore again that it is crucial for the Congress to keep an eye on the overall balance of the spending-revenue package to ensure that financial markets are not further strained in this critical period of transition to a less inflationary economy.

Statement by Paul A. Volcker, Chairman, Board of Governors of the Federal Reserve System, before the Subcommittee on Domestic Monetary Policy of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, June 25, 1981.

I appreciate the opportunity to appear before you to give the Federal Reserve Board's views concerning the role of money market funds in our nation's financial structure and the question of what, if any, additional regulatory action is called for.
Money market mutual funds have increased by more than $\$ 100$ billion since the end of 1978, obviously becoming a significant competitive force and institutional presence in financial markets. The rapid growth of money market mutual funds over this period reflects a particular constellation of market forces-especially the high level of short-term interest rates, relative to both past experience and longer-term interest rates, and the regulatory framework applicable to established depository institutions. Whether money market mutual funds would remain so strong a competitive force in a different market environment is not clear, but as matters now stand, it is evident that the rapid growth of these funds is having strong implications for the competitive positions of financial institutions, the cost and availability of credit to certain borrowers, and the implementation of monetary policy.

As important as money market funds have become, their expansion can be seen as part of broader developments in U.S. financial markets in recent years. Against the background of inflation and interest rate pressures and uncertainties, a progressive shortening in the effective maturity of financial assets has occurred, in part through much greater use of floating interest rate arrangements and greater sensitivity to interest rate differentials in the shifting of investor funds
among various savings outlets. Given the regulatory and economic constraints on long-established savings and payments instruments, the search for yield and liquidity has increasingly led to the issue of close substitutes for traditional deposit instruments. The resultant blurring of the distinctions between what has traditionally been considered money and these close substitutes could result in potentially serious complications for the conduct of monetary policy-particularly for a policy approach that focuses on the monetary aggregates. Considerations of equity and fair treatment among institutions offering comparable services arise as well. In a broader sense, I am also concerned about the structural implications for the financial system of more and more short-term liabilities subject to rapid shifting among institutions.

Clearly, erosion of the distinctions between services offered by depository and other financial institutions has occurred. This erosion undoubtedly reduces the impact, from the standpoint of the economy as a whole, of many bank and thrift institution regulations, and raises questions concerning the continued rationale of such regulations. Among the regulations in question are those governing the geographic expansion of banks and thrift institutions, the range of services they can offer, and restrictions on their assets and liabilities. Alternatively, to the extent such regulations clearly remain important in the public interest, we are forced to consider whether their application needs to be extended to newer institutions.

I will be touching upon a number of these issues this morning in the course of suggesting a logical framework for the regulatory treatment of money market funds, but you will recognize that many of the issues extend well beyond the scope of my testimony today. Even so, actions taken to affect money market funds must be formulated with this broader background in mind.

## BACKGROUND

The growth of money market funds and other newer short-term financial assets has been fostered by the economic, interest rate, and regulatory environment of the late 1970s and early 1980s. Our economy has suffered from rising inflation over many years; as borrowers and lenders have adapted to the more rapid pace of price increases, interest rates have risen. The higher rates of inflation and interest have increased the penalty for holding demand deposits or other assets whose yields are constrained, whether directly by regulation, by other regulatory burdens, or by the inability of some institutions to pay higher rates because they are locked into older, lower-yielding assets. The increase in rates has been more pronounced for shorter-term assets than for longer-term ones, leaving shortterm yields above those that can be earned on longer-term assets-the opposite of the relationship usually prevailing since the 1930 s-so that new institutions dealing in short-dated instruments on both sides of the balance sheet have had an advantage. The public's desire to hold highly liquid short-term assets also appears to have been boosted by a heightened sense of uncertainty about the future course of the economy and financial markets. This uncertainty is fundamentally related to the strength and persistence of inflation and its consequences for economic and financial activity. High and volatile interest rates have been one reflection of these uncertainties. With less confidence among borrowers, lenders, and intermediaries about their ability to predict the future level of interest rates, a tendency exists to minimize individual risks by avoiding long-term credit agreements or by utilizing floating-rate arrangements. However, it is an open question, to say the least, whether the individual "self-protective" tendencies, which only serve to redistribute risks, contribute to the broader stability and solidity of the financial and economic system as a whole.

Due to regulatory and economic constraints, traditional deposit instruments have not satisfied the public's demand for high-yielding liquid assets. From a regulatory perspective, the institutions have been limited by interest rate ceilings on deposits and, to a lesser extent, by the requirement to hold nonearning reserves at the

Federal Reserve and other rules. Many institutions are also limited in their capability to pay market interest rates on all their deposits because they hold longer-term fixed-rate assets acquired earlier when inflation and interest rates were lower. Money market funds are not responsible for the inability of many depository institutions to meet the current preferences of investors, but they have benefited from this condition. Money market funds offer a high-yielding asset that also is highly liquid in that it can be redeemed quickly by a variety of methods without the penalties associated with early withdrawal of time deposits and with only a small risk of declines in the market value of the investment.

The funds have attracted a diverse group of shareholders. For many institutional investorssuch as bank trust departments-the appeal of money market funds derives from the asset diversification and professional management the funds offer at low cost. For these investors, the funds primarily provide an alternative to direct purchases of money market instruments. For households and small businesses, on the other hand, the low minimum purchase requirements of the funds allow access to money market yields by investors who otherwise would find their short-term options quite circumscribed. A significant portion of the flows into money market funds from these sectors has been diverted from depository institutions.

Funds moving into money market funds are simply recycled into purchases of money market assets, both domestically and internationally. Since most of these assets are issued by banks or their large business customers, the growth of the funds does not appear to have added to liquidity pressures on depositories as a whole. But money market funds do tend to concentrate their investments with the larger banks and corporations. To the extent that money market funds are diverting deposits from small banks and thrift institutions, the effect is in the first instance to channel funds away from the borrowers and geographic areas more dependent on these institutions. While market incentives will tend to redistribute the funds to the point of demand, at least for a time the distribution of credit is affected.

The tendency for money funds to divert resources from small banks and thrift institutions remains of concern to the Federal Reserve. The

Board appreciates the industry efforts that have been made to broaden the number of banking and thrift institutions from which the money funds will purchase negotiable certificates of deposit (CDs). We also understand that those efforts have been impeded by a variety of problems involved with soliciting, packaging, and placing $C D$ issues from a large number of relatively small institutions that have not ordinarily raised funds in money markets. Private initiatives to overcome these problems should be encouraged.

Thus far, the evidence suggests that a greater proportion of the shares of money market funds, taken as a whole, seem to substitute for time or savings deposits-as well as purchases of shortterm securities-than for transaction balances. Despite the easy redeemability of money market fund shares, available aggregate data indicate that such shares on the average turn over only about three times each year-roughly comparable to savings accounts-and that only a few checks are drawn on the "average" account each year. However, these averages undoubtedly mask a significant amount of transaction activity. Moreover, indications are that such activity may become more important. For one, several brokerage houses apparently are contemplating offering combined margin and money market fund accounts with checking account capabilities. If similar to accounts of this type currently available, they will have no minimum denomination for checks and will be accessible by a credit card, greatly increasing the opportunity for them to be used extensively for transaction purposes. The use of money fund balances for transactions would be further encouraged if the discussions now under way to link credit cards and money market funds outside the context of margin accounts come to fruition. Moreover, even the relatively infrequent use of large checks against a money market fund can enable a customer to reduce his balance in a traditional checking account by bunching his "small" checks on that account after a transfer from a money market fund.

## Competitive Considerations

Because they have been able to restructure their assets, many traditional intermediaries are pre-
pared to compete for savers' dollars but are prevented from doing so by regulations, such as interest rate ceilings and reserve requirements, that directly affect rates of return they can pay the public. Some aspects of the operations of money market funds are closely regulated by the Securities and Exchange Commission, but the impact of these rules on the yields that the funds can offer to shareholders is small compared with those limiting banks and thrift institutions. The resulting disparity raises serious questions about the ability of the deposit-taking institutions to compete on an equal footing with intermediaries offering newer instruments.
I don't think we can take lightly the erosion of the competitive position of our banks and thrift institutions or of regulatory coverage. These institutions have long been at the core of our financial system and have many customers, especially for the particular types of credit they extend, who have no easy alternatives. Moreover, the regulations circumscribing their actions were not conceived arbitrarily. Reserve requirements, for instance, are a key part of the apparatus for the conduct of monetary policy and presumably will be maintained permanently. Other regulations, particularly those governing interest rates, may now be seen to be no longer necessary, desirable, or effective over time; many of these are in the process of being phased out. We are in the midst of a difficult transition period in that respect, but we should not lose sight of the desirability of equalizing competitive conditions by removing regulatory burdens in instances when that corresponds with sound, long-range policy.

## Monetary Policy Considerations

In recent years there has been a deepening recognition of the importance of controlling monetary growth. This widely accepted approach toward monetary policy depends, of course, both on our ability to define and measure the growth of "money" and on our ability to control effectively that growth over reasonable periods of time. The difficulties of defining and controlling money are greater to the extent that institutional change is rapid and new forms of "money" become larger relative to the traditionally de-
fined monetary aggregates. For those reasons, the rapid growth of the money market funds, or similar developments that blur distinctions between transaction and nontransaction accounts, have become potentially significant for monetary policy.

These considerations are not new; concerns of this kind lay behind the enactment last year of the Monetary Control Act, which extended reserve requirements to transaction balances of all depository institutions and to some extent clarified the definition of transaction balances. At that time, the decision was made to stop short of money market funds in the coverage of reserve requirements. Such funds have doubled since that time, growing from $\$ 60$ billion to $\$ 120$ billion.

I would not suggest that the effectiveness of monetary control has been crucially affected so far. We have, however, had to make increasingly difficult judgments about the implications of this growth for the defined monetary aggregates. The prospect for continued rapid growth of shares, in money market funds, particularly should their significance as transaction balances rise, as seems likely, makes the issue much more pointed. A clear logical case exists for closing a gap in a monetary control system built on the premise that reserves should be assessed against transaction balances wherever they might be held. Given recent and prospective developments, the point has strong practical, as well as logical, significance. If we are unwilling to cope with the problems raised by the growth of these instruments, we have to recognize and be prepared to live with the consequences for the meaning and control of particular monetary aggregates.

Competitive and equity considerations point in the same direction. We should not be surprised that money market fund assets rise relatively rapidly when those funds do not bear regulatory costs associated with similar instruments in depository institutions.

## Possible Responses

Faced with these concerns, lawmakers and regulators have a number of possible responses open to them. One conceivable course is to do nothing at all-to let the market take its course within the
current structure of regulation and controlrecognizing that some important regulations, those affecting interest rates on consumer deposits, are in any event being phased out. Indeed, it can be pointed out that the competitive pressures of money market funds and other innovations help assure the rapid phaseout of interest rate ceilings, which would offer the consumer maximum advantage.
But compelling disabilities to that approach exist. Reserve requirements, which from the viewpoint of a depository institution are analogous to a tax on transaction account business, are a permanent part of the regulatory apparatus. In that sense, money market mutual funds have an artificial and continuing competitive advantage, so long as interest is not paid on reserve balances. Other things being equal, money funds would continue to expand more rapidly and their greater use as transaction accounts would be induced. Traditional intermediaries would continue at a "permanent" disadvantage in attracting some types of deposits, and small businesses and other borrowers dependent on thrift institutions and non-money-center banks for credit extensions might find funds more expensive, or less available, than otherwise. The increasing use of money market funds for transaction purposes would make interpretation of incoming monetary data even more difficult, and the Federal Reserve's control over a true transaction aggregate would erode.

At another extreme would be the imposition of stringent controls and regulations on the newer instruments-placing the same regulatory constraints on them as now prevent banks and thrift institutions from responding fully to investors' desires. For money market funds, this might entail subjecting them to interest rate ceilings, putting all their shares under reserve requirements, or restricting their investments. Implementing this approach could make the money funds so unattractive that shareholders would abandon them in favor of a return to direct investment in money market instruments and deposits at banks and thrift institutions. The resources available to depository institutions would be greater, although their profitability might not be benefited significantly because much of the additional growth in deposits undoubtedly would be concentrated in those tied to
market rates. Any such inflow would be circumscribed by the strong continuing incentive to find other methods to avoid the effects of regulations. Considering the ingenuity of markets, we can be quite confident that it would not be too long before this subcommittee would once again be holding hearings to discuss extending regulations to new intermediaries or instruments. Moreover, this approach would significantly penalize some savers-reducing the returns available to them and the variety of instruments they can invest in-at a time when concern is widespread about the inadequacy of savings flows in the economy. The effect of these actions on the aggregate level of savings would not likely be large, but the direction would be clear and could be interpreted as signalling a lack of concern about factors tending to discourage savings.

A third possible approach might be to provide for a greater degree of competitive equity among institutions by reducing regulation of banks and thrift institutions. With respect to interest rate ceilings on time and savings deposits, such a course already has been legislated to occur over the next few years. Removal of these ceilings will greatly enhance the ability of depository institutions to compete with money market funds and other innovative savings instruments. The speed with which the deregulation can be accomplished has been constrained by the earnings positions of many institutions-that is, their holdings of lowyielding, longer-term assets will preclude their soon being able to pay current market rates for a much larger share of their liabilities. That constraint will become less binding over time as existing assets mature, and the Depository Institutions Deregulation Committee (DIDC) has some leeway for permitting more competitive instruments. The DIDC has several suggestions regarding the overall strategy of deregulation for discussion at its meeting this afternoon. The reality is that the condition of the thrift industry limits the possible rapidity of prudent change, but great progress can be made in this direction over time.

We also must recognize that, even after interest rate ceilings are liberalized, banks and thrift institutions still will be subject to important regulations that put them at a competitive disadvantage relative to money market funds. Two of the most significant of these are the prohibition
of interest payments on demand deposits, which will still affect business customers, and the holding of non-interest-earning reserves against transaction and nonpersonal time deposits. If full competitive equity is to be sought by removing restraints from banks and thrift institutions, the Congress would have to allow market forces to determine returns on demand as well as time and savings deposits. Reserve requirements, on the other hand, must be left in place to facilitate Federal Reserve control of the money stock. The constraint of holding sterile reserves on the ability of banks and thrift institutions to compete for funds would have to be eliminated by congressional sanction for the Federal Reserve to pay market rates of interest on required reserves.

If all these actions were taken, banks and thrift institutions would be in a far better situation to meet competition. Newer instruments, such as money market funds, would not lose their appeal entirely, but the potential for massive shifts into these funds, causing their explosive growth and attendant difficulties in defining and controlling the money supply, would be greatly reduced. However, I doubt that such changes are practically feasible over a relevant time period. Moreover, we would still face a transition period of some years.

## RECOMMENDED APPROACH

The approach I am proposing is designed to provide a framework for fair competition between money market funds and established depository institutions over time, to protect against erosion in our ability to measure and control the money stock, and to maintain attractive incentives for savings. The proposal does not undermine the legitimate competitive role of money market funds, nor should it be viewed as "the answer" to the immediate pressures on thrift institutions.

Specifically, the logic of the situation points to legislation authorizing the Federal Reserve to impose reserve requirements on those money market fund shares that in fact serve as the functional equivalent of transaction balances, and to enforce a clearer distinction between transaction balances and other liquid savings. In
other words, we are requesting that the basic premise of the Monetary Control Act be kept intact by extending its reserve requirement provisions to encompass those money market mutual fund shares that provide the function of transaction balances.

In our implementation of the Monetary Control Act, we have designated a transaction account as one that is accessible by check or debit card or one that can be used with some frequency for third-party transfers by other means, such as by telephone. The distinction between a transaction account and other accounts payable on demand is inevitably difficult at the margin, and I believe the Federal Reserve should retain sufficiently flexible authority to put forward definitions to include the many new types of plans with transaction capability that are likely to be developed. An example might include plans that involve an integral coupling of a credit card and a money market fund or other account, even if the money market fund is accessed only once each month to pay accumulated charges.

Our expectation would be that money market funds would react to the imposition of such reserve requirements on shares that can be used for transaction purposes by segregating such accounts, subject to reserves, from accounts without "checking" privileges. Customers would be offered a choice among types of funds, with the "transaction balance" account offering a somewhat lower yield. During the short period last year when marginal reserve requirements were imposed on money market funds, fund managements demonstrated the feasibility and relative ease of "cloning" their funds to accommodate changes in the regulatory environment.

Regulatory incentives to separate accounts with transaction capabilities from those providing a convenient and relatively liquid outlet for savings would have several beneficial consequences. They would provide more positive identification of the transaction component of money market fund shares for statistical and analytical purposes. Specifically, the "M1" definition of money would be cleaner. Monetary control would not be complicated by movements among different types of transaction accounts. As a matter of equity, one important artificial incentive favoring the use of money market funds over traditional depository institutions
would be removed. These objectives are all fully consistent with the philosophic framework of the Monetary Control Act.

The approach proposed would in no way impair the returns available to individuals looking to money market mutual funds as an attractive savings vehicle; such "nontransaction" accounts would not be subject to reserve requirements. The fact is, even for those for whom the transaction characteristics are important, yields on transaction-oriented money market funds in current circumstances would still exceed those available on such accounts at other institutions. There is no reason to believe that an approach along the lines of our proposal would lead to substantial shifts in the current distribution of funds among depository institutions and money market funds, although one perverse regulatory incentive to the use of these funds as transaction balances would be removed. In time, as interest rate ceilings are phased out and as the constellation of interest rates changes, the relative advantages and disadvantages of money market funds vis-a-vis depository institutions would reflect market competition. Meanwhile, individuals and businesses would be left with a full range of choices.

The implementation of our proposal-straightforward and simple in concept-would require the resolution of some difficult definitional and other issues. Transaction accounts, as applied to money funds, would need to be precisely defined. More broadly, given the rapid pace of innovation in our financial system and the blurring distinctions among institutions, we should recognize that other types of institutions may also come to issue transaction-type accounts, particularly if the traditional institutions remain shackled by regulatory restraints and no interest is paid on reserve balances. Our proposal is confined to money market funds, in which growth and competitive disparities are so evident at present. We recognize that other new developments would eventually raise sensitive questions of monetary control and competitive equity. That possibility will be reduced to the extent unnecessary constraints are removed from existing institutions, but we will, in any event, need to keep these developments under review.
Similar treatment of money market fund shares and deposits for reserve requirement pur-
poses may raise the question of whether money market funds might have access to Federal Reserve services and to federal insurance on share accounts. We do not believe that is either necessary or desirable. Reserve requirements are a part of the apparatus of monetary control and, in one significant respect, would "level the playing field" in competition for transaction business. However, those reserve requirements would not otherwise impinge on the characteristics of the funds or on their investment portfolios. Banks and thrift institutions will be facing regulatory ceilings on time and savings deposit rates for some time and on demand deposit rates for the foreseeable future. Their asset acquisitions and other operations must conform to a host of other regulations, including, for instance, the Community Reinvestment Act. In other words, in important respects depository institutions and money funds are, and will remain, very different institutions; comparable treatment with respect to reserve requirements does not, in our judgment, require the same treatment in all respects; indeed, extending Federal Reserve services and federal insurance privileges to the funds would seem to imply that we also take the further step of invoking the whole panoply of banking-type controls, a step that would seem clearly unnecessary and undesirable.

Although our proposal addresses some of the concerns generated by the growth of money market mutual funds, we recognize that it does not come fully to grips with a number of the issues raised by the broader trends I discussed earlier in my testimony. For example, it does not address the questions of limits on bank services and geographical location. In addition, it does nothing to stem the movement toward shorterterm assets and liabilities and deals only partially with the resulting problem of differentiating transaction and nontransaction balances. Although it would treat those balances directly accessible by transaction instruments as transaction balances, it does little to distinguish such balances from very liquid short-term assets that are nearly equivalent to transaction balances because they can be converted almost instantly with little or no capital risk. Examples of such balances might include overnight repurchase agreements, savings accounts, and any varieties of money market fund shares that might arise
without transaction privileges but were nonetheless immediately redeemable.

The growth of these close substitutes for transaction balances has implications for the conduct of monetary policy since shifts between actual transaction balances and these near-transaction balances can change the relationship between the monetary target and spending patterns. At the same time, excessive reliance on what are in effect demand obligations by financial institutions may be an element of weakness in the financial structure.

One approach to creating a more definitive line between transaction and nontransaction accounts would be to encourage a practice that intermediary claims not subject to transaction reserve requirements, significant price risk, or early-withdrawal penalties have either a fixed or minimum maturity or a notice requirement-that is, some minimum mandatory waiting period between a request for redemption and the receipt of funds, perhaps of a few days. Such a requirement would force savers to decide which funds they might want to have immediately available to make purchases, and which they were putting away for longer periods. That approach-with the exception of savings deposits, on which payment on demand has long been the customhas traditionally been embedded in banking practice and regulation. Market and competitive pressures, however, seem to be working in the other direction. In my judgment, sound legislative and regulatory practice would encourage either notice or maturity requirements on nontransaction accounts, including any new shortterm accounts authorized for established institutions, and a similar approach would be relevant for money market fund shares.

## Concluding Comments

I am struck, and in many respects encouraged, by the ability of our economic system to generate new ideas and products to meet emerging needs. "New" is not, however, always synonymous with constructive. When the motive of change is simply to escape from outmoded and unnecessary regulation, the regulation should be changed; when the regulatory principle is sound, evasion should be prevented.

Recent changes have in major part been stimulated by the strong incentives growing out of high and variable interest rates. Those incentives should recede as we are successful in coping with inflation, but it may take some time for rates to decline and a more stable economic environment to emerge. Moreover, advances in technology, greater freedom for international flows of funds, and the new packages of financial services facilitated by combinations of firms in different sectors of the financial markets are likely to give rise to further rapid developments in instruments and techniques whatever the course of inflation, the economy, and interest rates. That they will do so is testimony to the vitality of our free market
system and to the wisdom of allowing wide latitude for this system to operate.

As lawmakers and regulators, our responsibility is to see to it that this process of innovation does not impair the requirements of monetary policy formulation and implementation, nor interfere with the necessity to protect the safety and soundness of the financial system and the public's confidence in it. The proposals I have reviewed today should be viewed in that lightnot as a futile effort to turn back the clock, to discourage change, or to stifle a new institution, but rather to provide a framework within which change can be consistent with the continuing needs of public policy.

Statement by Lyle E. Gramley, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Monopolies and Commercial Law of the Committee on the Judiciary, U.S. House of Representatives, July 8, 1981.

I am pleased to be here today, on behalf of the Federal Reserve Board, to discuss issues of concern to this committee regarding recent mergers within the financial services industry. News reports of recent and proposed affiliations suggest a rapid pace of change in the structure of this industry. This committee is not alone in being concerned with these developments. Commercial banks and thrift institutions are uneasy about the increasing incursions into their traditional domain. The Federal Reserve Board is also keenly interested for a number of reasons. It is one of the financial regulatory agencies charged-together with the Comptroller of the Currency and the Federal Deposit Insurance Corporationwith responsibilities for preserving healthy competition in the financial sector and for a safe and sound banking system. In addition, it must be alert to developments in financial markets that have a bearing on its responsibilities for the conduct of monetary policy.

Public attention has recently been captured by a few mergers of large firms in the financial services industry, and by announcements of affiliations between brokerage firms and firms providing "bank-life" services. The significance of
these developments, however, is perhaps better understood from a longer-term perspective. Let me therefore begin by reviewing some major trends in the financial services industry over the past quarter-century.

During that period, the rate of inflation has gone up sharply and has carried interest rates to ever-higher levels in its wake. The premium on maximizing the returns earned on financial assets has therefore been greatly increased. Households and businesses have paid increasing attention to protecting the real value of their assets and have become increasingly sophisticated in cash management techniques. The rapid pace of technological change in the computer and communications fields has contributed to these developments by opening new opportunities for aggressive and competitive entrepreneurs to make innovations in financial services. And as economies of major nations have become increasingly interlocked, pressures of foreign competition have encouraged changes in financial institutions and the structure of financial markets.

Because of the increased sophistication of customers and their heightened sensitivity to interest rate differentials, depository institutions can no longer expect an automatic flow of deposits into zero-interest checking and low-interest passbook savings accounts. Consequently, these institutions have sought to circumvent legislated or regulatory interest rate ceilings by more extensive use of liabilities not subject to ceiling, such as large, negotiable certificates of deposit,
or by offering imaginative new services, such as automatic transfer accounts. New institutions, such as the money market mutual funds, have also sprung up. Major regulatory changes-such as the authorization of money market certificates (MMCs) in 1978 and the phasing out of depositrate ceilings just announced by the Depository Institutions Deregulation Committee-have been made in response to these circumstances. As a result, an enormous expansion has taken place in the variety of financial assets available to savers.

As I noted earlier, technological advances are playing an important role in this changing structure of the financial services industry. Without advances in the computer and telecommunication industries, automatic transfer, pay-byphone, and similar services would be prohibitively expensive. Automation of data production and transmission will continue to have a major role in shaping the financial industry. An increasing volume of financial transactions will be cleared electronically through automated clearinghouses, or transferred by wire. These technological developments will allow virtually instantaneous flows of funds between financial instruments and institutions at very low cost.

Pressures to provide more and better financial services have blurred the distinctions between classes of financial institutions and between financial and nonfinancial firms. This development is still far from complete. Differences remain between banks and savings and loan associations, although these differences are narrowing. And the once-firm boundaries between depository institutions and other types of financial firms and between financial and nonfinancial businesses are also weakening. The recent mergers are, thus, one more illustration of a general trend that has been under way for a number of years.

Viewed from the perspective of securities markets, another important forerunner of recent affiliations between brokerage firms and other financial institutions was the introduction of competitive brokerage rates on securities in 1975. This change reduced the profit margins on traditional lines of brokerage business and encouraged aggressive firms to diversify their activities. Some firms could not survive, and a substantial number of mergers have occurred in the brokerage industry. This has not, however,
led to a diminution of alternatives available to consumers. In fact, just the opposite has occurred. A wide array of different types of retail brokerage firms have come into existence. Some firms provide a complete line of products, including investment research and advice. Others provide securities transaction services at sizable discounts and very little else. The result has been an increase in the options available to the investor at lower prices. The investor can choose between full service or limited services, high or low commissions, massive investment research or none at all.

These developments in the brokerage industry help to explain the shrinking differentiation between brokerage firms and other financial institutions. They also illustrate that change and consolidation may result in increased competition, new services, and lower prices for consumers in the financial services industry.

Let me now turn to your question regarding the possible effects of these trends on banks and thrift institutions, and particularly on the smalland medium-sized institutions. How will these institutions fare in a world of increased competition? The record of the past two decades and longer, when competition among financial institutions was steadily increasing, attests to the basic strength of our nation's depository institutions and their capacity to adapt to a changing environment.
Table 1 shows, for example, that banks supplied 27 percent of the total credit borrowed by the nonfinancial sector in the five years from 1976 to 1980. This percentage is lower than the share banks provided in the 1960 s and in the first

1. Credit supplied to nonfinancial sectors as percentage of total borrowing by nonfinancial sectors ${ }^{1}$

Five-year averages

| Period | Commercial <br> banks | Mutual savings <br> banks and <br> savings and <br> loans | Credit unions |
| :---: | :---: | :---: | :---: |
| $1951-55 \ldots \ldots$. | 20.0 | 18.8 | .9 |
| $1956-60 \ldots$. | 20.8 | 22.1 | 1.4 |
| $1961-65 \ldots$. | 31.4 | 23.3 | 1.2 |
| $1966-70 \ldots$. | 31.2 | 13.1 | 1.4 |
| $1971-75 \ldots .$. | 29.5 | 18.5 | 1.6 |
| $1976-80 \ldots$. | 26.9 | 15.6 | 1.6 |

1. Data based on annual flows, excluding equities. Source. Flow of funds data, Federal Reserve Board.
2. Acquisition of deposits from the household sector as percentage of total household acquisitions of deposits and credit market instruments ${ }^{1}$
Five-year averages

| Period | Commercial <br> banks $^{2}$ | Mutual savings <br> banks and <br> savings and <br> loans | Credit unions |
| :---: | :---: | :---: | :---: |
| $1951-55 \ldots \ldots$. | 32.4 | 39.5 | 2.4 |
| $1956-60 \ldots \ldots$. | 25.5 | 38.6 | 2.6 |
| $1961-65 \ldots \ldots$. | 43.3 | 38.5 | 2.6 |
| $1966-70 \ldots \ldots$. | 43.3 | 22.8 | 2.6 |
| $1971-75 \ldots \ldots$. | 39.1 | 34.3 | 3.4 |
| $1976-80 \ldots \ldots$ | 34.2 | 29.6 | 3.3 |

1. Data based on annual flows.
2. Includes demand, savings, and time deposits.

Source. Flow of funds data, Federal Reserve Board.
five years of the 1970s, but it is well above the 20 percent share that prevailed in the 1950s.

The share of total credit supplied by mutual savings banks, savings and loan associations, and credit unions, on the other hand, has not changed markedly during the past 15 years, but is below what it was in the 1950s and early 1960s.

The share of total household savings in the form of deposits and credit market instruments captured by commercial banks has also decreased from the level of the 1960s, as table 2 indicates. Again, however, this share is higher than it was in the 1950s. The thrift industry's share of household savings in these forms, however, has declined over the 30 -year period. These data do not, of course, reflect the influence on deposit shares of negotiable order of withdrawal (NOW) accounts and share draft accounts. Moreover, the gradual removal of Regulation Q interest rate ceilings may help to reverse this downward trend at thrift institutions.

## 3. Profit data for commercial banks

Five-year averages in percent

| Period | Net income to total assets |  | Net income to total equity capital |  |
| :---: | :---: | :---: | :---: | :---: |
|  | All banks | Small banks ${ }^{1}$ | All banks | Small banks ${ }^{1}$ |
| 1951-55. | . 58 |  | 8.03 |  |
| 1956-60 | . 68 |  | 8.50 |  |
| 1961-65 | . 72 |  | 8.80 |  |
| 1966-70 | . 78 |  | 10.80 |  |
| 1971-75. | . 83 | . 95 | 12.36 | 12.52 |
| 1976-80 | . 78 | 1.06 | 12.56 | 13.16 |

[^12]Further indication of the ability of commercial banks to compete can be found in the history of their earnings. Rates of return on assets and equity capital for the banking industry are presented in table 3. For the industry as a whole, profitability has risen over the past 30 years. Evidently, the commercial banking system has coped quite successfully with innovation and change.

For most of the past decade, thrift institutions also held their own (table 4); their earnings were close to those of earlier periods. Earnings of thrift institutions, however, are very sensitive to changes in rates of interest. During the past year or so, the combined effects of rapid increases in interest rates and the imbalance between the maturity of assets and liabilities of thrift institutions have sharply reduced earnings in the thrift industry. Thrift institutions will be subject to earnings problems until they are able to make more new, higher-yielding mortgage loans, and in other ways to diversify their asset portfolios.
4. Net income to average assets for thrift institutions

Five-year averages or annual data, in percent

| Period | Savings and loans ${ }^{1}$ | Mutual savings banks |
| :---: | :---: | :---: |
| 1961-65 | . 80 | . 45 |
| 1966-70 | . 56 | . 30 |
| 1971-75. | . 65 | . 47 |
| 1976-80 | . 61 | . 40 |
| 1979.. | . 67 | . 47 |
| 1980. . | . 14 | $-.10$ |

1. Data for savings and loans insured by the Federal Savings and Loan Insurance Corporation before 1976. All savings and loans included for 1976 and later.

Sources. National Association of Mutual Savings Banks and Federal Home Loan Bank Board.

The earnings experience of all banks or thrifts, however, need not reflect the problems of smaller institutions. Data for these smaller institutions are more difficult to obtain but table 3 shows earnings of small banks over the past decade. Earnings were higher for the small banks in the second half of the decade than in the first, and higher also than for large banks. Indeed, even ratios of earnings to capital for small banks exceed those for large banks, despite the fact that ratios of capital to assets of small banks are roughly double those of larger banks.

Other evidence also supports the view that small banks can survive in the current environ-
ment. For 1980, a detailed sample of small banks shows that in 156 of 265 standard metropolitan statistical areas the smallest size category of banks in each area earned a higher average return on assets than the largest size group in each area. Thus, even in these large and highly competitive urban markets small banks have been competing effectively.

How is it possible for a small bank with, for example, less than $\$ 100$ million of assets to hold its own against multi-billion-dollar banks? Part of the answer is that relatively few economies of large-scale operations exist in commercial banking. That conclusion has emerged from a number of careful empirical studies.

In addition, small banks offer many of the unique services of the specialty shop. A customer may be able to talk directly to the senior bank officers, rather than to a branch manager who has limited decisionmaking power. Moreover, if a customer requires a specialized bank service that cannot be supplied by the small bank directly, arrangements can often be made to provide it through one of the small bank's correspondents.

I would hazard the guess that a substantial demand will continue for the specialized services that small banks provide. Consider for a moment the evidence from other industries. In the retail trade sector, giant chain department stores offer a wide range of products in outlets across the nation. Also, small specialty shops offer one or two product lines. Similarly, retail food outlets differ markedly in their size and degree of specialization. And, although high rates of business births and deaths occur in retailing, many examples of competition exist among long-established stores of differing sizes. Yet another, more striking illustration can be found in the steel indus-try-in which small firms, using new technology, are able to compete effectively with industrial giants both here and abroad.

Let me turn next to the question of how consumers of financial services are affected by recent trends. Thus far, consumers have clearly benefited from the interwoven effects of product innovation and institutional deregulation. More firms are competing in the sale of more financial services than before. Some of them are old-line financial firms; others are new or predominantly nonfinancial firms offering financial services.

The consumer has increased freedom to pick
and choose between institutions, services, and pricing systems. For example, savers are able, more readily, to obtain market rates of return on a larger part of their financial assets. Nationwide expansion of NOW accounts carries this process another step by enabling households to receive interest on checking accounts. At the same time, consumers are learning to shop among institutions imposing different minimum balances and service charges. Previously, many of these charges were, in effect, netted against low or zero interest payments on accounts rather than appearing explicitly.

Similarly, financial services increasingly are being unbundled. Rather than dealing with one institution for all services, the consumer has the option to deal with a variety of service vendors. The services of a checking account may be purchased from a commercial bank while the saver has the option to place temporarily idle balances in a money market mutual fund and obtain a consumer loan from yet another type of financial institution. One-stop shopping may still appeal to many consumers, but other attractive alternatives are available as well.

Can we be sure that these benefits extend to all classes of customers-including farmers, local communities, minorities, and small businesses? Or will the needs of customers for credit and other financial services be neglected? The answer to that question requires weighing benefits and costs. On the benefit side of the ledger, these specific groups of customers can expect to gain, much as consumers in general, from heightened competition, from the ability to obtain market rates of interest on financial assets, and from the unbundling and more explicit pricing of services. In addition, business and household borrowers generally can expect to gain because more and more banks are entering new market areas by opening loan production offices, Edge Act affiliates, and commercial lending subsidiaries. Also, thrift institutions are beginning to offer types of loans previously available primarily at commercial banks.

Recent changes in financial practices have also altered significantly the way in which a limited supply of credit is allocated among potential borrowers. Interest rates have increasingly replaced nonprice limitations as a means of rationing the available amount of credit. Before the
authorization of money market certificates and the subsequent additional modifications in deposit interest rate ceilings, individuals would divert funds from depository institutions to market securities in periods of sharply rising interest rates. This shift in savings flows would result in a sharply reduced availability of loans-for mortgage and construction financing, and for farmers, small businesses, and others. Recent regulatory changes and financial innovations have substantially reduced the extent to which monetary restraint results in sharp reductions in the availability of credit to particular borrowers. But this has been done at the expense of much higher interest rates to these borrowers.

This point can be illustrated as it relates to credit costs and availability to local communities and to the agricultural sector. Before the sixmonth MMCs were introduced in mid-1978, small rural banks found that they often lost deposits to the pull of higher interest rates in the central money markets, and they sometimes had difficulty in meeting the loan demands of their regular customers. The MMC has enabled agricultural banks to remain more competitive in the market for savings-and it has played a particularly important role in enabling rural banks to compete against money market mutual funds, which may tend to divert funds to urban areas. By March of this year, slightly less than three years after it was introduced, the MMC accounted for 27 percent of the total resources of agricultural banks.

The shift into MMCs from passbook savings and other low-rate instruments, however, has resulted in a marked increase in the average cost of funds at these banks, and it has made their costs much more responsive to swings in money market rates. Consequently, farm loan rates have risen sharply and now tend to fluctuate in response to changes in the overall level of interest rates.

Thus, when financial markets provide savers with more opportunities to earn market interest rates, credit flows more freely to borrowers. Financial markets operate more efficiently in channeling funds to the highest bidder. But, when inflation pushes interest rates to extremely high levels, this market efficiency imposes severe cost increases on those sectors of the economy most dependent on credit.

What conclusions for antitrust policy flow from this assessment of developments in the financial services industry? Let me point out, first, that we see hundreds of mergers and acquisitions in banking each year. Fortunately, however, hundreds of new banks are also established, and the number of banking organizations has changed little in the past decade. Actually, the proportion of total bank deposits held by the largest banks has declined slightly over the years.

Will these highly publicized recent mergers between nonbank financial firms squeeze out competitors? To do so the merged firms must first produce successful operational entities. It is still too early to tell whether this development will occur. Many mergers do not produce the expected cost reductions or profit growth. The results are sometimes disappointing, even when the merging firms produce the same or closely related products. In other cases, years elapse before the benefits of the merger are realized.

For example, in the 1960s great concern arose about industrial conglomerates, but many of those conglomerate firms never achieved the expected profit results, and in some cases the acquired firms were later divested.

The success of recent financial conglomerates has yet to be proven. Can a salesperson in a brokerage office be as knowledgeable about money market funds, life insurance, and real estate as he is about stocks and bonds? That is not clear. The specialist in each of these areas may have an advantage in information and experience. In addition, the commission system may orient the salesperson toward his major product rather than other less remunerative lines.

Market factors frequently result in the market share of a combined firm being less than the sum of the market shares of the merging firms. For example, the merger between American Express and Shearson may cause some banks to regard American Express as a major competitor and to reduce their willingness to purchase services supplied to banks by American Express. Moreover, if a particular merger is successful, new entry by competitors into the most profitable service lines will be encouraged.

These considerations suggest that recent trends in the structure of the financial services industry do not raise immediate alarms about the
resulting effects on the pricing and availability of financial services to the public. The developing pattern of conglomerate mergers bears watching, but it is much too early to suggest a need for policy actions. These developments do raise questions for the Federal Reserve, however, regarding how to preserve equitable competition among different types of financial institutions while maintaining their safety and soundness and the effective operation of monetary policy. I would like to discuss these issues briefly.

One important question is how to achieve an equitable environment for competition among commercial banks, thrift institutions, and other producers of financial services. The Monetary Control Act of 1980 set in motion some important steps toward this goal. Reserve requirements will be adjusted so as ultimately to impose a uniform requirement on all regulated institutions. The act also required the Federal Reserve to charge explicit prices that cover costs for the financial services it provides and to permit private firms to compete with it in providing check-clearing and other services. The schedule for phasing out interest rate ceilings adopted by the Depository Institutions Deregulation Committee at its June 25 meeting provides a program for adjusting interest rates to market levels. Now, institutions can plan their full transition to the new deregulated environment.

Banks and thrift institutions, nevertheless, remain more closely regulated than other financial institutions with which they now compete. Questions arise concerning the constraints on geographic expansion by depository institutions. When money funds and nonbank providers of financial services can operate nationwide, is it equitable to restrain banks to states or smaller areas?

Limitations on the securities underwriting activities of commercial banks and other similar limitations imposed by the Glass-Steagall Act may also need to be reexamined. A proper balance between the safety and soundness of
financial institutions, on the one hand, and the advantages of unfettered competition, on the other, may entail a different range of commercial bank activities today than it appeared to permit when the Glass-Steagall Act was passed in the 1930s. Similarly, the question of the appropriate mix of activities now applies to the broader class of institutions that provides bank-like services.

Finally, recent developments also have implications for monetary policy. As Chairman Volcker testified on June 25, measurement and control of the monetary aggregates are complicated by the existence of money market mutual funds. The Board believes in the desirability of legislation authorizing the Federal Reserve to impose reserve requirements on those money market fund shares that serve as the functional equivalent of transaction balances and to enforce a cleaner distinction between transaction balances and other liquid savings. In addition, we believe the Federal Reserve should have the authority to define transaction accounts for purposes of reserve requirements so as to include the many new types of plans with transaction capability that may develop.

In concluding, I would like to emphasize that the Board of Governors believes that recent developments in the financial service industry have, on balance, enhanced competition despite the other complicated regulatory questions they raise. These innovations are a sign of a healthy, dynamic, and innovative financial sector. To be sure, we need to monitor developments carefully to ensure that changes such as the recent conglomerate mergers do not result in the development of monopolies or monopoly power at some future time. But the principal questions these developments raise relate less to the maintenance of competitive markets for financial services than to the need to provide a more level playing field for depository institutions and their competitors, to maintain appropriate standards of prudence and safety, and to ensure that the monetary controls of the Federal Reserve are not undermined.

## Announcements

## Revision of Monetary aggregates

The money stock and related series (shown in tables 1.10 and 1.21 , pages A3 and A13 in this Bulletin) have been benchmarked to incorporate data from recent call reports and other sources. In addition, traveler's checks of nonbank issuers, not previously included in the series because of lack of data availability, have been added to the historical series for M1-A and the broader aggregates. This adjustment affects growth rates only minimally.

Data on commercial bank deposits have been benchmarked to the June, September, and December 1980 call reports. Moreover, daily deposit data for foreign-related institutions-specifically, U.S. agencies and branches of foreign banks and Edge Act corporations-and for other checkable deposits at thrift institutions have been incorporated. Such data have been reported since November 1980 as a consequence of the Monetary Control Act of 1980 (MCA). Daily deposit data of nonmember commercial banks with deposits greater than $\$ 15$ million had been incorporated at the time of the previous benchmark in January 1981.

The current revision also incorporates new data on deposits for institutions with total deposits between $\$ 2$ million and $\$ 15$ million as of December 1979. These institutions report such data for one week each quarter, based on a staggered schedule under which one-third of all such institutions report each month. All of these smaller institutions reported in January 1981 and since that time one-third reported in March, another third in April, and the remaining third in May.

The benchmark has lowered the level of demand deposits. Revisions for late 1979 and 1980-which at a maximum lowered monthly levels $\$ 1$ billion or about $1 / 4$ percent of M1-Bmainly reflect changes in demand deposit levels of foreign-related institutions and nonmember
commercial banks. Much larger downward revisions in demand deposits for the first five months of 1981 reflect new reports of quarterly reporting banks.

The other checkable deposit (OCD) component of M1-B has been raised. The bulk of revisions before 1981 reflects more comprehensive definitions and detail on OCD balances of thrift institutions collected on MCA-related deposit reports. These changes affect historical data back to the beginning of the series. Since early 1981, the OCD series has been revised further upward, as an increase in OCD at quarterly reporting commercial banks more than offset a downward revision in negotiable order of withdrawal (NOW) accounts at savings and loans.

Relatively minor downward revisions have been made in savings and small-denomination time deposits. More substantial upward revisions have been made in the large-denomination time deposit series-especially in late 1980 and the first five months of 1981-which reflect primarily new daily deposit data on large time deposits at foreign-related institutions. Also, recently available MCA-related data on interinstitutional holdings of demand deposits have led to revisions in the M1-B and M2 consolidation components.

The level of the narrow money stock has been raised by the inclusion of traveler's checks. Revisions in growth rates for the narrow money stock-which have been greatest in early 1981primarily reflect other adjustments. Growth of M1-B in January and February has been lowered while in April it has been raised. Quarterly average growth in shift-adjusted M1-B in the first quarter of 1981 has been reduced nearly 2 percentage points, to minus $3 / 4$ percent at an annual rate, and growth from the fourth quarter of 1980 to May 1981 has been lowered $3 / 4$ percentage point. The effects of the benchmark on M2 growth in 1981 have been quite small. Growth in M3 has been raised, by nearly $1 / 2$ percentage
point, expressed annually, in the first quarter of 1981 and by $3 / 4$ percentage point for the period from the fourth quarter of 1980 to May 1981. Benchmark revisions also have raised the level of the broad measure of liquid assets, $L$.

Revised historical data are available on request from the Banking Section, Board of Governors of the Federal Reserve System, Washington, D.C., 20551. Seasonal factors for the new traveler's check component for 1981 are shown in the accompanying table.

Seasonal factors for traveler's checks, 1981

|  | Month | Seasonal factor |
| :---: | :---: | :---: |
| January. . |  | . 940 |
| February |  | . 944 |
| March. |  | . 945 |
| April . |  | . 943 |
| May. |  | . 959 |
| June |  | 1.042 |
| July . |  | 1.130 |
| August |  | 1.123 |
| September |  | 1.065 |
| October |  | 1.012 |
| November |  | . 959 |
| December |  | . 937 |

## Regulations D and Q: Amendments

The Federal Reserve Board has amended its Regulations D (Reserve Requirements of Depository Institutions) and Q (Interest on Deposits) to permit the establishment of international banking facilities (IBFs) in the United States.

The Board acted after consideration of comment received on its December proposal to revise its regulations to permit the establishment of IBFs.

IBFs may be established, subject to conditions specified by the Board, by U.S. depository institutions, by Edge and Agreement corporations (domestically chartered corporations authorized to engage in international or foreign banking, or other international or foreign operations), and by U.S. branches and agencies of foreign banks.

In general, under the rules adopted by the Board, an IBF may accept deposits from and extend credit to foreign residents or other IBFs. All such funds will be exempt from reserve requirements of Regulation D and from interest rate limitations of Regulation Q. The Board believes that establishment of IBFs at U.S. bank-
ing offices will enhance the international competitive position of banking institutions in the United States.

The Board made its action effective December 3, 1981, in order to give all interested banking institutions time to make necessary arrangements for implementation of IBFs.

In amending its regulations respecting reserve requirements and interest rate ceilings to permit the establishment of IBFs, the Board made a general statement of policy regarding the use of IBF deposits and IBF loans.

The policy statement said, in part:
The Board expects that, with respect to nonbank customers located outside the United States, IBFs will accept only deposits that support the customer's operations outside the United States and will extend credit only to finance the customer's non-U.S. operations. Deposits should not be used as a means of circumventing interest rate restrictions or reserve requirements. . . .

This policy, the Board specified, must be communicated in writing to all IBF nonbank customers when a credit or deposit relationship is first established, and the Board supplied a model statement that could be used for this purpose. In addition, IBFs are required to obtain acknowledgment of receipt of such notice from nonbank customers that are foreign affiliates of U.S. residents whenever a deposit or credit relationship is first established with an IBF. The Board also supplied a model statement for acknowledgment by the IBFs.

Under the rules established by the Board, IBFs may, free of federal reserve requirements or interest rate limitations, do the following:

1. Offer to foreign nonbank residents time deposits with a minimum maturity, or required notice period prior to withdrawal, of two business days. Such deposit accounts require minimum deposits and withdrawals of $\$ 100,000$.
2. Offer time deposits to foreign offices of U.S. depository institutions or foreign banks, to other IBFs, or to the parent institution of an IBF with a minimum one-day (overnight) maturity.
3. Extend credit to foreign residents (including banks), to other IBFs, or to the parent institution of an IBF.

IBF loans and deposits may be denominated either in U.S. dollars or in foreign currencies.

Advances by an IBF to U.S. offices of its parent institution will be subject to the reserve requirement on Eurocurrency liabilities of the U.S. office in the same manner as advances from a foreign office to its U.S. office.

IBFs will be subject to the same examination and supervisory procedures as apply to other operations of its parent institution. The Board may require special reports from IBFs for monitoring monetary and credit conditions and for other purposes.

## PROPOSED ACTIONS

The Federal Reserve Board has published for comment two alternative proposed amendments to its Regulation T (Credit by Brokers and Dealers) concerning margin requirements for trading of options on government and government agency debt issues. The Board asked for comment by August 3, 1981.

The Board has also invited comment on a proposal to amend its Regulation Y (Bank Holding Companies and Change in Bank Control) to include the issuance of traveler's checks in the list of nonbanking activities permissible for bank holding companies. The Board invited comment by August 31, 1981.

The Federal Reserve Board has proposed for comment amendments to Regulation G (Securities Credit by Persons Other Than Banks, Brokers, or Dealers), Regulation T (Credit by Brokers and Dealers), and Regulation U (Credit by Banks for the Purpose of Purchasing or Carrying Margin Stocks) concerning margin requirements. The Board requested comment by September 15, 1981.

## MEETING OF CONSUMER ADVISORY COUNCIL

The Federal Reserve Board has announced that its Consumer Advisory Council met on July 29 and 30, 1981.

The Council, with 30 members who represent a broad range of consumer and creditor interests,
advises the Board on its responsibilities regarding consumer credit protection legislation. The Council generally meets four times a year.

## Changes in Board Staff

The Board of Governors has announced the following staff changes.

William W. Wiles, Associate Director in the Division of Banking Supervision and Regulation, named Secretary of the Board, effective June 15, 1981.

Larry J. Promisel, Assistant Director, Division of International Finance, promoted to Senior Deputy Associate Director, effective June 22, 1981.

Dale W. Henderson, Assistant Director, Division of International Finance, appointed Deputy Associate Director, effective June 22, 1981.

The Board has also announced the retirement of Charles R. McNeill, Assistant to the General Counsel, on April 18, 1981.

## SyStem Membership: Admission of State Banks

The following banks were admitted to membership in the Federal Reserve System during the period June 11 through July 10, 1981:

## Florida

Miami ................................ Safra Bank
New York
New York .... Gotham Bank of New York Oklahoma

Edmond .......... Citizens Bank of Edmond Oregon

North Bend .. Citizens Bank of North Bend Virginia

Phenix
Bank of Charlotte County
Richmond ... Consolidated Bank and Trust
Company
Wyoming
Riverton ................ Riverton State Bank

# Record of Policy Actions of the Federal Open Market Committee 

## Meeting Held on May 18, 1981

Domestic Policy Directive
The information reviewed at this meeting suggested that growth of real gross national product was slowing in the current quarter from the rapid pace in the first quarter, but activity currently appeared stronger than had been projected at the time of the Committee's meeting on March 31. Real GNP had grown at an annual rate of $61 / 2$ percent in the first quarter, according to preliminary estimates of the Commerce Department, and additional data that became available after release of the preliminary estimates suggested that growth had been even more rapid. Average prices, as measured by the fixed-weight price index for gross domestic business product, have continued to rise rapidly in the current quarter, but somewhat less so than earlier in the year.
The dollar value of total retail sales increased slightly further in March but declined appreciably in April, reflecting mainly a sharp drop in sales of new cars in response to the ending of manufacturers' price rebates. Unit sales of new automobiles fell from an annual rate of 10.3 million units in March to 8.1 million units in April. The value of sales excluding automobiles and building materials registered sizable gains in both March and April.

The index of industrial production, which had increased 0.5 percent in March, rose 0.4 percent in April. An increase in auto assemblies, to a rate substantially above the recent pace of sales, was a major factor in the April advance, and out-
put of business equipment and space and defense products exhibited considerable strength. A strike cut production of coal in half and limited the rise in the total industrial production index by about 0.3 percentage point.

Nonfarm payroll employment changed little in March and April after adjustment for strikes, and the unemployment rate was stable at 7.3 percent. In April employment continued to expand in service industries but declined considerably in retail trade establishments and in construction. Small employment gains were recorded in the manufacturing sector, and the average factory workweek edged up 0.1 hour to 40.1 hours.

Private housing starts in March remained at the annual rate of about $11 / 4$ million units recorded in February; during the preceding six months, housing starts had been in a range of 1.4 million to 1.6 million units. Sales of new homes in March continued at the reduced pace of recent months, and sales of existing homes declined further.

Producer prices of finished goods rose at an annual rate of $91 / 2$ percent in April, compared with an average rate of 12 percent during the first quarter. The surge of energy prices that had characterized earlier months of the year abated in April, and prices of consumer foods were unchanged. Prices of crude foodstuffs, however, rose sharply. The rise in the consumer price index slowed in March, reflecting a slowing in price increases of energy items and continued moderate increases in food prices and homeownership costs. Prices of other consumer
items continued to rise at a relatively rapid pace. Over the first four months of 1981, the rise in the index of average hourly earnings of private nonfarm production workers was slightly less rapid than the pace recorded during 1980.

In foreign exchange markets the trade-weighted value of the dollar against major foreign currencies had risen by about $81 / 2$ percent since the final days of March to its highest level in $31 / 2$ years. In March the U.S. trade deficit declined sharply, bringing the first-quarter deficit to a level well below the average in 1980 . The value and volume of exports rose substantially from the fourth quarter, and the value of imports increased moderately.

At its meeting on March 31, the Committee had decided that open market operations in the period until this meeting should be directed toward behavior of reserve aggregates consistent with growth in M-1B from March to June at an annual rate of $51 / 2$ percent or somewhat less, after allowance for the impact of flows into NOW accounts, and growth in M-2 at an annual rate of about $101 / 2$ percent. If it appeared during the period before the next regular meeting that fluctuations in the federal funds rate, taken over a period of time, within a range of 13 to 18 percent were likely to be inconsistent with the monetary and related reserve paths, the Manager for Domestic Operations was promptly to notify the Chairman, who would then decide whether the situation called for supplementary instructions from the Committee.

In the latter part of April, incoming data suggested that $\mathrm{M}-1 \mathrm{~B}$, after adjustment for the estimated effects of shifts into NOW accounts, was growing at a rate well above the short-run objectives set forth by the Committee. Consequently, required reserves increased more than the supply of reserves being made available through open market operations. Banks adjusted to the con-
strained availability of reserves by reducing excess reserves and by increasing borrowings from the Federal Reserve. In the two statement weeks ending May 6, member bank borrowings averaged about $\$ 2.4$ billion, compared with an average of about $\$ 1$ billion in the first three statement weeks after the meeting on March 31; and the federal funds rate, which had averaged around $151 / 2$ percent in the first three weeks of April, fluctuated within a range of 17 to 20 percent in the last days of April and the first days of May. On May 4 the Board of Governors announced an increase from 13 to 14 percent in Federal Reserve basic discount rates and an increase from 3 to 4 percentage points in the surcharge on frequent borrowings of large institutions.

In a telephone conference on May 6, the Committee agreed that in the brief period before the next regular meeting scheduled for May 18, the reserve path would continue to be set on the basis of the short-run objectives for monetary growth established on March 31. It was recognized that for a time monetary growth might be high in relation to those objectives and that the federal funds rate might continue to exceed the upper end of the range indicated for consultation. In the period remaining until this meeting, bank reserve positions remained under pressure, and federal funds typically traded between 18 and 19 percent.

Growth in M-1B, adjusted for the estimated effects of shifts into NOW accounts, accelerated sharply in April to an annual rate of about 14 percent. But adjusted M-1B had grown from the fourth quarter of 1980 to the first quarter of 1981 at an annual rate of only 1 percent, and its level in April was well within the Committee's longer-run range for that aggregate. M-2 had continued to grow rapidly in April, and its level continued above the upper end of its longer-run range. Growth in the nontransaction component of M-2
slowed markedly, however, as the total of savings and small-denomination time deposits was about unchanged and inflows into money market mutual funds slowed.
Total credit outstanding at U.S. commercial banks registered a slight decline in March and grew at an annual rate of about $41 / 2$ percent in April. Holdings of investments changed little over the two months, and growth in loans, particularly business loans, was quite weak. Net issues of commercial paper by nonfinancial corporations declined in April, following expansion at a rapid pace in the first quarter. Issuance of publicly offered bonds remained heavy during April, and the volume of new equity offerings rose considerably.
Short-term market interest rates had risen substantially over the period since the Committee's meeting on March 31: yields on Treasury bills moved up $23 / 4$ to 4 percentage points while yields on private short-term market instruments increased $41 / 2$ to 51/4 percentage points. Most longterm interest rates rose to record levels and on balance advanced about 1 percentage point. Over the intermeeting interval, the prime rate charged by commercial banks on short-term business loans was raised in steps from $171 / 2$ percent to $191 / 2$ percent. In home mortgage markets, average rates on new commitments for fixed-rate loans at savings and loan associations rose above 16 percent, from 15.40 percent at the end of March.
The staff projections presented at this meeting suggested that the surge in growth of real GNP in the first quarter would be followed by much slower growth over the rest of 1981. The rise in the fixed-weight price index for gross domestic business product was projected to moderate as the year progressed but nevertheless to remain rapid.

In the Committee's discussion of the economic situation and outlook, members commented on the consid-
erably greater strength in activity in the first quarter than had been expected, and they continued to stress the difficulties of economic forecasting currently and the importance of adhering to longer-term objectives. While generally anticipating a substantial slowing of growth from the exceptionally rapid pace now indicated for the first quarter, a number of members expressed the view that expansion in activity over the rest of the year was likely to continue to exceed the rates typically being forecast. The observation was made that weakness in demands and activity appeared to be confined to a few sectors, albeit such major ones as housing and automobiles, and that the risks of a significant decline in overall activity appeared to be tempered by the prospect that some accumulated backlogs of demands would be activated whenever interest rates declined. It was also suggested, on the other hand, that high and volatile interest rates could begin to have a cumulative effect in dampening activity, and that little was known about the effects of financial stress that might be developing.

At its meeting on February 2-3, the Committee had adopted the following ranges for growth of the monetary aggregates over the period from the fourth quarter of 1980 to the fourth quarter of 1981: M-1A and $\mathrm{M}-1 \mathrm{~B}, 3$ to $51 / 2$ percent and $31 / 2$ to 6 percent respectively, after adjustment for the estimated effects of flows into NOW accounts; M-2, 6 to 9 percent; and M-3, $61 / 2$ to $91 / 2$ percent. It was understood that the distorting effects of shifts into NOW accounts would change during the year and that other short-run factors might cause considerable variation in annual rates of growth from one month to the next and from one quarter to the next.

In the Committee's discussion of policy for the period immediately ahead, it was emphasized that on March 31 the Committee had estab-
lished an objective for growth of M-1B (adjusted for the estimated effects of shifts into NOW accounts) over the three months from March to June at an annual rate of $51 / 2$ percent or somewhat less, and that growth in April had greatly exceeded that pace. According to a staff analysis, some retardation of M-1B growth over the remaining two months of the quarter was to be expected, in light of the greater pressure on bank reserve positions that had developed recently and the apparent slowing of growth in nominal GNP in the current quarter. But growth of $\mathrm{M}-1 \mathrm{~B}$ over the two-month period would have to be negligible if the specifications adopted on March 31 were to be realized.

The staff analysis also suggested that growth of M-2 would be less rapid over the second quarter than had been anticipated earlier, reflecting a slowing of growth in savings deposits and small-denomination time deposits as well as continued weakness in money market mutual funds. Thus, growth of the broader monetary aggregates might begin to move down toward their target ranges for growth over the year from the fourth quarter of 1980 to the fourth quarter of 1981.

In considering objectives for monetary growth over the remainder of the quarter, the members in general agreed that a posture of restraint needed to be maintained. They generally agreed with the view that it was particularly important to reduce growth of the monetary aggregates rather quickly, and initial differences in views concerning the precise specifications for monetary growth were relatively narrow. In the discussion, a number of points were emphasized. The indications of continuing strength in economic activity combined with the recent exceptional rise in the income velocity of money posed the risk of pressure for excessive expansion in money and credit as the year developed. Growth of the broader monetary ag-
gregates was already somewhat high relative to the Committee's ranges for the year. The indications of some slowing of the rise in the consumer price index did not appear to reflect as yet any clear relaxation of underlying inflationary pressures, and emphasis was placed on the importance of conveying a clear sense of restraint at a critical time with respect to inflation and inflationary expectations.

With respect to the federal funds rate, it was again stressed that the specification of an intermeeting range for fluctuations over a period of time provided a mechanism for initiating timely consultations between regularly scheduled meetings when it appeared that fluctuations within the specific range were proving to be inconsistent with the objectives for the behavior of the reserve and monetary aggregates. The ranges proposed for the period ahead typically were from 16 or 17 percent to 21 or 22 percent.

At the conclusion of the discussion, the Committee decided to seek behavior of reserve aggregates associated with growth of M-1B from April to June at an annual rate of 3 percent or lower, after allowance for the impact of flows into NOW accounts, and growth in M-2 at an annual rate of about 6 percent. A shortfall in growth of M-1B from the two-month rate of 3 percent would be acceptable, in light of the rapid growth in April and the objective adopted by the Committee on March 31 for growth from March to June at an annual rate of $51 / 2$ percent or somewhat less. The members recognized that shifts into NOW accounts would continue to distort measured growth in M-1B to an unpredictable extent and that operational paths would have to be developed in the light of evaluation of those distortions. The Chairman might call for Committee consultation if it appeared to the Manager for Domestic Operations that pursuit of the monetary objectives and related reserve
paths during the period before the next meeting was likely to be associated with a federal funds rate persistently outside a range of 16 to 22 percent.

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

The information reviewed at this meeting suggests that real GNP will grow much less rapidly in the current quarter, following the substantial expansion in the first quarter; prices on the average have continued to rise rapidly, although somewhat less so most recently than earlier in the year. The dollar value of total retail sales increased slightly further in March, but it declined appreciably in April when sales of new cars fell in response to the ending of price concessions. Industrial production rose moderately in both months, while nonfarm payroll employment changed little, after adjustment for strikes, and the unemployment rate was stable at 7.3 percent. In March housing starts remained at a reduced pace. Over the first four months of 1981, the rise in the index of average hourly earnings was slightly less rapid than during 1980 .
The weighted average value of the dollar against major foreign currencies has risen steadily since the end of March to its highest level in three and a half years. The U.S. trade deficit declined sharply in March, bringing the first-quarter deficit to a level well under the 1980 average.
Growth in M-1B, adjusted for the estimated effects of shifts into NOW accounts, accelerated sharply in April and growth in M-2 remained rapid. Since March, both short-term and long-term market interest rates have risen substantially. On May 4 the Board of Governors announced an increase in Federal Reserve discount rates from 13 to 14 percent and an increase in the surcharge from 3 to 4 percentage points on frequent borrowings of large institutions.
The Federal Open Market Committee seeks to foster monetary and financial
conditions that will help to reduce inflation, promote economic growth, and contribute to a sustainable pattern of international transactions. At its meeting in early February, the Committee agreed that these objectives would be furthered by growth of M-1A, M-1B, M-2, and M-3 from the fourth quarter of 1980 to the fourth quarter of 1981 within ranges of 3 to $5 \frac{1}{2}$ percent, $31 / 2$ to 6 percent, 6 to 9 percent, and $61 / 2$ to $91 / 2$ percent respectively, abstracting from the impact of introduction of NOW accounts on a nationwide basis. The associated range for bank credit was 6 to 9 percent. These ranges will be reconsidered as conditions warrant.

In the short run the Committee seeks behavior of reserve aggregates consistent with a substantial deceleration of growth in M-1B from April to June to an annual rate of 3 percent or lower, after allowance for the impact of flows into NOW accounts, and with growth in M-2 at an annual rate of about 6 percent. The shortfall in growth of M-1B from the two-month rate specified above would be acceptable, in light of the rapid growth in April and the objective adopted by the Committee on March 31 for growth from March to June at an annual rate of $51 / 2$ percent or somewhat less. It is recognized that shifts into NOW accounts will continue to distort measured growth in M-1B to an unpredictable extent, and operational reserve paths will be developed in the light of evaluation of those distortions. 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 16 to 22 percent.

Votes for this action: Messrs. Volcker, Solomon, Boehne, Boykin, Corrigan, Gramley, Partee, Rice, Schultz, Mrs. Teeters, Messrs. Wallich, and Winn. Votes against this action: None. (Mr. Winn voted as an alternate member.)

Records of policy actions taken by the Federal Open Market Committee at each meeting, in the form in which they will appear in the Board's Annual Report, are made available a few days after the next regularly scheduled meeting and are later published in the Bulletin.

# Legal Developments 

## amendments to Regulations Dand $Q$

## Part 204—Reserve Requirements of Depository

 Institutions
## Part 217-Interest on Deposits

International Banking Facilities
The Board of Governors has amended Regulation DReserve Requirements of Depository Institutions (12 CFR Part 204) and Regulation Q-Interest on Deposits (12 CFR Part 217) to authorize beginning December 3, 1981, the establishment in the United States of international banking facilities ('IBFs') by U.S. depository institutions, Edge and Agreement Corporations, and branches and agencies of foreign banks located in the United States. Under the rules adopted by the Board, an IBF may accept deposits from foreign residents (including banks) or from other IBFs. Such funds will be exempt from reserve requirements of Regulation D and from interest rate limitations of Regulation Q. IBFs will be permitted to offer to foreign nonbank residents large denomination time deposits with a minimum maturity or required notice period prior to withdrawal of at least two business days. In addition, IBFs will be permitted to offer overnight time deposits to foreign offices of U.S. depository institutions or foreign banks, to other IBFs, foreign central banks, or to the institution establishing the IBF. Funds raised by an IBF could be used only to extend credit to foreign residents, to other IBFs, or to the institution establishing the IBF. Funds derived by an institution from its own IBF would be subject to Eurocurrency reserve requirements. The Board believes that the establishment of IBFs at U.S. banking offices will enhance the international competitive position of banking institutions located in the United States.

1. Effective December 3, 1981, Regulation D (12 CFR Part 204) is amended as follows:

Section 204.2—Definitions
(h) "Eurocurrency liabilities" means:
(1) For a depository institution or an Edge or Agreement Corporation organized under the laws of the United States, the sum, if positive, of the following:
(i) net balances due to its non-United States offices and its international banking facilities ('IBFs') from its United States offices;
(ii)(A) for a depository institution organized under the laws of the United States, assets (including participations) acquired from its United States offices and held by its non-United States offices, by its IBF, or by non-United States offices of an affiliated Edge or Agreement Corporation; ${ }^{1}$ or
(B) for an Edge or Agreement Corporation, assets (including participations) acquired from its United States offices and held by its nonUnited States offices, by its IBF, by non-United States offices of its U.S. or foreign parent institution, or by non-United States offices of an affiliated Edge or Agreement Corporation; ${ }^{1}$ and
(iii) credit outstanding from its non-United States offices to United States residents (other than assets acquired and net balances due from its United States offices), except credit extended (A) from its non-United States offices in the aggregate amount of $\$ 100,000$ or less to any United States resident, (B) by a non-United States office that at no time during the computation period had credit outstanding to United States residents exceeding $\$ 1$ million, (C) to an international banking facility, or (D) to an institution that will be maintaining reserves on such credit pursuant to this Part. Credit extended from non-United States offices or from IBFs to a foreign branch, office, subsidiary, affiliate or other foreign establishment ("foreign affiliate') controlled by one or more domestic corporations is not regarded as credit extended to a United States resident if the proceeds will be used to finance the operations outside the United States of the borrower or of other foreign affiliates of the controlling domestic corporation(s).

[^13](2) For a United States branch or agency of a foreign bank, the sum, if positive, of the following: (i) net balances due to its foreign bank (including offices thereof located outside the United States) and its international banking facility after deducting an amount equal to 8 per cent of the following: the United States branch's or agency's total assets less the sum of (A) cash items in process of collection; (B) unposted debits; (C) demand balances due from depository institutions organized under the laws of the United States and from other foreign banks; (D) balances due from foreign central banks; and (E) positive net balances due from its IBF, its foreign bank, and the foreign bank's United States and non-United States offices; and
(ii) assets (including participations) acquired from the United States branch or agency (other than assets required to be sold by Federal or State supervisory authorities) and held by its foreign bank (including offices thereof located outside the United States), by its parent holding company, by non-United States offices or an IBF of an affiliated Edge or Agreement Corporation, or by its IBFs. ${ }^{1}$
2. In section $204.2(t)$, footnote 1 is redesignated as footnote 2.
3. Section 204.8 is redesignated section 204.9.
4. By adding a new section 204.8 , as follows:

## Section 204.8—International Banking Facilities

(a) Definitions. For purposes of this Part, the following definitions apply:
(1) International banking facility or IBF means a set of asset and liability accounts segregated on the books and records of a depository institution, United States branch or agency of a foreign bank, or an Edge or Agreement Corporation that includes only international banking facility time deposits and international banking facility extensions of credit.
(2) International banking facility time deposit or IBF time deposit means a deposit, placement, borrowing or similar obligation represented by a promissory note, acknowledgment of advance, or similar instrument that is not issued in negotiable or bearer form, and
(i)(A) that must remain on deposit at the IBF at least overnight; and
(B) that is issued to
(1) any office located outside the United

States of another depository institution organized under the laws of the United States or of an Edge or Agreement Corporation;
(2) any office located outside the United States of a foreign bank;
(3) a United States office or a non-United States office of the entity establishing the IBF;
(4) another IBF; or
(5) an institution whose time deposits are exempt from interest rate limitations under section 217.3 (g) or Regulation Q (12 CFR $217.3(\mathrm{~g})$ ); or
(ii)(A) that is payable
(1) on a specified date not less than two business days after the date of deposit;
(2) upon expiration of a specified period of time not less than two business days after the date of deposit; or
(3) upon written notice that actually is required to be given by the depositor not less than two business days prior to the date of withdrawal;
(B) that represents funds deposited to the credit of a non-United States resident or a foreign branch, office, subsidiary, affiliate, or other foreign establishment ("foreign affiliate") controlled by one or more domestic corporations provided that such funds are used only to support the operations outside the United States of the depositor or of its affiliates located outside the United States; and
(C) that is maintained under an agreement or arrangement under which no deposit or withdrawal of less than $\$ 100,000$ is permitted, except that a withdrawal of less than $\$ 100,000$ is permitted if such withdrawal closes an account.
(3) International banking facility extension of credit or IBF loan means any transaction where an IBF supplies funds by making a loan, or placing funds in a deposit account. Such transactions may be represented by a promissory note, security, acknowledgment of advance, due bill, repurchase agreement, or any other form of credit transaction. Such credit may be extended only to
(i) any office located outside the United States of another depository institution organized under the laws of the United States or of an Edge or Agreement Corporation;
(ii) any office located outside the United States of a foreign bank;
(iii) a United States or a non-United States office of the institution establishing the IBF;
(iv) another IBF;
(v) an institution whose time deposits are exempt from interest rate limitations under section $217.3(\mathrm{~g})$ of Regulation Q (12 CFR 217.3(g)); or (vi) a non-United States resident or a foreign branch, office, subsidiary, affiliate or other foreign establishment ("foreign affiliate") controlled by one or more domestic corporations provided that the funds are used only to finance the operations outside the United States of the borrower or of its affiliates located outside the United States.
(b) Acknowledgment of use of IBF deposits and extensions of credit. An IBF shall provide written notice to each of its customers (other than those specified in § 204.8(a)(2)(i)(B) and § 204.8(a)(3)(i) through (v)) at the time a deposit relationship or a credit relationship is first established that it is the policy of the Board of Governors of the Federal Reserve System that deposits received by international banking facilities may be used only to support the depositor's operations outside the United States as specified in § 204.8(a)(2)(ii)(B) and that extensions of credit by IBFs may be used only to finance operations outside of the United States as specified in § 204.8(a)(3)(vi). In the case of loans to or deposits from foreign affiliates of U.S. residents, receipt of such notice must be acknowledged in writing whenever a deposit or credit relationship is first established with the IBF.
(c) Exemption from reserve requirements. An institution that is subject to the reserve requirements of this Part is not required to maintain reserves against its IBF time deposits or IBF loans. Deposit-taking activities of IBFs are limited to accepting only IBF time deposits and lending activities of IBFs are restricted to making only IBF loans.
(d) Establishment of an international banking facility. A depository institution, an Edge or Agreement Corporation or a United States branch or agency of a foreign bank may establish an IBF in any location where it is legally authorized to engage in IBF business. However, only one IBF may be established for each reporting entity that is required to submit a Report of Transaction Accounts, Other Deposits and Vault Cash (Form FR 2900).
(e) Notification to Federal Reserve. At least fourteen days prior to the first reserve computation period that an institution intends to establish an IBF it shall notify the Federal Reserve Bank of the district in which it is located of its intent. Such notification shall include a statement of intention by the institution that it will comply with the rules of this Part concerning IBFs, including restrictions on sources and uses of funds,
and recordkeeping and accounting requirements. Failure to comply with the requirements of this Part shall subject the institution to reserve requirements under this Part and to interest payment limitations that may be applicable under Regulation Q (12 CFR Part 217) on its IBF time deposits, or result in the revocation of the institution's ability to operate an IBF.
(f) Recordkeeping requirements. A depository institution shall segregate on its books and records the asset and liability accounts of its IBF and submit reports concerning the operations of its IBF as required by the Board.
5. In sections 204.3(a), 204.3(a)(1)(ii), 204.3(a)(2)(ii), 204.3(c), 204.4(b)(1), 204.4(b)(1)(ii), 204.4(b)(2), 204.4(b)(2)(ii), 204.4(d), 204.4(g)(2)(ii)(A), 204.4(g)(2) (ii)(B), and 204.4(g)(2)(iii), references to sections "204.8," "204.8(a)," or "204.8(b)" are redesignated as references to sections "204.9," "204.9(a)," or " $204.9(\mathrm{~b}), "$ respectively.

Effective December 3, 1981, Regulation Q (12 CFR Part 217) is amended as follows:

## Section 217.1—Definitions

For purposes of this Part, the following definitions apply unless otherwise specified:
(a) Demand deposit. The term "any deposit which is payable on demand," hereinafter referred to as a "demand deposit," includes every deposit that is not a "time deposit," "international banking facility time deposit," or "savings deposit," as defined in this section.
(b) Time deposit. The term "time deposit" means "time certificates of deposit," "time deposits, open account," and "international banking facility time deposit," as defined in this section.
(1) International banking facility time deposit or IBF time deposit means a deposit, placement, borrowing or similar obligation represented by a promissory note, acknowledgment of advance, or similar instrument that is not issued in negotiable or bearer form and
(1) that is payable
(A) on a specified date not less than two business days after the date of deposit;
(B) upon expiration of a specified period of time not less than two business days after the date of deposit; or
(C) upon written notice that actually is required to be given by the depositor not less than two business days prior to the date of withdrawal; (2) that represents funds deposited to the credit of a non-United States resident or a foreign branch, office, subsidiary, affiliate, or other foreign establishment ('foreign affiliate") controlled by one or more domestic corporations provided that such funds are used only to support the operations outside the United States of the depositor or of its affiliates located outside the United States; and (3) that is held under an agreement or arrangement under which no deposit or withdrawal of less than $\$ 100,000$ is permitted, except that a withdrawal of less than $\$ 100,000$ is permitted if such withdrawal closes an account.

Section 217.7-Maximum Rates of Interest Payable by Member Banks on Time and Savings Deposits
(a) Time deposits of $\$ 100,000$ or more and IBF time deposits. There is no maximum rate of interest presently prescribed on any time deposit of $\$ 100,000$ or more or on IBF time deposits issued under section 217.1(1).

*     *         *             *                 * 


## Amendment to Regulation $T$

## Part 220-Credit by Brokers and Dealers

## Amendment to Delete Provision Permitting Use of Foreign Currency in a Margin Account

The Board of Governors has amended its Regulation T (12 CFR § 220) to delete the paragraph permitting the use of foreign currency in a margin account. It has been called to the Board's attention that the existing language of section 220.6 , paragraph (j) may permit the speculative holding of foreign currency and securities in a margin account. By deleting section 220.6, paragraph ( j ), the Board clarifies that such a possibility is prohibited and that such transactions in foreign currency should be effected in the Special Commodities Account or the Special Miscellaneous Account, since in either case, they would be insulated from securities credit transactions.

Effective July 13, 1981, the Board of Governors has amended Section 220.6 by deleting paragraph ( j ) in its entirety, and redesignating paragraphs (k) and (I) as paragraphs ( j ) and ( k ) respectively.

Section 220.6-Certain Technical Details

*     *         *             *                 * 

(j) Innocent mistakes. If any failure to comply with this part results from a mechanical mistake made in good faith in executing a transaction, recording, determining, or calculating any loan, balance market price or loan value, or other similar mechanical mistake, the creditor shall not be deemed guilty of a violation of this part if promptly after the discovery of such mistake he takes whatever action may be practicable in the circumstances to remedy such mistake.
(k) Credit related to portion of a security. Credit for the purpose of purchasing or carrying any part of an investment contract security (for example, but not limited to, the cattle ownership portion of a program to own and feed cattle, or the condominium ownership part of a program to own and rent a unit through a rental pool or otherwise) shall be deemed to be credit on the entire security.

## Bank Holding Company and Bank Merger Orders Issued by the board of Governors

## Orders Under Section 3 of Bank Holding Company Act

Buhl Bancorporation, Inc., Buhl, Minnesota

## Order Denying Formation of a Bank Holding Company

Buhl Bancorporation, Inc., Buhl, Minnesota, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) of formation of a bank holding company by acquiring 95.1 percent of the voting shares of The First National Bank of Buhl, Buhl, Minnesota ("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, a nonoperating corporation with no subsidiaries, was organized for the purpose of becoming a bank holding company by acquiring Bank, which holds deposits of $\$ 5.3$ million. ' Upon acquisition of Bank,

[^14]Applicant would control the 551st largest bank in Minnesota and would hold approximately 0.02 percent of the total commercial bank deposits in the state.
Bank is the 13th largest of 15 banking organizations in the relevant banking market and holds approximately 1.2 percent of the total deposits in commercial banks in the market. ${ }^{2}$ While a principal of Applicant and Bank is also a principal in another banking organization, it does not compete in the relevant banking market. It appears from the facts of record that consummation of the proposal would not result in any adverse effects upon competition or increase the concentration of banking resources in any relevant area. Accordingly, the Board concludes that competitive considerations are consistent with approval of the application.
The Board has indicated on previous occasions that a holding company should serve as a source of financial and managerial strength to its subsidiary bank(s), and that the Board would closely examine the condition of an applicant in each case with this consideration in mind. In this case it is the Board's judgment that the record with respect to this proposal presents adverse financial considerations that warrant denial of the application.
With regard to financial considerations, the Board notes that in connection with this proposal Applicant would incur a sizable debt, which it proposes to service over a 16 -year period through dividends to be declared by Bank, tax savings to be derived from filing consolidated tax returns, and projected improvements in Bank's earnings. The reliability of Applicant's projections of Bank's deposits and earnings growth, which bear on Bank's future capital needs, is of considerable importance. Applicant anticipates reaching a debt-to-equity ratio of less than 30 percent by the end of the twelfth year, while maintaining an adequate capital level in Bank. In this regard, the Board is of the view that Applicant's overall projections, which are based on Bank's recent performance, are somewhat optimistic. The Board notes that since the acquisition of Bank by Applicant's principal in August 1978, Bank's overall operations have improved. However, it is the Board's judgment that Bank has not demonstrated a favorable record of performance over a sufficiently long period of time to support Applicant's projections. Specifically, Applicant's projections of Bank's earnings appear to be overly optimistic, while its projections of growth are unrealistically low; this is particularly apparent when compared to the earnings and growth of the other banks located in Bank's FDIC area, as well as the earnings and growth of Applicant's affiliated banking organization. Moreover, the uncer-
2. The relevant banking market is approximated by St. Louis County less its southern one-third and northwestern one-eighth parts.
tainty inherent in relying upon earnings projected a number of years into the future premised upon the short earnings cycle under present management, makes it difficult for the Board to conclude that this proposal warrants approval. Accordingly, based on the record with respect to this proposal, the Board concludes that Bank is unlikely to generate sufficient earnings to enable Applicant to service its debt while maintaining adequate capital in Bank, as well as affording Applicant the flexibility to meet any unforeseen problems that might arise at Bank. While Bank has shown considerable improvement under Bank's present management, and managerial considerations may be viewed as lending weight for approval, it is the Board's judgment that Applicant's principals, nevertheless, have not established a sufficiently long record of performance at Bank to mitigate the significant adverse financial considerations associated with the application. Accordingly, the Board is of the opinion that the considerations relating to financial resources and future prospects of Applicant and Bank weigh significantly against approval of the application.
No significant changes in services offered by Bank are expected to follow from consummation of the proposed transaction. Consequently, convenience and needs factors are consistent with, but lend no weight toward, approval of this application.
On the basis of the above and all the facts of record on this application, the Board concludes that the banking considerations associated with this proposal present significant adverse factors bearing upon the financial resources and future prospects of Applicant and Bank. Such adverse factors are not outweighed by any procompetitive effects or by benefits to the convenience and needs of the community to be served. Accordingly, it is the Board's judgment that approval of the application would not be in the public interest and that the application should be denied.

On the basis of the facts of record, the application is denied for the reasons summarized above.
By order of the Board of Governors, effective June 25, 1981.

[^15][seal]
(Signed) James McAfee,

## Dissenting Statement of Governor Gramley

In light of recent improvements in Bank's overall condition under Applicant's management and control, I would approve this application. Prior to Applicant's
acquisition of Bank in 1978, Bank was in an unsatisfactory condition. Applicant's principal borrowed funds to purchase Bank and to increase Bank's capital. Within a two-year period, Bank's condition has improved significantly: net earnings have risen substantially, and the ratio of classified assets to capital has fallen. Although Applicant's projections may be optimistic, they do not seem unrealistically so in light of Bank's recent performance. Also, I note that Applicant's principal has committed to inject his personal resources into Bank, if it becomes necessary, to maintain Bank's capital-to-asset ratio at an adequate level. Unless Applicant's projections are widely at variance with actual developments, moreover, the amount of his personal resources needed for this purpose would be small relative to what Applicant's principal has already invested in Bank.

This commitment by Applicant's principal, his demonstrated managerial abilities, and the recent improvement in Bank's condition are, in my judgment, adequate safeguards to protect Bank. I therefore conclude that applicant should be given the opportunity to consummate its proposal.

June 25, 1981

## First National Boston Corporation, Boston, Massachusetts

## Order Approving the Acquisition of a Bank

First National Boston Corporation, Boston, Massachusetts, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the Bank Holding Company Act ( 12 U.S.C. § 1842(a)(3)) to acquire 100 percent of the voting shares, less directors' qualifying shares, of the successor by merger to The Haverhill National Bank, Haverhill, Massachusetts ("Bank"). The bank into which Bank is to be merged has no significance except as a means to facilitate the acquisition of the voting shares of Bank. Accordingly, the proposed acquisition of shares of the successor organization is treated herein as the proposed acquisition of shares of 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 and views has expired and the Board has considered the application and all comments received, including those of the Massachusetts Urban Reinvestment Advisory Group, Inc., Boston, Massachusetts ("MURAG"); Essexbank, Peabody, Massachusetts; Saugus Bank and

Trust Company, Saugus, Massachusetts; Security National Bank, Lynn, Massachusetts; and Northeast National Bank, Amesbury, Massachusetts (collectively referred to as "Protestant Banks"), in light of the factors set forth in section 3(c) of the Bank Holding Company Act. In addition to the numerous objections to this proposal interposed by MURAG and Protestant Banks, MURAG has requested that the Board order a formal hearing on the Community Reinvestment Act ("CRA") issues raised by this application.

With regard to MURAG's request for a hearing, neither the CRA, nor section 3(b) of the Bank Holding Company Act requires the Board to hold a formal hearing concerning an application, except when the appropriate banking authority makes a timely written recommendation of denial of an application. In this case, no such recommendation has been received from the Comptroller of the Currency and thus, no formal hearing is required. After considering the record of this application, the Board has determined that MURAG's objections do not present any material factual differences, but, rather concern the interpretation or significance that should be accorded to certain facts in the record, judgments that the Board is charged by statute with making. ${ }^{1}$ Inasmuch as all parties have been afforded the opportunity to present their arguments in written submissions to the record, the Board has determined that MURAG's objections do not warrant a hearing, and that its request for a formal hearing should be denied. Accordingly, the Board will proceed to consider the merits of the application, including the objections raised by MURAG, as well as Protestant Banks.

Applicant, the largest commercial banking organization in Massachusetts, controls nine domestic banking subsidiaries with aggregate deposits of $\$ 4.2$ billion, representing 22.5 percent of the total commercial bank deposits in the state. ${ }^{2}$ Acquisition of Bank, with deposits of $\$ 39.8$ million, would increase Applicant's share of commercial bank deposits in Massachusetts by 0.2 percent. Thus, consummation of the proposal would not have a significant effect upon concentration of banking resources in Massachusetts.

Bank, with seven banking offices, is the thirtieth largest of 73 commercial banking organizations in the Boston banking market, ${ }^{3}$ and holds 0.3 percent of the

[^16]commercial bank deposits in the market. With five subsidiary banks, Applicant is the largest banking organization in the Boston banking market. Applicant has total market deposits of $\$ 3.8$ billion, representing 27.9 percent of the total commercial bank deposits. Protestant Banks contend that the proposed acquisition would eliminate substantial existing competition, and claim that it would substantially increase Applicant's domination of banking resources in the market.

Inasmuch as Applicant and Bank operate in the same banking market, consummation of the proposed transaction will result in the elimination of some existing competition between the two. In general, the Board views with great concern any acquisition by Applicant of another competitor in the Boston banking market. However, based on the facts of record in this application, the Board regards Bank as only a marginal competitor, particularly in view of Bank's limited financial and managerial resources, and the circumscribed range of services it offers to banking customers in the Haverhill area. Moreover, while consummation of the proposal would increase Applicant's share of market deposits to 28.2 percent, the Board notes that Applicant's share of market deposits has decreased over the past several years. ${ }^{4}$ Accordingly, based on the record in this application, including Bank's unique competitive position in the Boston banking market, it is the Board's judgment that the overall effects of this proposal on competition are not so serious as to warrant denial of the application.

The financial and managerial resources of Applicant and its subsidiaries are considered satisfactory, and their future prospects appear favorable. The financial and managerial resources of Bank are generally satisfactory, and in the Board's judgment its future prospects will be enhanced as a result of its acquisition by Applicant.

In considering the effects of the proposed acquisition on the convenience and needs of the community to be served, the Board has considered the record of Applicant's banking subsidiaries in meeting the credit needs of their communities, as provided in the CRA

[^17](12 U.S.C. § 2901) and Regulation BB (12 C.F.R. § 228). In so doing, the Board has examined the objections of MURAG relating to Applicant's record of performance with respect to CRA factors, and particularly Applicant's lead bank, First National Bank of Boston. In approving a recent acquisition by Applicant, the Board had occasion to consider the merits of MURAG's objections, which were essentially identical to those presented in this case. Inasmuch as MURAG's objections to this application and to the Applicant's prior acquisition were entered at the same time, and MURAG has not raised any additional issues or presented any significant new evidence, the Board finds that MURAG's specific claims are without merit for the reasons cited in the Board's recent order approving Applicant's acquisition of The Country Bank, National Association, Shelburne Falls, Massachusetts. ${ }^{5}$ Moreover, based on findings of the Comptroller of the Currency with respect to First National Bank of Boston, as well as Applicant's other subsidiaries, the Board finds Applicant's record of performance under CRA to be satisfactory.

With respect to other convenience and needs considerations, the Board notes that Bank's affiliation with Applicant will enhance Bank's otherwise limited ability to serve the convenience and needs of the Haverhill community. For example, Applicant will cause Bank to raise the interest paid on regular passbook savings accounts and 90 -day notice passbook accounts to the legal maximum. It will also cause Bank to provide overdraft protection on NOW accounts. In addition, Applicant will introduce 90 percent mortgages to Bank's customers and Bank's residential mortgage portfolio will be substantially increased. Finally, affiliation with Applicant will enable Bank to develop its services to commercial customers, as well as trust services. In the Board's view, the benefits to the public that may be expected from consummation of the proposed transaction, including banking factors and convenience and needs considerations, are favorable and lend sufficient weight toward approval of the application to outweigh any adverse effects on competition that may result.

Accordingly, it is the Board's judgment that the proposed transaction would be in the public interest and that the application should be approved for the reasons summarized above. This transaction shall not be made before the thirtieth calendar day following the effective date of this Order, or later than three months from the effective date of this Order, unless such period is extended for good cause by the Board, or the Federal Reserve Bank of Boston, pursuant to delegated authority.

[^18]By order of the Board of Governors, effective June 4, 1981.

Voting for this action: Vice Chairman Schultz and Governors Partee and Gramley. Voting against this action: Governors Teeters and Rice. Absent and not voting: Chairman Volcker and Governor Wallich.
(Signed) James McAfee, [seal] Assistant Secretary of the Board.
tiate Haverhill National from numerous other small banks in the Boston market. Approval, therefore, will set a precedent enabling Applicant to acquire a large number of the remaining healthy independent banks with market shares less than that of Haverhill National.
In light of these considerations, we would deny this application.

June 4, 1981

## San Saba National Corporation, San Saba, Texas <br> Order Denying Formation of a Bank Holding Company

San Saba National Corporation, San Saba, Texas, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act ( 12 U.S.C. § 1842(a)(1)) of formation of a bank holding company by acquiring at least 80 percent of the voting shares of The San Saba National Bank, San Saba, Texas.
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 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, a nonoperating corporation with no subsidiaries, was organized for the purpose of becoming a bank holding company by acquiring Bank, which holds deposits of $\$ 15.6$ million. ${ }^{1}$ Upon acquisition of Bank, Applicant would control the 674th largest bank in Texas and would hold approximately 0.02 percent of the total deposits in commercial banks in the state.
Bank is the smaller of two banking organizations in the relevant market and holds 49.2 percent of the total deposits in commercial banks in the market. ${ }^{2}$ It appears from the facts of record that consummation of the proposal would not result in any adverse effects upon competition, or increase the concentration of banking resources in any relevant area. Accordingly, the Board concludes that competitive considerations are consistent with approval of the application.
The Board has indicated on previous occasions that a holding company should serve as a source of financial and managerial strength to its subsidiary banks, and that the Board would closely examine the condi-

[^19]tion of an applicant in each case with this consideration in mind. In this case, the Board concludes that the record presents adverse considerations that warrant denial of the proposal to form a bank holding company.

With regard to financial considerations, the Board notes that Applicant would incur a sizable debt in connection with this proposal. Applicant proposes to service this debt over a 12 -year period through dividends to be declared by Bank, and tax savings to be derived from filing consolidated tax returns. Applicant has also proposed a capital injection for Bank as a part of its acquisition of Bank. Applicant anticipates that this capital injection, its projected improvements in Bank's assets, asset growth and earnings, and certain management and policy changes would allow Applicant to service its acquisition debt while maintaining an adequate capital level in Bank. However, in light of Bank's historical performance and other facts of record, Bank's earnings and growth projections appear optimistic. It is the Board's view that Bank is unlikely to have sufficient actual earnings to enable Applicant to service its debt while maintaining adequate capital in Bank, as well as affording Applicant the flexibility to meet any unforeseen problems that might arise at Bank. Accordingly, the Board is of the opinion that the considerations relating to financial and managerial resources and future prospects lend weight toward denial of the application.

No significant changes in the services offered by Bank are expected to follow from consummation of the proposed transaction. Consequently, convenience and needs factors are consistent with, but lend no weight toward, approval of this application.
On the basis of the circumstances concerning this application, 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 Applicant 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, it is the Board's judgment that approval of the application would not be in the public interest and the application should be denied.
On the basis of the facts of record, the application is denied for the reasons summarized above.
By order of the Board of Governors, effective June 30, 1981.

[^20](Signed) William W. Wiles,
Secretary of the Board.

Order Under Section 4 of Bank Holding Company Act

First Maryland Bancorp., Baltimore, Maryland

## Order Approving Formation of First Maryland Cheque Corporation

First Maryland Bancorp., Baltimore, Maryland, a bank holding company within the meaning of the Bank Holding Company Act ("Act"), has applied for the Board's approval, under section 4(c)(8) of the Act (12 U.S.C. § $1843(c)(8)$ ), and section 225.4(b)(2) of the Board's Regulation Y (12 C.F.R. § 225.4 (b)(2)), to engage through its de novo subsidiary, First Maryland Cheque Corporation ('"Corporation'), in the issuance and sale of travelers checks.
The retail sale of travelers checks as proposed by Applicant is included on the Board's list in Regulation Y of permissible activities for bank holding companies (12 C.F.R. § 225.4(a)(13)). While the Board has not amended its Regulation $Y$ to include the issuance of travelers checks as a permissible activity, ${ }^{1}$ in connection with six earlier applications the Board determined by order that the activity of issuing travelers checks is closely related to banking and would be in public interest. Seafirst Corporation, 67 Federal Reserve Bulletin 517 (1981); The Chase Manhattan Corporation, 66 Federal Reserve Bulletin 983 (1980); First Chicago Corporation, 65 Federal Reserve Bulletin 937 (1979); Citicorp, 65 Federal Reserve Bulletin 666 (1979); BankAmerica Corporation, 59 Federal Reserve Bulletin 544 (1973); and Republic of Texas Corporation, 62 Federal Reserve Bulletin 630 (1976). As noted in these earlier Board decisions, banks have, in fact, engaged in the issuance of travelers checks, and generally have engaged in activities that are operationally and functionally similar to the proposed activity. Accordingly, the Board has determined that issuing travelers checks as Applicant proposes is clearly related to banking. ${ }^{2}$

Notice of application, affording interested persons an opportunity to submit comments and views on the public interest factors, has been duly published ( 46 Federal Register 26,177 (1981)). The time for filing comments and views has expired, and the Board has considered the application and all comments received

[^21]in light of the public interest factors set forth in section 4(c)(8) of the Act.

Applicant is a one-bank holding company by virtue of its control of First National Bank of Maryland, Baltimore, Maryland (deposits of $\$ 1.4$ billion), the 3rd largest banking organization in Maryland, controlling 11.3 percent of total deposits in commercial banks in that state. ${ }^{3}$ Applicant also engages in mortgage banking, commercial lending and leasing, construction finance activities and credit related insurance activities.

Applicant proposes to issue and sell travelers check through the Visa Travelers Cheque Program. Under the program, Applicant's name and the Visa symbol would appear on each check, and customers would have access to the international service network established under the Visa program. Applicant proposes to sell the checks through agents, including its subsidiaries.

The travelers check industry is highly concentrated, with the largest issuer, American Express, accounting for 50 percent of the market. The Board has previously determined, in view of the limited number of competitors currently servicing this industry, that it would be in the public interest for bank holding companies having the capability, to engage in the issuance of travelers checks. Applicant's entry into this industry should serve to enhance competition in providing this service. Accordingly, it is the Board's view that approval of this application would produce benefits to the public and would be in the public interest. Furthermore, there is no evidence in the record to indicate that Applicant's engaging in this activity would lead to any undue concentration of resources, unfair competition, conflicts of interests, unsound banking practices, or other adverse effects.
Based upon the foregoing and other considerations reflected in the record, the Board has determined that the balance of the public interest factors the Board is required to consider under section 4(c)(8) is favorable. Accordingly, the application is hereby approved. This determination is subject to the conditions set forth in section 225.4(c) of Regulation Y, and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act, and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

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

[^22]By order of the Board of Governors, effective June 23, 1981.

Voting for this action: Vice Chairman Schultz and Governors Teeters, Rice, and Gramley. Absent and not voting: Chairman Volcker and Governors Wallich and Partee.
(Signed) James McAfee, [seal] Assistant Secretary of the Board.

## Orders Issued Under Section 2 of Bank Holding Company Act

Exchange Bancorporation, Tampa, Florida

## Order Granting Determination Under the Bank Holding Company Act

Exchange Bancorporation, Tampa, Florida ("Bancorporation"), 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 requested a determination, pursuant to the provisions of section $2(\mathrm{~g})(3)$ of the Act, that with respect to the sale by Bancorporation of the assets of Exchange Travel Service, Inc., Tampa, Florida ("Travel Service') to Pepsi-Cola Bottling Company of Tampa (''Pepsi Company'), Bancorporation is not in fact capable of controlling Pepsi Company or Travel Service, notwithstanding the fact that Pepsi Company and a subsidiary of Bancorporation have a common director.
Under the provisions of section $2(\mathrm{~g})(3)$ of the Act, shares transferred after January 1, 1966, by any bank holding company to a transferree that has one or more officers, directors, trustees, or beneficiaries in common with or subject to control by the transferor are deemed to be indirectly owned or controlled by the transferor unless the Board, after opportunity for hearing, determines that the transferor is not in fact capable of controlling the transferee.
No request for a hearing was made by Bancorporation. Bancorporation has submitted to the Board evidence to show that it is not in fact capable of controlling Travel Service or Pepsi Company, and the Board has received no contradictory evidence. It is hereby determined that Bancorporation is not in fact capable of controlling Travel Service or Pepsi Company. This determination is based upon the evidence of record in this matter including the following facts.
The sale of the assets of Travel Service to Pepsi Company was the result of arm's-length negotiations and competitive bidding. Pepsi Company paid cash for
the assets of Travel Service and is not otherwise indebted to Bancorporation. Although Pepsi Company has borrowed funds from Bancorporation from time to time in the past, and may do so in the future, Pepsi Company has substantial financial resources, and has repaid all previous indebtedness in a timely manner. Although Pepsi Company maintains a deposit relationship with a Bancorporation subsidiary, Pepsi Company's deposits represent less than one half of one percent of Bancorporation's total deposits.
The individual who is a director of Bancorporation and Pepsi-Company is not involved in the day-to-day management of the operations of Bancorporation. Although this individual is indebted to Bancorporation, such indebtedness is current and is small in relation to his net worth. Furthermore, there is no indication that this individual would serve as Bancorporation's representative with regard to Pepsi Company or Travel Service. Accordingly, inasmuch as this individual has no significant share ownership in Bancorporation, the continued service by this individual as an independent outside director on the board of Bancorporation will not render the divestiture ineffective.

In view of the facts of record, it is determined that Bancorporation is not capable of controlling Travel Service or Pepsi Company. Accordingly, it is ordered that the request of Bancorporation for a determination pursuant to section $2(\mathrm{~g})(3)$ is granted. This determination is based on the representations made to the Board by Bancorporation. In the event that the Board should hereafter determine that facts material to this determination are otherwise than as represented, or that Bancorporation has failed to disclose to the Board other material facts, this determination may be revoked, and any change in the facts and circumstances relied upon by the Board in making this determination could result in the Board reconsidering the determination made herein.

By order of the Board of Governors, acting through its Acting General Counsel, pursuant to delegated authority (12 C.F.R. § 265.2(b)(1)), effective June 17, 1981.
[seal]
(Signed) James McAfee,

First Oklahoma Bancorporation, Inc., Oklahoma City, Oklahoma

## Order Granting a Determination Under the Bank Holding Company Act

First Oklahoma Bancorporation, Inc., Oklahoma City, Oklahoma ('FOBC'"), a bank holding company within
the meaning of the Bank Holding Company Act of 1956, as amended, ( 12 U.S.C. § 1841 et seq.) ("Act’'), has requested a determination under section $2(\mathrm{~g})(3)$ of the Act ( 12 U.S.C. $\S 1841(\mathrm{~g})(3)$ ) that FOBC is not in fact capable of controlling the divested assets of three subsidiaries that had been engaged primarily in real estate investment and development, notwithstanding the indebtedness on the part of the purchasers of some of these assets to FOBC, and notwithstanding the fact that two purchasers are offices and directors of FOBC.

Under the provisions of section $2(\mathrm{~g})(3)$ of the Act, shares ${ }^{1}$ transferred after January 1, 1966, by a bank holding company to a transferee that is indebted to the transferor or has one or more officers, directors, trustees, or beneficiaries in common with or subject to control by the transferor, are deemed to be indirectly owned or controlled by the transferor unless the Board, after opportunity for a hearing, determines that the transferor is not in fact capable of controlling the transferee.
The three subsidiaries involved in this determination are First Oklahoma Realty Investment Corporation ('FORIC'), L\&R Enterprises Inc. ('L\&R"), and Southwest Property Management Corporation ("Southwest'"). In the early 1970s each of these subsidiaries held numerous parcels of real estate and certain other assets. The Board ordered the divestiture of this real estate and other assets in 1974. This property was divested over a seven year period, in approximately 100 unrelated transactions involving a variety of purchasers. Many of these transactions did not raise the presumption of section $2(\mathrm{~g})(3)$, because neither indebtedness nor management interlocks were involved. ${ }^{2}$

With a few exceptions, the 31 transactions covered by this order did involve indebtedness or interlocks. The property divested in these 31 transactions is listed in Appendix A. Inasmuch as a number of these 31 transactions involved a transfer of shares or a separate business activity, the presumption of section $2(\mathrm{~g})(3)$ is applicable to those transactions. With respect to the remainder of the transactions covered by this order, they are not technically within the ambit of section $2(\mathrm{~g})(3)$ because they involved undeveloped land. However, where assets required to be disposed of, either under one of the provisions of the Bank Holding

[^23]Company Act or by specific Board order, are transferred, and one or more of the relationships described in section $2(\mathrm{~g})(3)$ of the Act exists, the transferring company must bear a burden similar to that found in the usual section $2(\mathrm{~g})(3)$ context. That is, the transferring company must make a clear and convincing demonstration that the divestiture is complete and was not made in an effort to evade the Act, and that control of the divested asset is not likely to be reacquired. Thus, for purposes of simplicity, all of the 31 transactions are discussed in this order.

FOBC has not requested a hearing regarding the adequacy of these divestitures. Instead, FOBC has submitted evidence to the Board to show that it is not in fact capable of controlling the divested property, or its respective purchasers, and the Board has received no contradictory evidence.

On the basis of the facts of record, it is hereby determined that FOBC is not in fact capable of controlling the assets sold by FORIC, L\&R and Southwest, or the purchasers of those assets. Each of the 31 transactions appear to have been negotiated at armslength and there is no evidence that any of the transfers were designed to evade the requirements of the Board's 1974 order. Moreover, FOBC has undertaken that it will not attempt to exercise control over the assets sold or the purchasers of such assets.

Transactions 1 through 11 (see Appendix A) either did not involve indebtedness, or any indebtedness has been paid in full. Moreover, with respect to each of these transactions, no interlocking relationships exist between FOBC and its subsidiaries, on one hand, and the transferred property and its purchasers, on the other. In transactions 12 through 28, there are also no interlocking relationships. However, in these transactions either the purchaser or the transferred property itself is indebted to FOBC. From the record, it appears that in each of these transactions the debt is current, and regular payments on the debt have been made for at least one year. Moreover, in each case, either the purchaser, or a party that controls the purchaser and has guaranteed the debt, has net worth equal to or greater than the debt. With respect to transaction 29, while the net worth of the purchaser is not significant in relation to the amount of indebtedness, the debt is current and regular payments have been made for more than two years. Moreover, income derived from the transferred property appears ample to service this debt, and no management interlocks are associated with transaction 29. The terms governing the debt relationships in transactions 11 through 29 are those reasonably required in accordance with sound and accepted banking practices. Although many of these debt relationships provide a security interest in the divested property to FOBC, FOBC has committed
that in the event it should repossess any of the divested property, it will promptly dispose of such property in a manner that will not give rise to a section $2(\mathrm{~g})(3)$ presumption. ${ }^{3}$
There is no debt associated with transaction 30, but the two purchasers are both officers and directors of FOBC. A bank holding company that transfers property to an officer or an "inside" director must carry a particularly heavy burden to overcome the presumption of section $2(\mathrm{~g})(3)$. FOBC has provided evidence to demonstrate that it made a good faith attempt to sell this property to an unrelated party, and that it negotiated a sale to officer/directors only after these attempts failed. These officer/directors paid the full asking price in cash. Finally, in light of the nature of the property transferred, there is no basis for believing that its transfer by FOBC to officer/directors was intended to perpetuate FOBC's control of such property.

The loan associated with transaction 31 is in default. However, FOBC has committed that neither it nor any of its officers or directors will bid on the property at the foreclosure sale that will soon take place, and this sale will thus extinguish the section $2(\mathrm{~g})(3)$ presumption, since it will eliminate FOBC's security interest in the property, and FOBC will not provide financing to the new purchaser.
Accordingly, it is ordered that the request of FOBC for a determination pursuant to section $2(\mathrm{~g})(3)$ is granted. This determination is based on the representations made to the Board by FOBC. In the event that the Board should hereafter determine that facts material to this determination are otherwise than represented, or that FOBC has failed to disclose to the Board other material facts, this determination may be revoked, and any change in the facts and circumstances relied upon by the Board in making this determination could result in the Board reconsidering the determination made herein.

By order of the Board of Governors, acting through its Acting General Counsel, pursuant to delegated authority (12 C.F.R. § 265.2(b)(1)), effective June 9, 1981.
(Signed) James McAfee,
[sEaL]

## Assistant Secretary of the Board.

[^24]
## Appendix A

The 31 transactions covered by this Order are those in which the following assets of FORIC, L\&R, and Southwest were divested:

1. Southwest Property Management, Corporation (parent company only)
2. Crosswinds Land Company
3. Crosswinds Inn Joint Venture
4. Turtle Creek Joint Venture
5. Capital Joint Venture
6. Colonial Estates, McGowan and Spanish Lands
7. Enterprise Building and North Place Land
8. Skyline Development, Inc.
9. Forms business of First Oklahoma Financial Services
10. Lakeview Terrace Land
11. Chantilly Heights Land
12. Henderson Properties, Inc.
13. Chisholm Trail Joint Venture
14. Hungry Peddler Joint Venture
15. Mall Development Company
16. Val Gene's Addition Joint Venture
17. Greenwood Plaza Shopping Center
18. Town and Country Shopping Center
19. Northwest Plaza Shopping Center
20. Evans Furniture Warehouse
21. Norman Land
22. Founders Bank and Trust Company Stock (transferred by FOBC)
23. Fisher Land
24. Harris Land
25. Ken-Del Ltd.
26. North Creek Land
27. Royal Oaks Land
28. Miscellaneous assets of L\&R sold to National Properties, Inc.
29. Rainbow Travel Service (transferred by FOBC)
30. Sirloin Stockade
31. Indian Land

## Havelock Investment Company, Lincoln, Nebraska

## Order Granting Determination Under the Bank Holding Company Act

Havelock Investment Company, Lincoln, Nebraska ('Company'), a bank holding company within the meaning of section 2(a) of the Bank Holding Company Act of 1956, as amended (12 U.S.C.§ 1841(a), the ('Act'), has requested a determination under section $2(\mathrm{~g})(3)$ of the Act ( 12 U.S.C. $\S 1841(\mathrm{~g})(3)$ ), that Company is not in fact capable of controlling Mid-

West Financial Management Corporation, Lincoln, Nebraska ("Mid-West'), in connection with the transfer by Company of the assets and liabilities of the insurance agency business of Company ("Havelock Insurance'') to Mid-West, notwithstanding the fact that Mr. Roger L. Anderson is an officer and director of both Company and Mid-West.

Under section $2(\mathrm{~g})(3)$ of the Act, shares ${ }^{1}$ transferred after January 1, 1966, by any bank holding company to a transferee that is indebted to the transferor, or has one or more officers, directors, trustees, or beneficiaries in common with or subject to control by the transferor, are deemed to be indirectly owned or controlled by the transferor unless the Board, after opportunity for hearing, determines that the transferor is not in fact capable of controlling the transferee. Company made no request for a hearing. Company has submitted to the Board evidence to support its contention that it is not in fact capable of controlling MidWest, and the Board has received no contradictory evidence.

It is hereby determined that Company is not in fact capable of controlling Mid-West. This determination is based upon the evidence of record in this matter, including the following facts. Company is a small closely-held corporation, 85 percent of the shares of which are owned by Mr. Roger L. Anderson, or members of his immediate family. Mr. Anderson owns 100 percent of the shares of Mid-West. Mr. Anderson is also the President and Chairman of the Board of Directors for both Company and Mid-West. Company divested its interest in Havelock Insurance by transferring Havelock Insurance to Mid-West on December 31, 1980, and Company presently has no interest in Havelock Insurance. Moreover, inasmuch as Mr. Anderson is a director, officer, and principal shareholder of both Company and Mid-West, the divestiture of Havelock Insurance does not appear to have been a means for perpetuating Company's control of Havelock Insurance. On the basis of the above and other facts of record, it is concluded that control of Company resides with Mr. Anderson individually, and that Company does not control and is not in fact capable of controlling Mid-West as transferee of Havelock Insurance.

Accordingly, it is ordered that the request of Company for a determination pursuant to section 2(g)(3) be

[^25]granted. This determination is based on representations made to the Board by Company and Mid-West. In the event that the Board should hereafter determine that facts material to this determination are otherwise than as represented, or that Company or Mid-West has failed to disclose to the Board other material facts, this determination may be revoked, and any change in the facts and circumstances relied upon by the Board in making this determination would result in the Board reconsidering the determination made herein.

By order of the Board of Governors, acting through its Acting General Counsel, pursuant to delegated authority (12 C.F.R. § 265.2(b)(1)), effective June 22, 1981.
(Signed) James McAfee, [SEAL] Assistant Secretary of the Board.

Investment Corporation of America, Inc., Minneapolis, Minnesota

## Order Granting Determination Under the Bank Holding Company Act

Investment Corporation of America, Inc., Minneapolis, Minnesota ("Invesco"), a bank holding company within the meaning of section 2(a) of the Bank Holding Company Act of 1956, as amended, 12 U.S.C. § 1841 et seq., (the "Act"), by virtue of its ownership and control of River Forest State Bank, River Forest, Illinois, has requested a determination pursuant to the provisions of section $2(\mathrm{~g})(3)$ of the Act (12 U.S.C. § $1841(\mathrm{~g})(3))$ that Invesco is not in fact capable of controlling certain individuals ("Transferees') to whom it transferred its interest in S\&M Company, Minneapolis, Minnesota ('S\&M'), or S\&M itself, notwithstanding the fact that Transferees are officers and/or directors of Invesco.

Pursuant to the provisions of section $2(\mathrm{~g})(3)$ of the Act, shares transferred after January 1, 1966, by any bank holding company to a transferee that is indebted to the transferor or has one or more officers, directors, trustees, or beneficiaries in common with or subject to the control by the transferor are deemed to be indirectly owned or controlled by the transferor unless the Board, after opportunity for hearing, determines that the transferor is not in fact capable of controlling the transferee. ${ }^{1}$

[^26]It is hereby determined that Invesco is not, in fact, capable of controlling Transferees or S\&M. This determination is based on the evidence of record in this matter, including the following facts. Invesco divested its interest in S\&M by distributing the shares of S\&M on a pro rata basis to Invesco's shareholders, some of whom are officers and directors of Invesco. Invesco now holds no interest in S\&M, and all officer/director interlocks between Invesco and S\&M have been terminated. Furthermore, Invesco has terminated all business relationships between itself and S\&M. The fact that, after a spin off, the officers and directors of a bank holding company own shares of a divested company is the predictable result of a pro rata distribution, and that distribution does not appear to have been a means of perpetuating Invesco's control over S\&M. Moreover, Invesco's board of directors has adopted a resolution that it cannot control and will not attempt to control S\&M or Transferees.

Accordingly, it is ordered that the request of Invesco for a determination pursuant to section $2(\mathrm{~g})(3)$ be and hereby is granted. This determination is based upon the representations made to the Board by Invesco. In the event the Board should hereafter determine that facts material to this determination are otherwise than as represented, or that Invesco has failed to disclose to the Board other material facts, this determination may be revoked, and any change in the facts or circumstances relied upon by the Board in making this determination could result in the Board reconsidering the determination made herein.

By order of the Board of Governors, acting through its Acting General Counsel, pursuant to delegated authority (12 C.F.R. § $265.2(b)(1)$ ), effective June 8, 1981.
[seal]
(Signed) James McAfee, Assistant Secretary of the Board.

## The Lewistown Company,

 Lewistown, Illinois
## Order Granting a Determination Under the Bank Holding Company Act

The Lewistown Company ("Company"), Lewistown, Illinois, a bank holding company within the meaning of the Bank Holding Company Act (12 U.S.C. § 1841 et seq.) (the "Act"), has requested a determination under section $2(\mathrm{~g})(3)$ of the Act (12 U.S.C. § $1841(\mathrm{~g})(3))$ that Company is not in fact capable of controlling

[^27]Warren Potter or Spoon River Insurance Center, Inc. ("Insurance Center"), Lewistown, Illinois, notwithstanding the fact that Mr. Potter is indebted to the Lewistown Bank, Lewistown, Illinois, a subsidiary of Company, as a result of his purchase of shares of Insurance Center formerly owned by Company. ${ }^{1}$
Under the provisions of section $2(\mathrm{~g})(3)$ of the Act, shares transferred after January 1, 1966, by any bank holding company to a transferee that is indebted to the transferor, are deemed to be indirectly owned or controlled by the transferor unless the Board, after opportunity for hearing, determines that the transferor is not in fact capable of controlling the transferee. No request for a hearing was made by Company. Instead, Company has submitted evidence to the Board to support its contention that it is not in fact capable of controlling Mr. Potter, and the Board has received no contradictory evidence.
It is hereby determined that Company is not in fact capable of controlling Mr. Potter. This determination is based on the evidence of record in this matter, including the following facts:
The sale of the shares of Insurance Center was effected through arm's-length negotiations between Company's principal and Mr. Potter, and the terms governing the debt relationship between Bank and Mr. Potter consist of provisions reasonably required for the protection of Bank's interests as a creditor. Although Mr. Potter is indebted to Company for a substantial portion of the purchase price of Insurance Center, it appears that his personal financial resources are substantial enough to support the conclusion that Company is not in fact capable of controlling Mr. Potter or Insurance Center by reason of that indebtedness. In addition, Company has stated that should it reacquire the shares of Insurance Center as a result of Mr. Potter's default, it will advise the Federal Reserve System and promptly dispose of such shares. Furthermore, there are no employee, officer, or director interlocks between Company, including its subsidiary bank, and Insurance Center. Finally, Company's board of directors has adopted a resolution that Company does not, and will not attempt to, exercise control over Insurance Center or Mr. Potter.

[^28]Accordingly, it is ordered that the request of Company for a determination pursuant to section $2(\mathrm{~g})(3)$ should be and hereby is granted. This determination is based on representations made to the Board by Company and Mr. Potter. In the event that the Board should hereafter determine that facts material to this determination are otherwise than as represented, or that Company or Mr. Potter has failed to disclose to the Board other material facts, this determination may be revoked, and any change in the facts and circumstances relied upon by the Board in making this determination could result in the Board reconsidering the determination made herein.
By order of the Board of Governors, acting through its Acting General Counsel, pursuant to delegated authority (12 C.F.R. § 265.2(b)(1)), effective June 23, 1981.
(Signed) James McAfee, [seal] Assistant Secretary of the Board.

Noble Bancshares, Inc.,
Noble, Oklahoma

## Order Granting Determination Under the Bank Holding Company Act

Noble Bancshares, Inc. (formerly Noble Insurance Agency, Inc.), Noble, Oklahoma ('Noble"), a bank holding company within the meaning of section 2(a) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. § 1841 et seq.) ("Act"), has requested a determination pursuant to section $2(\mathrm{~g})(3)$ of the Act that, with respect to the sale for cash by Noble of all of its insurance agency business to Noble Insurance Agency, Inc., Noble, Oklahoma ("Agency"), that Noble is not in fact capable of controlling Kenneth L. King, Elizabeth King, Paul D. King ('Kings") or Agency, notwithstanding the fact that the Kings are officers and directors of both Noble and Agency.
Under the provisions of section $2(\mathrm{~g})(3)$ of the Act, shares transferred after January 1, 1966, by a bank holding company to a transferee that is indebted to the transferor or has one or more officers, directors, trustees, or beneficiaries in common with or subject to control by the transferor, are deemed to be indirectly owned or controlled by the transferor unless the Board, after opportunity for hearing, determines that the transferor is not in fact capable of controlling the transferee. No request for a hearing was made by Noble. Instead, Noble has submitted evidence to the Board to support its contention that it is incapable of controlling the Kings or Agency either directly or
indirectly. The Board has received no contradictory evidence.
It is hereby determined that Noble is not in fact capable of controlling the Kings or Agency. This determination is based upon the evidence in the matter, including the following facts. Noble is a closelyheld corporation. Kenneth L. King owns 100 percent of Noble. Kenneth L. King and Elizabeth King each own 50 percent of Agency. The Kings are the only officers, directors, and shareholders of both Agency and Noble. The divestiture does not appear to have been a means of perpetuating Noble's control over Agency. On the basis of the above and other facts of record, the Board concludes that control of Noble and Agency resides with the Kings as individuals, and that Noble does not control and is not in fact capable of controlling the Kings in their capacities as shareholders, directors and officers of Agency.
Accordingly, it is ordered that the request of Noble for a determination pursuant to section $2(\mathrm{~g})(3)$ is granted. This determination is based on the representations made to the Board by Noble and the Kings. In the event the Board should hereafter determine that facts material to this determination are otherwise than as represented, or that Noble, or the Kings have failed to disclose to the Board other material facts, this determination may be revoked, and any change in the facts and circumstances relied upon by the Board in making this determination could result in the Board reconsidering the determination made herein.
By order of the Board of Governors, acting through its Acting General Counsel, pursuant to delegated authority (12 C.F.R. § 265.2(b)(1)), effective June 17, 1981.
(Signed) James McAfee, [sEAL] Assistant Secretary of the Board.

## Walter E. Heller International Corporation, Chicago, Illinois

## Order Granting Determination Under the Bank Holding Company Act

Walter E. Heller International Corporation ('Heller'), Chicago, Illinois, a bank holding company within the meaning of the Bank Holding Company Act, has requested a determination under section $2(\mathrm{~g})(3)$ of the Act ( 12 U.S.C. § $1841(\mathrm{~g})(3)$ ), that Heller is not in fact capable of directly or indirectly controlling General Felt Industries, New York, New York, or its indirect subsidiary KWW, Inc. ('KWW'), New York, New York, notwithstanding the fact that KWW is indebted to Walter E. Heller Industries ("Heller Industries"), a
wholly-owned subsidiary of Heller. This request has been made in connection with a sale to KWW by Heller of all of the issued and outstanding shares of Knoll International, Inc. ("Knoll'), a manufacturer of designer furniture and furnishings.
Under section $2(\mathrm{~g})(3)$ of the act, shares transferred after January 1,1966 , by any bank holding company to a transferee that is indebted to the transferor, are deemed to be owned or controlled by the transferor unless the Board, after opportunity for hearing, determines that the transferor is not in fact capable of controlling the transferee. Heller has not requested a hearing, but it has submitted to the Board evidence to support its contention that Heller and its affiliates are not in fact capable of controlling KWW.
On the basis of the following facts of record, it is hereby determined that Heller and its affiliates are not, in fact, capable of controlling KWW. At the time Heller applied to the Board to become a bank holding company, Heller was required to divest itself of Knoll and three other manufacturing interests held by Heller Industries. ${ }^{1}$ In 1977 Heller sold all the shares of Knoll to KWW for a total purchase price of $\$ 23$ million, of which $\$ 8.5$ million was represented by an unsecured subordinated debenture from KWW to Knoll. The record reflects that the sale of Knoll to KWW in 1977 was negotiated at arm's-length, and that there are no officer or director interlocks between Heller or its affiliates, and KWW or its affiliates. Moreover, from the record it appears that the debenture is being repaid in accordance with its terms and there is no indication that KWW will be unable to continue with its timely payments. Finally, Heller's board of directors has adopted a resolution that it does not, and will not attempt to, exercise control over KWW or Knoll, and KWW has filed a resolution to the effect that Heller and its affiliates are not capable of controlling KWW.

Accordingly, it is ordered that the request of Heller for a determination pursuant to section $2(\mathrm{~g})(3)$ is granted. This determination is based on representations made to the Board by Heller and KWW. In the event that the Board should hereafter determine that facts material to this determination are otherwise than as represented, or that Heller or KWW has failed to disclose to the Board other material facts, this determination may be revoked, and any change in the facts and circumstances relied upon in making this determination could result in the Board's reconsideration of this determination.

[^29]By order of the Board of Governors, acting through its General Counsel, pursuant to delegated authority (12 C.F.R. § $265.2(\mathrm{~b})(1)$ ), effective June 1, 1981.
(Signed) James McAfee,
[SEAL] Assistant Secretary of the Board.

## Certifications Pursuant to the Bank Holding Company Tax Act of 1976

Investment Corporation of America, Inc., Minneapolis, Minnesota

## Final Certification Pursuant to the Bank Holding Company Tax Act of 1976

Investment Corporation of America, Inc., Minneapolis, Minnesota ('Invesco'), has requested a final certification pursuant to section 1101(e) of the Internal Revenue Code ("Code"), as amended by section 2(a) of the Bank Holding Tax Act of 1976 (the "Tax Act'), that it has, before the expiration of the period prohibited property is permitted under the Bank Holding Company Act, 12 U.S.C. § 1841 et seq., to be held by a bank holding company, disposed of all the property the disposition of which is necessary or appropriate to effectuate section 4 of the Bank Holding Company Act.
In connection with this request, the following inforination is deemed relevant for purposes of issuing the requested certification. ${ }^{1}$

1. Effective November 15, 1978, the Board issued a prior certification pursuant to section 1101(a) of the Code with respect to the proposed divestiture by Company of 40,000 voting shares of The S\&M Company, Minneapolis, Minnesota ('S\&M") then held by Invesco, through the pro rata distribution of such shares to the shareholders of Invesco. ${ }^{2}$
2. The Board's Order certified that:
A. Invesco is a qualified bank holding corporation within the meaning of section 1103(b) of the Code, and satisfies the requirements of that subsection;
B. The shares of S\&M are "prohibited property"

[^30]within the meaning of section 1103 (c) of the Code; and
C. The distribution of the shares of $S \& M$ is necessary or appropriate to effectuate section 4 of the Bank Holding Company Act.
3. On December 31, 1980, Invesco distributed to its shareholders, on a pro rata basis, all of its shares of S\&M. Invesco does not currently own any shares of S\&M.
4. Invesco terminated its management interlocks with S\&M on December 31, 1978, as was required by the Board's Order.
5. Invesco has represented that it does not exercise a controlling influence over the management or policies of S\&M.
6. Invesco has represented that it holds no other property the disposition of which is required by section 4 of the Bank Holding Company Act.
On the basis of the foregoing information, it is hereby certified that Invesco has, before the expiration of the period prohibited property is permitted under the Bank Holding Company Act to be held by a bank holding company, disposed of all of the property the disposition of which is necessary or appropriate to effectuate section 4 of the Bank Holding Company Act.

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

By order of the Board of Governors, acting through its Acting General Counsel, pursuant to delegated authority ( 12 C.F.R. § $265.2(\mathrm{~b})(3)$ ), effective June 8 , 1981.
[SEAL]
Assistant Secretary of the Board.

Noble Bancshares, Inc., Noble, Oklahoma

## Final Certification Pursuant to the Bank Holding Company Tax Act of 1976

Noble Bancshares, Inc. (formerly Noble Insurance Agency, Inc.), Noble, Oklahoma ('Noble"), has requested a final certification pursuant to section 6158(c)(2) of the Internal Revenue Code ("Code"), as amended by section 3(a) of the Bank Holding Company Tax Act of 1976, ('"Tax Act") that it has (before the expiration of the period prohibited property is permit-
ted under the Bank Holding Company Act (12 U.S.C. § 1841 et. seq.) to be held by a bank holding company) divested all of its prohibited property.
In connection with request, the following information is deemed relevant for the purposes of issuing the requested certification. ${ }^{1}$

1. Effective November 6, 1980, the Board issued a prior certification pursuant to section 6158(a) of the Code with respect to Noble's proposed sale of all of its insurance agency business to Noble Insurance Agency, Inc., Noble, Oklahoma ("Agency").
2. The Board's Order certified that:
A. Noble is a qualified bank holding company within the meaning of section 1103(b) of the Code, and satisfies the requirements of that subsection. B. The insurance agency business that Noble proposes to sell is "prohibited property" within the meaning of section 1103(c) of the Code.
C. The sale of the insurance agency business is necessary or appropriate to effectuate section 4 of the Bank Holding Company Act.
3. On December 30, 1980, following prior certification of the transaction by the Board of Governors, acting through its General Counsel, Noble sold all of its insurance agency business to Agency.
4. Noble has represented to the Board that it has
disposed of all of its nonbanking property and that it does not own or control any nonbanking shares or property or engage in any nonbanking activities.
On the basis of the foregoing information, it is hereby certified that Noble has (before the expiration of the period prohibited property is permitted under the Bank Holding Company Act to be held by a bank holding company) disposed of all property the disposition of which is necessary or appropriate to effectuate section 4 of the Bank Holding Company Act.
This certification is based upon representations made to the Board by Noble and upon the facts set forth above. In the event the Board should hereafter determine that facts material to this certification are otherwise than as represented by Noble or that Noble has failed to disclose to the Board other material facts or to fulfill any commitments made to the Board in connection herewith, it may revoke this certification.

By order of the Board of Governors, acting through its Acting General Counsel, pursuant to delegated authority (12 C.F.R. § 265.2(b)(3)), effective June 17, 1981.
(Signed) James McAfee, [seal]

## Orders Approving applications Under the Bank Holding Company act and Bank Merger act

## By the Board of Governors

During June 1981, 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) |
| :---: | :---: | :---: |
| Crosstown Holding Company, Ham Lake, Minnesota | Crosstown State Bank of Ham Lake Inc., Ham Lake, Minnesota | June 3, 1981 |
| Shelbyville Bancshares, Inc., Shelbyville, Missouri | Farmers and Merchants Bank of Green Ridge, <br> Green Ridge, Missouri | June 10, 1981 |
| Southeast Financial Bankstock Corporation, McGehee, Arkansas | McGehee Bank, McGehee, Arkansas | June 22, 1981 |
| Southwest Bancshares, Inc., Houston, Texas | Copperfield National Bank, Harris County, Texas | June 16, 1981 |

[^31]Section 3-Continued

| Applicant | Bank(s) | Reserve Bank | Effective date |
| :---: | :---: | :---: | :---: |
| Texas American Bancshares Inc., Fort Worth, Texas | Empire Bank, Dallas, Texas |  | June 29, 1981 |
| Texas American Bancshares Inc., Fort Worth, Texas | The Collin County National Bank of McKinney, McKinney, Texas |  | June 2, 1981 |

## 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 |
| :---: | :---: | :---: | :---: |
| Allied Bancshares, Inc., Houston, Texas | Jetero Bank, Houston, Texas | Dallas | June 25, 1981 |
| American Exchange Company, Elmwood, Nebraska | American Exchange Bank, Elmwood, Nebraska | Kansas City | May 21, 1981 |
| BancIndependent Incorporated, Sheffield, Alabama | First Colbert National Bank, Sheffield, Alabama | Atlanta | June 12, 1981 |
| Bancshares of New Jersey, Inc., Wilmington, Delaware | The Bank of New Jersey, Camden, New Jersey <br> The Bank of New Jersey, N.A., Moorestown, New Jersey Prospect Park National Bank, Wayne, New Jersey | Philadelphia | May 29, 1981 |
| Bel Tower Financial, Incorporated, Stanwood, Iowa | Union Trust \& Savings Bank, Stanwood, Iowa | Chicago | June 8, 1981 |
| Cen-La Bancshares, Inc., Marksville, Louisiana | Central Louisiana Bank \& Trust Company, <br> Marksville, Louisiana | Atlanta | June 23, 1981 |
| Citizens Bancorporation, Sheboygan, Wisconsin | Gillett State Bank, Gillett, Wisconsin | Chicago | June 8, 1981 |
| Columbine Valley Corporation, Littleton, Colorado | Columbine Valley Bank and Trust, Littleton, Colorado | Kansas City | May 29, 1981 |
| Community Banks, Inc., Middleton, Wisconsin | The American Exchange Bank of Madison, Wisconsin, Madison, Wisconsin | Chicago | June 16, 1981 |
| Consolidated Bancshares, Inc., Abilene, Texas | Abilene National Bank, Abilene, Texas | Dallas | June 5, 1981 |
| Country Hill Bancshares, Inc., Lenexa, Kansas | Country Hill State Bank, Lenexa, Kansas | Kansas City | May 15, 1981 |
| Crown Bancshares, Inc., Kansas City, Missouri | The First National Bank of Lawrence, Lawrence, Kansas <br> The Merchants National Bank of Topeka, Topeka, Kansas | Kansas City | June 12, 1981 |

Section 3-Continued

\left.| Applicant | Bank(s) | Reserve | Effective |
| :--- | :--- | :--- | :--- |
| Bank |  |  |  |$\right]$

Section 3-Continued

| Applicant | Bank(s) | Reserve Bank | Effective date |
| :---: | :---: | :---: | :---: |
| Northern National Corporation, Moorestown, New Jersey | Bancshares of New Jersey, Inc., Wilmington, Delaware | Philadelphia | May 29, 1981 |
| Northern National Corporation, Moorestown, New Jersey | The Bank of New Jersey, National Association, | Philadelphia | May 29, 1981 |
| Bancshares of New Jersey, Inc., Wilmington, Delaware | Moorestown, New Jersey |  |  |
| Northshore Bancshares, Inc., Houston, Texas | Northshore Bank, Houston, Texas | Dallas | June 26, 1981 |
| North Texas Bancshares, Inc., North Richland Hills, Texas | Bank of North Texas, <br> North Richland Hills, Texas, <br> Meadowbrook National Bank, Fort Worth, Texas | Dallas | June 11, 1981 |
| Olivia Bancorporation, Inc., Olivia, Minnesota | American State Bank of Olivia, Olivia, Minnesota | Minneapolis | June 22, 1981 |
| One Valley Bancorp of West Virginia, Inc., Charleston, West Virginia | Kanawha Valley Bank, N.A., Charleston, West Virginia | Richmond | June 15, 1981 |
| Pagosa Springs Holding Company, Pagosa Springs, Colorado | The Citizens Bank of Pagosa Springs, <br> Pagosa Springs, Colorado | Kansas City | June 12, 1981 |
| Peoples Banking Corporation, Bay City, Michigan | Community Bank, Bad Axe, Michigan | Chicago | May 29, 1981 |
| Quitman Bancshares, Inc., Quitman, Georgia | Bank of Quitman, Quitman, Georgia | Atlanta | June 26, 1981 |
| Remer Bancorporation, Inc., Remer, Minnesota | Security State Bank of Remer, Remer, Minnesota | Minneapolis | June 26, 1981 |
| Republic Bancshares Corporation, Clearwater, Florida | The Republic Bank, Clearwater, Florida | Atlanta | June 2, 1981 |
| Ruston Bancshares, Inc., Ruston, Louisiana | Ruston State Bank \& Trust Company, <br> Ruston, Louisiana | Dallas | June 8, 1981 |
| Salem National Bancorporation, Inc., Salem, Illinois | Salem National Bank, Salem, Illinois | St. Louis | June 26, 1981 |
| Security Holding Company Miami, Oklahoma | Security Bank and Trust Company, Miami, Oklahoma | Kansas City | May 19, 1981 |
| Shidler Bancshares, Inc., Shidler, Oklahoma | Shidler State Bank, Shidler, Oklahoma | Kansas City | June 12, 1981 |
| Steele BanCorp., Cherokee, Iowa | The Steele State Bank, Cherokee, Iowa | Chicago | June 19, 1981 |
| Texas Commerce Bancshares, Inc., Houston, Texas | Friendswood Bank, Friendswood, Texas | Dallas | June 12, 1981 |
| Verdigre State Company, Verdigre, Nebraska | The Verdigre Agency, Inc., Verdigre, Nebraska Bank of Verdigre, Verdigre, Nebraska | Kansas City | May 15, 1981 |
| Walker Ban Co., Walker, Minnesota | First National Bank of Walker, Walker, Minnesota | Minneapolis | June 19, 1981 |
| Winthrop Bancshares, Inc., Winthrop, Minnesota | Winthrop State Bank, Winthrop, Minnesota | Minneapolis | June 15, 1981 |

Section 3-Continued

| Applicant | Bank(s) | Reserve <br> Bank | Effective <br> date |
| :---: | :---: | :---: | :---: |
| Woodland Bancorp, Inc., <br> Tulsa, Oklahoma | Woodland Bank, <br> Tulsa, Oklahoma | Kansas City | May 20, 1981 |

Sections 3 and 4

| Applicant | Bank(s) | Nonbanking <br> company <br> (or activity) | Reserve <br> Bank | Effective <br> date |
| :--- | :---: | :---: | :---: | :---: |
| Flora Financial Corpo- <br> ration, <br> Flora, Mississippi | Bank of Flora <br> Flora, Mississippi | to act as agent or broker <br> in the sale of credit <br> life and credit accident <br> and health insurance <br> directly related to ex- | Atlanta | June 23, 1981 |
| tensions of credit. |  |  |  |  |$\quad$ St. Louis $\quad$ June 3, 1981

## Section 4

| Applicant | Nonbanking <br> company <br> (or activity) | Effective <br> date |
| :---: | :---: | :---: |
| Nortonville Bancshares, Inc., <br> Nortonville, Kansas | Northeast Kansas Agency, Inc., <br> Nortonville, Kansas, <br> to engage in the sale of general insurance in a <br> community of less than 5,000 population. | June 12, 1981 |

## 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.

Louis J. Roussel v. Board of Governors, filed May 1981, U.S.C.A. for the District of Columbia.

Wilshire Oil Company of Texas v. Board of Governors, et al., filed April 1981, U.S.C.A. for the Third Circuit.
People of the State of Arkansas v. Board of Governors, et al., filed March 1981, U.S.C.A. for the Western District of Arkansas.

First Bank \& Trust Company v. Board of Governors, filed February 1981, U.S.D.C. for the Eastern District of Kentucky.
Ellis E. St. Rose \& James H. Sibbet v. Board of Governors, filed February 1981, U.S.D.C. for the District of Columbia.
Option Advisory Service, Inc. v. Board of Governors, et al., filed February 1981, U.S.C.A. for the Second Circuit.
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.D.C. for the District of Columbia.
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.D.C. 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.
Independent Insurance of America and Independent Insurance Agents of Missouri v. Board of Governors, filed September 1980, U.S.C.A. for the Eighth Circuit.
Independent Insurance Agents of America and Independent Insurance Agents of Virginia v. Board of Governors, filed September 1980, U.S.C.A. for the Fourth Circuit.
Nebraska Bankers Association, et al. v. Board of Governors, et al., filed September 1980, U.S.D.C. for the District of Nebraska.
Republic of Texas Corporation v. Board of Governors, filed September 1980, U.S.C.A. for the Fifth Circuit.
A. G. Becker, Inc. v. Board of Governors, et al., filed August 1980, U.S.D.C. for the District of Columbia. Otero Savings and Loan Association v. Board of Governors, filed August 1980, U.S.D.C. for the District of Columbia.
Edwin F. Gordon v. Board of Governors, et al., filed August 1980, U.S.C.A. for the Fifth Circuit.
U.S. League of Savings Associations v. Depository Institutions Deregulation Committee, et al., filed June 1980, U.S.D.C. 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.
Mercantile Texas Corporation v. Board of Governors, filed May 1980, U.S.C.A. for the Fifth Circuit.
Corbin, Trustee v. United States, filed May 1980, United States Court of Claims.
Ulyssess S. Crockett v. United States, et al., filed April 1980, U.S.D.C. for the Eastern District of North Carolina.
County National Bancorporation and TGB Co. v. Board of Governors, filed September 1979, U.S.C.A. for the Eighth Circuit.

Donald W. Riegel, Jr. v. Federal Open Market Commitee, filed July 1979, U.S.D.C. for the District of Columbia.
Security Bancorp and Security National Bank v. Board of Governors, filed March 1978, U.S.C.A. for the Ninth Circuit.
Roberts Farms, Inc. v. Comptroller of the Currency, et al., filed November 1975, U.S.D.C. for the Southern District of California.
David Merrill, et al. v. Federal Open Market Committee, filed May 1975, U.S.D.C. for the District of Columbia.

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| Item | 1980 |  |  | 1981 | 1981 |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Q2 | Q3 | Q4 | Q1 ${ }^{\text {r }}$ | Jan. ${ }^{\text {r }}$ | Feb.r | Mar. ${ }^{\text {r }}$ | Apr. ${ }^{\text {r }}$ | May |
|  | Monetary and credit aggregates (annual rates of change, seasonally adjusted in percent) ${ }^{1}$ |  |  |  |  |  |  |  |  |
| Reserves of depository institutions <br> $10 \mid$ |  |  |  |  |  |  |  |  |  |
| 1 Total. | 4 | 6.7 | 16.5 | 2.0 | $-.9$ | -14.7 | 11.9 | . 0 | 12.6 |
| 2 Required. . | . 7 | 5.8 | 15.2 | 2.5 | -. 7 | -4.0 | 6.0 | 7.2 | 9.0 |
| 3 Nonborrowed. | 7.4 | 12.4 | 7.2 | 6.8 | 8.2 | - 12.4 | 21.9 | $-10.4$ | $-14.6$ |
| 4 Monetary base ${ }^{2}$ | 5.6 | 9.5 | 10.6 | 5.5 | 4.9 | 2.2 | 7.5 | 7.3 | 9.8 |
| Concepts of money and liquid assets ${ }^{3}$ $5 \mathrm{Ml}-\mathrm{A} . . . . . . . . . . . . . . . . . . . . . . . ~$ | $-4.9 r$ | 11.3 r | $8.2 r$ | -20.8 | -39.0 | - 25.3 | -4.6 | 2.6 | -5.6 |
| 6 M1-B. | -3.0r | 13.9 | $10.8{ }^{r}$ | 4.9 | 10.4 | 5.7 | 13.1 | 22.3 | -6.1 |
| 7 M 2 | $5.1{ }^{r}$ | $15.4{ }^{r}$ | 8.1 | 8.2 | 8.2 | 10.6 | 16.1 | 13.5 | 4.1 |
| 8 M3 | 6.0 | 13.1 | $11.3 r$ | 12.4 | 15.2 | 11.8 | 10.8 | 10.9 | 9.1 |
| 9 L . | 6.8 | 9.9 | $11.5 r$ | 12.6 | 15.5 | 11.5 | 5.5 | n.a. | n.a. |
| Time and savings deposits <br> Commercial banks |  |  |  |  |  |  |  |  |  |
| 10 Total . . . . . . . . . . . . . . | $10.7 r$ | $6.1 r$ | $15.4 r$ | 17.0 | 21.3 | 9.8 | 2.0 | 6.8 | 19.1 |
|  | $-21.8 r$ | $22.2 r$ | $1.5 r$ | $-30.5$ | - 51.2 | $-22.3$ | -10.4 | $-2.8$ | $-16.0$ |
| 12 Small-denomination time ${ }^{5}$ | $32.7 r$ | $2.1{ }^{r}$ | $16.2^{r}$ | 30.2 | 41.0 | 16.3 | 16.4 | 5.4 | 15.8 |
| 13 Large-denomination time ${ }^{6}$. | $13.2 r$ | $-1.2 r$ | $25.4 r$ | 37.5 | 50.6 | 23.8 | - 5.9 | 13.7 | 44.3 |
| 14 Thrift institutions ${ }^{7}$. . . . . . . . . | 4.7 | 10.1 | 9.7 | 5.3 | 3.5 | 3.0 | 1.5 | $-2.5$ | 2.8 |
| 15 Total loans and securities at commercial banks*. | . 0 | 6.7 | 14.7 | 11.8 | 15.8 | 8.1 | $-.7$ | 4.5 | 11.6 |
|  | 1980 |  | 1981 |  | 1981 |  |  |  |  |
|  | Q3 | Q4 | Q 1 | Q2 | Feb. | Mar. | Apr. | May | June |
|  | Interest rates (levels, percent per annum) |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| 17 Discount window borrowing ${ }^{10}$ | 10.35 | 11.78 | 13.00 | 13.62 | 13.00 | 13.00 | 13.00 | 13.87 | 14.00 |
| 18 Treasury bills (3-month market yield) ${ }^{11}$ | 9.15 | 13.61 | 14.39 | 14.91 | 14.79 | 13.36 | 13.69 | 16.30 | 14.73 |
| 19 Commercial paper (3-month) $11.12 \ldots$. | 9.65 | 15.26 | 15.34 | 16.15 | 15.49 | 13.94 | 14.56 | 17.56 | 16.32 |
| Long-term rates Bonds |  |  |  |  |  |  |  |  |  |
| 20 U.S. government ${ }^{13}$ | 10.95 | 12.23 | 12.74 | 13.49 | 12.98 | 12.94 | 13.46 | 13.82 | 13.20 |
| 21 State and local government ${ }^{4}$ | 8.58 | 9.59 | 9.97 | 10.69 | 10.10 | 10.16 | 10.62 | 10.78 | 10.67 |
| 22 Aaa utility (new issue) ${ }^{15}$. | 12.20 | 13.49 | 14.45 | 15.41 | 14.90 | 14.71 | 15.68 | 15.81 | 14.76 |
| 23 Conventional mortgages ${ }^{16}$. | 13.12 | 14.62 | 15.10 | n.a. | 15.10 | 15.25 | 15.70 | 16.35 | n.a. |

1. Unless otherwise noted, rates of change are calculated from average amounts outstanding in preceding month or quarter. Growth rates are adjusted for discontinuities in series that result from changes in Regulation D.
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-A. Averages of daily figures for (1) 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; (2) currency outside the Treasury. Federal Reserve Banks, and the Reserve float; (2) currency outside the Treasury, Federal Reserve Banks,
vaults of commercial banks; and (3) travelers checks of nonbank issuers.
aults of commercial banks; and (3) travelers checks of nonbank issuers.
M1-B: M1-A plus negotiable order of withdrawal and automated transfer service
M1-B: M1-A plus negotiable order of withdrawal and automated transfer service
accounts at banks and thrift institutions, credit union share draft accounts, and accounts at banks and thrift institutions, credit union share draft accounts, and
demand deposits at mutual savings banks.
M2: M1-B plus savings and small-denomination time deposits at all depository
M2: M1-B plus 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 bank
banks, and money market mutual fund shares.
M3: M2 plus large-denomination time deposits at all depository institutions and term RPs at commercial banks and savings and loan associations.
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 5. Small-denomination time deposits are those issued in amounts of less than $\$ 100,000$
5. Large-denomination time deposits are those issued in amounts of $\$ 100,000$ or more.
6. Savings and loan associations, mutual savings banks, and credit unions
7. Changes calculated from figures shown in table 1.23.
8. Averages of daily effective rates (average of the rates on a given date weighted by the volume of transactions at those rates)
9. Rate for the Federal Reserve Bank of New York.
10. Quoted on a bank-discount basis.
11. Unweighted average of offering rates quoted by at least five dealers
12. Market yields adjusted to a 20 -year maturity by the U.S. Treasury.
13. Bond Buyer series for 20 issues of mixed quality.
14. 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.
15. Average rates on new commitments for conventional first mortgages on new homes in primary markets. unweighted and rounded to nearest 5 basis points, from Dept. of Housing and Urban Development.
NOTE. The monetary aggregates have been revised to reflect new benchmark data and a definitional change to include outstanding travelers checks issued by nonbanks. See "Announcements" in this BULLETIN for details.

### 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 |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1981 |  |  | 1981 |  |  |  |  |  |  |
|  | Apr.p | May p | June $p$ | May $13 p$ | May $20 p$ | May $27{ }^{p}$ | June $3 p$ | June 10p | June $17{ }^{p}$ | June 24p |
| Supplying Reserve Funds |  |  |  |  |  |  |  |  |  |  |
| 1 Reserve Bank credit outstanding | 143,648 | 144,065 | 144,999 | 143,559 | 145,173 | 143,987 | 143,574 | 142,889 | 144,653 | 145,949 |
| 2 U.S. government securities ${ }^{1}$ | 120,008 | 119.937 | 120,637 | 118,191 | 121,587 | 120,112 | 119,447 | 118,900 | 120,655 | 121,618 |
| 3 Bought outright. | 119.468 | 119,819 | 120,333 | 118,191 | 121,587 | 120,112 | 119,447 | 118,900 | 120,655 | 120,971 |
| 4 Held under repurchase agreements | 540 8.775 | 118 8.738 | 304 8.733 | 8.720 | 8.720 | 8.720 | 8.720 | 8.718 | 8,707 | 647 8.891 |
| 6 Federal agency securites | 8,720 8,75 | 8.738 8.720 | 8.710 8.710 | 88.720 | 8,720 8.720 | 8.720 8.720 | 8.720 8.720 | 8.718 8,718 | 8,707 8,707 | 8.891 8,707 |
| 7 Held under repurchase agreements | 55 | 18 | 63 |  |  |  |  |  |  | 184 |
| 8 Acceptances | 69 | 20 | 155 |  |  |  |  |  |  | 142 |
| 9 Loans. | 1,343 | 2.154 | 2,038 | 1,734 | 1,975 | 2,923 | 1.954 | 2,207 | 1,895 | 2,305 |
| 10 Float | 3.195 | 3.085 | 3.474 | 4.295 | 3.039 | 2.368 | 3.962 | 3.647 | 3,628 | 2,577 |
| 11 Other Federal Reserve assets | 10.258 | 10.131 | 9.922 | 10.619 | 9.851 | 9.864 | 9.491 | 9,418 | 9,769 | 10,415 |
| 12 Gold stock | 11,154 | 11.154 | 11.154 | 11.154 | 11,154 | 11,154 | 11,154 | 11,154 | 11,154 | 11,154 |
| 13 Special drawing rights certificate account. | 2,818 | 2,818 | 2.826 | 2,818 | 2,818 | 2,818 | 2,818 | 2,818 | 2,818 | 2,818 |
| 14 Treasury currency outstanding . . . . . . . . . . | 13,538 | 13,544 | 13,567 | 13.539 | 13,543 | 13,551 | 13,557 | 13,561 | 13,567 | 13,571 |
| Absorbing Reserve Funds |  |  |  |  |  |  |  |  |  |  |
| 15 Currency in circulation. . . . . . . . . . . . . . . . . | 134,553 | 135,631 | 136.710 | 135.775 | 135,742 | 135,958 | 136,168 | 136,653 | 136,956 | 136,647 |
| 16 Treasury cash holdings. <br> Deposits, other than member bank reserves, with Federal Reserve Banks | 498 | 509 | 499 | 514 | 509 | 506 | 502 | 506 | 502 | 504 |
| 17 Treasury . . . . . . . . . . . . . . . . . . . . . . . . . . . | 3,353 | 3,210 | 3.049 | 3,299 | 3,119 | 2.830 | 2,982 | 2,613 | 3,196 | 3,021 |
| 18 Foreign | 411 | 342 | 292 | 555 | 274 | 258 | 314 | 323 | 258 | 310 |
| 19 Other. | 295 | 283 | 367 | 271 | 276 | 241 | 401 | 346 | 391 | 321 |
| 20 Other Federal Reserve liabilities and capital <br> 21 Reserve accounts ${ }^{2}$ | 4.875 | 4.784 | 4.810 | 4.711 | 4.938 | 4.884 | 4.515 | 4,368 | 4,636 | 5,259 |
|  | 27,173 | 26.822 | 26.819 | 25,944 | 27.829 | 26,832 | 26,220 | 26,612 | 26,254 | 27,430 |
|  | End of month figures |  |  | Wednesday figures |  |  |  |  |  |  |
|  | 1981 |  |  | 1981 |  |  |  |  |  |  |
|  | Apr. | May | June | May 13 | May 20 | May 27 | June 3 | June 10 | June 17 | June 24 |
| 22 Reserve bank credit outstanding. | 143,452 | 140,540 | 142,934 | 143,456 | 148,131 | 141,814 | 150,192 | 142,721 | 151,595 | 144,646 |
| 23 U.S. government securities ${ }^{1}$ | 119.687 | 118,311 | 120,017 | 116,292 | 122,239 | 117.193 | 121,375 | 116.749 | 121,346 | 119,360 |
| 24 Bought outright. | 119,687 | 118,311 | 120,017 | 116,292 | 122,239 | 117,193 | 121,375 | 116,749 | 121,346 | 119,360 |
| 25 Held under repurchase agreements |  |  |  |  |  |  |  |  |  |  |
| 26 Federal agency securities | 8,720 8,720 | 8.720 8.720 | 8.694 8.694 | 8.720 8.720 | 8,720 8.720 | 8.720 | 8.720 8.720 | 8.707 | 8.707 | 8.707 |
| 27 Bought outright...... | 8.720 | 8.720 | 8.694 | 8.720 | 8,720 | 8.720 | 8.720 | 8,707 | 8,707 | 8.707 |
| 28 Held under repurchase agreements...... |  |  |  |  |  |  |  |  |  |  |
| 29 Acceptances |  |  |  |  |  |  |  |  |  |  |
| 30 Loans. | 2,333 | 1,366 | 1,010 | 3,683 | 3,847 | 8,851 | 5,742 | 3,613 | 6,357 | 1,803 |
| 31 Float | 2,156 | 2,542 | 2,506 | 3,820 | 3,440 | 4,082 | 4,833 | 4,077 | 4,660 | 4,315 |
| 32 Other Federal Reserve assets | 10,556 | 9.601 | 10,707 | 10,941 | 9,885 | 9,968 | 9,522 | 9,575 | 10,525 | 10,461 |
| 33 Gold stock . . . . . . . . . . . . . . . . . . . . . . . . . | 11,154 | 11.154 | 11.154 | 11.154 | 11.154 | 11,154 | 11,154 | 11.154 | 11,154 | 11,154 |
| 34 Special drawing rights certificate account... | 2.818 | 2,818 | 3.068 | 2.818 | 2.818 | 2,818 | 2,818 | 2,818 | 2,818 | 2,818 |
| 35 Treasury currency outstanding . . . . . . . . . . | 14,061 | 13,555 | 13.580 | 13,539 | 13,549 | 13,555 | 13,559 | 13,565 | 13,570 | 13,575 |
| Absorbing Reserve Funds |  |  |  |  |  |  |  |  |  |  |
| 36 Currency in circulation. | 134,991 | 135,908 | 137,499 | 136.285 | 136,040 | 136,624 | 136,655 | 137,372 | 137,127 |  |
| 37 Treasury cash holdings. Deposits, other than member bank reserves, with Federal Reserve Banks | 508 | 502 | 484 | 512 | 507 | 501 | 504 | 505 | - 498 | , 505 |
| 38 Treasury . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 4,460 | 2,288 | 2.923 | 3.692 | 3.085 | 2,880 | 4,127 | 2,391 | 5,215 | 2,909 |
| 39 Foreign | 476 | 346 | 338 | 286 | 270 | 299 | 186 | 238 | 196 | 237 |
| 40 Other........................ | 311 | 275 | 536 | 240 | 221 | 245 | 441 | 400 | 435 | 284 |
| 41 Other Federal Reserve liabilities and capital | 4.674 | 4.444 | 5.330 | 4.617 | 4,652 | 4.707 | 4.224 | 4,340 | 4,714 | 5,217 |
| 42 Reserve accounts ${ }^{2}$. . . . . . . . . . . . | 26,063 | 24,304 | 23,626 | 25,334 | 30,877 | 24,084 | 31,586 | 25,011 | 30,951 | 26,122 |

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 reserve balances of all depository institutions.

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

### 1.12 RESERVES AND BORROWINGS Depository Institutions

Millions of dollars


1. Includes all reserve balances of depository institutions.
2. Prior to 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 vaul 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 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 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 | 1981, week ending Wednesday |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Apr. 29 | May 6 | May 13 | May 20 | May $27 r$ | June 3 | June 10 | June 17 | June 24 |
| One day and continuing contract |  |  |  |  |  |  |  |  |  |
| 1 Commercial banks in United States ................. | 49.914 | 52,324 | 49,016 | 45,222 | 44,392 | 46,911 | 50,831 | 50,506 | 47,880 |
| 2 Other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies . | 13,021 | 13,716 | 12,875 | 13.812 | 13,651 | 14,048 | 14,878 | 15,463 | 16,955 |
| 3 Nonbank securities dealers .......................... | 3,166 | 3,265 | 12,816 | 2,561 | 2,768 | 3,250 | 3,000 | 2,375 | 2,919 |
| 4 All other............. | 20,316 | 19,922 | 19,090 | 19,403 | 19,708 | 19,942 | 20,339 | 21,159 | 21,219 |
| All other maturities |  |  |  |  |  |  |  |  |  |
| 5 Commercial banks in United States . . ............... | 3,520 | 3.524 | 3,639 | 3,788 | 3,467 | 3,516 | 3,715 | 3,734 | 4,077 |
| 6 Other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies . | 7,247 | 7,064 | 7,365 | 7,591 | 7.434 | 7,492 | 7,239 | 7,120 | 7,137 |
| 7 Nonbank securities dealers ........................... | 4,390 | 4,435 | 4,780 | 5,183 | 5,200 | 5,139 | 4,968 | 5,126 | 5,125 |
| 8 All other. | 10,403 | 10,143 | 10,497 | 10,549 | 10,643 | 10,880 | 11,550 | 11,216 | 10,582 |
| Мемо: Federal funds and resale agreement loans in maturities of one day or continuing contract |  |  |  |  |  |  |  |  |  |
| 9 Commercial banks in United States ......... | 14,508 | 13,795 | 13,348 | 14,214 | 13,932 | 15,240 | 16,233 | 14,787 | 14,988 |
| 10 Nonbank securities dealers | 3,010 | 2,854 | 2,884 | 2,602 | 2,662 | 3,033 | 2,502 | 2,814 | 2,611 |

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 ${ }^{1}$ |  |  | Extended credit |  |  |  |  |  | Emergency credit to all others under section $13^{3}$ |  |  |
|  |  |  |  | Seasonal credit |  |  | Special circumstances ${ }^{2}$ |  |  |  |  |  |
|  | Rate on 6/30/81 | Effective date | Previous rate | $\begin{aligned} & \text { Rate on } \\ & 6 / 30 / 81 \end{aligned}$ | Effective date | Previous rate | $\begin{aligned} & \text { Rate on } \\ & 6 / 30 / 81 \end{aligned}$ | Effective date | Previous rate | Rate on 6/30/81 | Effective date | Previous rate |
| Boston. | 14 | 5/5/81 | 13 | 14 | 5/5/81 | 13 | 15 | 5/5/81 | 14 | 17 | 5/5/81 | 16 |
| New York. | 14 | 5/5/81 | 13 | 14 | 5/5/81 | 13 | 15 | 5/5/81 | 14 | 17 | 5/5/81 | 16 |
| Philadelphia | 14 | 5/5/81 | 13 | 14 | 5/5/81 | 13 | 15 | 5/5/81 | 14 | 17 | 5/5/81 | 16 |
| Cleveland | 14 14 | $5 / 5 / 81$ $5 / 5 / 81$ | 13 13 | 14 | $5 / 5 / 81$ $5 / 5 / 81$ | 13 13 | 15 15 | $5 / 5 / 81$ $5 / 5 / 81$ | 14 14 | 17 17 | 5/5/81 $5 / 5 / 81$ | 16 16 |
| Atlanta ........... | 14 | 5/5/81 | 13 | 14 | 5/5/81 | 13 | 15 | 5/5/81 | 14 | 17 | 5/5/81 | 16 |
| Chicago.......... | 14 | 5/8/81 | 13 | 14 | 5/8/81 | 13 | 15 | 5/8/81 | 14 | 17 | 5/8/81 | 16 |
| St. Louis .......... | 14 | 5/5/81 | 13 | 14 | 5/5/81 | 13 | 15 | 5/5/81 | 14 | 17 | 5/5/81 | 16 |
| Minneapolis ....... | 14 | 5/5/81 | 13 | 14 | 5/5/81 | 13 | 15 | 5/5/81 | 14 | 17 | 5/5/81 | 16 |
| Kansas City . . . . . . | 14 | 5/5/81 | 13 | 14 | 5/5/81 | 13 | 15 | 5/5/81 | 14 | 17 | 5/5/81 | 16 |
| Dallas ............. | 14 | 5/5/81 | 13 | 14 | 5/5/81 | 13 | 15 | 5/5/81 | 14 | 17 | 5/5/81 | 16 |
| San Francisco...... | 14 | 5/5/81 | 13 | 14 | 5/5/81 | 13 | 15 | 5/5/81 | 14 | 17 | 5/5/81 | 16 |

Range of rates in recent years ${ }^{4}$

| Effective date | Range (or level)All F.R. Banks | F.R. Bank N. Y . | Effective date | Range (or level)All F.R. Banks | F.R. Bank N.Y. | Effective date | Range (or level)All F.R. Banks | F.R. Bank of N.Y |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| In effect Dec. 31, 1972. . | 41/2 | 41/2 | 1976-Jan. 19.. | 51/2-6 | $51 / 2$ | 1979-Sept. 19.... | 101/2-11 | 11 |
| 1973- Jan. 15.. | 5 | 5 | 23. | $51 / 2$ | $51 / 2$ | 1 Sepl $21 . .$. | 11 | 11 |
| Feb, 26. | 5-51/2 | 51/2 | Nov. 22. | 51/4-51/2 | 51/4 | Oct. 8. | 11-12 | 12 |
| Mar. 2. | 51/2 | 51/2 | 26. | $51 / 4$ | 51/4 | 10. | 12 | 12 |
| Apr. 23. | $51 / 2-53 / 4$ | $51 / 2$ |  |  |  |  |  |  |
| May 4 . | $53 / 4$ | $53 / 4$ | 1977-Aug. 30. | $51 / 4-53 / 4$ | $51 / 4$ | 1980- Feb. 15. | 12-13 | 13 |
| 11. | 53/4-6 | 6 | A1... | 51/4-53/4 | 53/4 | 19. | 13 | 13 |
| 18. | 6 | 6 | Sept. 2. | $53 / 4$ | $53 / 4$ | May 29. | 12-13 | 13 |
| June 11. | 6-61/2 | $61 / 2$ | Oct. 26. | 6 | 6 | 30. | 12 | 12 |
| 15. | $61 / 2$ | $61 / 2$ |  |  |  | June 13. | 11-12 | 11 |
| July 2 . | 7 | 7 | 1978- Jan. 9.. | 6-61/2 | $61 / 2$ | 16. | 11 | 11 |
| Aug. 14. | 7-71/2 | $71 / 2$ | May 20. | 61/2 | $61 / 2$ | July 28. | 10-11 | 10 |
| 23. | $71 / 2$ | $71 / 2$ | May 11. | 61/2-7 | 7 | July 29. | 10 | 10 |
|  |  |  | 12. | 7 | 7 | Sept. 26 | 11 | 11 |
| 1974- Apr. 25. | 71/2-8 | 8 | July 3 . | 7-71/4 | $71 / 4$ | Nov. 17. | 12 | 12 |
|  |  |  | July 10. |  | 71/4 | Dec. 5. | 12-13 | 13 |
| Dec. 9. | $73 / 4-8$ | $73 / 4$ | Aug. 21.. | $73 / 4$ | $73 / 4$ |  | 13 | 13 |
|  | $73 / 4$ | $73 / 4$ | Sept. 22... <br> Oct. 16... | ${ }_{8}^{8} 81 / 2$ | 88 | 1981- May 5. | 13-14 | 14 |
| 1975-Jan. 6. | $71 / 4$ | 71/4 | 20. | $81 / 2$ | $81 / 2$ | May 8. | 14 | 14 |
| 10. | $71 / 4$ | $71 / 4$ | Nov. 1. | $81 / 2-91 / 2$ | $91 / 2$ |  |  |  |
| 24. | 71/4 | $71 / 4$ |  | $91 / 2$ | $91 / 2$ |  |  |  |
| Feb. 5 | 63/4/71/4 | 63/4 |  |  |  |  |  |  |
| Mar. ${ }^{7} 10$. | $63 / 4$ $61 / 4-63 / 4$ | $63 / 4$ $61 / 4$ | 1979- July 20... | ${ }^{10} 10-101 / 2$ | 10 $101 / 2$ |  |  |  |
| Mar. 14. | 6461/4 | 61/4 | Aug. $12 \ldots$ |  |  |  |  |  |
| May 16...... | 6-61/4 | 6 |  |  |  | In effect June 30, 1981 | 14 | 14 |

1. Effective May 5, 1981, a 4 percent surcharge was applied to short-term adjustment credit borrowings by institutions with deposits of $\$ 500$ million or more who borrowed in successive weeks or in more than 4 weeks in a calendar quarter. 2. Applicable to advances when exceptional circumstances or practices involve only a particular depository institution as described in section 201.3(b) (2) of Regulation A .
2. Applicable to emergency advances to individuals, partnerships, and corporations as described in section 201.3(c) of Regulation A.
3. 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, 1971-1975, 19721976, 1973-1977, and 1974-1978.
In 1980 and 1981, the Federal Reserve applied a surcharge to short-term adjustment credit borrowings by institutions with deposits of $\$ 500$ milion 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 . On Nov, 17, 1980, 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.

### 1.15 DEPOSITORY INSTITUTIONS RESERVE REQUIREMENTS

Percent of deposits

| Type of deposit, and deposit interval in millions of dollars | Member bank requirements before implementation of the Monetary Control Act |  | Type of deposit, and deposit interval | Depository institution requirements after implementation of the Monetary Control Act ${ }^{5}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | Percent | Effective date |  | Percent | Effective date |
| Net demand ${ }^{2}$ |  |  | Net transaction accounts ${ }^{6}$ |  |  |
| 0-2. | 7 | 12/30/76 | \$0-\$25 million | 3 | 11/13/80 |
| 2-10. | 91/2 | 12/30/76 | Over \$25 million | 12 | 11/13/80 |
| 10-100 | $113 / 4$ | 12/30/76 |  |  |  |
| 100-400 | 123/4 | 12/30/76 | Nonpersonal time deposits ${ }^{7}$ |  |  |
| Over 400. | 161/4 | 12/30/76 | By original maturity <br> Less than 4 years. | 3 | 11/13/80 |
| Time and savings ${ }^{2,3}$ |  |  | 4 years or more. . | 0 | 11/13/80 |
| Savings . . . . . | 3 | 3/16/67 | Eurocurrency liabilities |  |  |
| Time ${ }^{4}$ |  |  | All types.......... | 3 | 11/13/80 |
| 0-5, by maturity |  |  |  |  |  |
| 30-179 days . . . . . | $31 / 2$ | 3/16/67 <br> 1/8/76 |  |  |  |
| 480 days to 4 years | 1 | 10/30/75 |  |  |  |
| Over 5, by maturity |  |  |  |  |  |
| 30-179 days . . . | 6 | 12/12/74 |  |  |  |
| 180 days to 4 years | $21 / 2$ | 1/8/76 |  |  |  |
| 4 years or more . . . . . . . . . . . . . . . | 1 | 10/30/75 |  |  |  |

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 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 insti1976, table 13. Under provisions of the Monetary Control Act, depository insti-
tutions include commercial banks, mutual savings banks, savings and loan assotutions include commercial banks, mutual savings banks, savings and oan asso-
ciations, credit unions, agencies and branches of foreign banks, and Edge Act corporations.
. (a) Requirement schedules are graduated, and each deposit interval applies to that part of the deposits of each bank. Demand deposits subject to reserve requirements were gross demand deposits minus cash items in process of collection and demand balances due from domestic banks
(b) 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 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 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.
(c) Effective Aug. 24, 1978, the Regulation M reserve requirements on net balances due from domestic banks to their foreign branches and on deposits that forcign branches lend to U.S residents were reduced to zero from 4 percent and 1 percent respectively. The Regulation D reserve requirement on borrowings from unrelated banks abroad was also reduced to zero from 4 percent.
(d) Effective with the reserve computation period beginning Nov. 16, 1978, domestic deposits of Edge corporations were subject to the same reserve requirements as deposits of member banks.
2. (a) 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.
(b) 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
3. (a) 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.
(b) 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 reduced to zero 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 statement weeks 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 ending Mar. 12,1980 , whichever was greater. For the computation period beginning
May 29,1980 , the base was increased by $71 / 2$ percent above the base used to calculate May 29,1980 , the base was increased by $71 / 2$ 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.
4. For existing nonmember banks and thrift institutions at the time of implementation of the Monetary Control Act, the phase-in period ends Sept. 3, 1987 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. For existing agencies and branches of foreign banks, the phase-in ends Aug. 12, 1982. All new institutions will have a two-year phase-in beginning with the date that they open for business.
5. 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
6. In general, nonpersonal time deposits are time deposits, including savings deposits, that are not transaction accounts and in which the 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. After implementation of the Monetary Control Act nonmembers may maintain reserves on a pass-through basis with certain approved institutions.
1.16 MAXIMUM INTEREST RATES PAYABLE on Time and Savings Deposits at Federally Insured Institutions Percent per annum

| Type and maturity of deposit | Commercial banks |  |  |  | Savings and loan associations and mutual savings banks |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | In effect June 30. 1981 |  | Previous maximum |  | In effect June 30, 1981 |  | Previous maximum |  |
|  | Percent | Effective date | Percent | Effective date | Percent | Effective date | Percent | Effective date |
| $\begin{aligned} & 1 \text { Savings } \\ & 2 \text { Negotiable order of withdrawal accounts } 2 \\ & \text { Time accounts } 3 \\ & \text { Fixed ceiling rates by maturity }{ }^{4} \end{aligned}$ | $51 / 4$$51 / 4$ | $\begin{array}{r} 7 / 1 / 79 \\ 12 / 31 / 80 \end{array}$ | 55 | $\begin{aligned} & 7 / 1 / 73 \\ & 1 / 1 / 74 \end{aligned}$ | $\begin{aligned} & 51 / 2 \\ & 51 / 4 \end{aligned}$ | $\begin{array}{r} 7 / 1 / 79 \\ 12 / 31 / 80 \end{array}$ | $\begin{aligned} & 5^{1 / 4} \\ & 5 \end{aligned}$ | $\stackrel{(1)}{1 / 1 / 74}$ |
|  |  |  |  |  |  |  |  |  |
|  | $51 / 4$ |  |  |  | (6) |  |  |  |
| 490 days to 1 year | 53/4 | 1/1/80 | $51 / 2$ | 7/1/73 | (6) | 1/1/80 | (6) $53 / 4$ | (1) ${ }^{\prime}$ |
| 51 to 2 years ${ }^{7}$. | 6 | 7/1/73 | $51 / 2$ | 1/21/70 | 61/2 | (1) | $53 / 4$ | 1/21/70 |
| $6 \quad 2$ to $21 / 2$ years 7 | 6 | $71 / 73$ | $53 / 4$ | 1/21/70 | 61/2 | ( | 6 | 1/21/70 |
| $7 \quad 21 / 2$ to 4 years 7 | 61/2 | 7/1/73 | $53 / 4$ | 1/21/70 | 63/4 | (1) | 6 | 1/21/70 |
| 84 to 6 years 8. | $71 / 4$ | 11/1/73 | ${ }^{(9)}$ |  | $71 / 2$ | 11/1773 | ${ }^{(9)}$ |  |
| 966 to 8 years ${ }^{8}$. | $71 / 2$ | 12/23/74 | $71 / 4$ | 11/1/73 | $73 / 4$ | 12/23/74 | $71 / 2$ | 11/1/73 |
| 1088 years or more 8 . . . . . . . . . .a.................... | $73 / 4$ | 6 61/78 | ${ }^{(6)}$ |  | 8 | 6/1/78 |  |  |
| 11 Issued to governmental units (all maturities) ${ }^{10} \ldots \ldots$ | 8 | 6/1/78 | $73 / 4$ | 12/23/74 | 8 | 6/1/78 | $73 / 4$ | 12/23/74 |
| 12 Individual retirement accounts and Keogh (H.R. 10) plans ( 3 years or more) 10,1 | 8 | 6/1/78 | 73/4 | 7/6/77 | 8 | 6/1/78 | 73/4 | 7/6/77 |
| Special variable ceiling rates by maturity <br> 13 6-month money market time deposits f 2 | (13) | (13) | (13) | (13) | (13) | (13) | (13) | (13) |
| $1421 / 2$ years or more . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | (14) | (14) | (15) | (15) | (14) | (14) | (15) | (15) |

1. July 1, 1973, for mutual savings banks; July 6, 1973, for savings and loan associations.
2. For authorized states only, federally insured commercial banks, savings and loan associations, cooperative banks, and mutual savings banks in Massachusetts and New Hampshire were first permitted to offer negotiable order of withdrawal (NOW) accounts on Jan. 1, 1974. Authorization to issue NOW accounts was ex(NOW) accounts on Jan. 1, 1974. Authorization to issue NOW accounts was ex-
tended to similar institutions throughout New England on Feb. 27, 1976, and in tended to similar institutions throughout New England on Feb. 27, 1976, and in
New York State on Nov. 10, 1978, and in New Jersey on Dec. 28, 1979. Authorization to issue NOW accounts was extended to similar institutions nationwide effective Dec. 31, 1980.
3. For exceptions with respect to certain foreign time deposits see the Federal Reserve Bulletin for October 1962 (p. 1279), August 1965 (p. 1084), and February 1968 (p. 167).
4. Effective Nov. 10, 1980, the minimum notice period for public unit accounts at savings and loan associations was decreased to 14 days and the minimum maturity period for to deposits at savings and loan associations in excess of $\$ 100.000$ was period for time deposits was decreased from 30 days to 14 days for mutual savings period
5. Effective Oct. 30, 1980, the minimum maturity or notice period for time deposits was decreased from 30 days to 14 days for commercial banks.
6. No separate account category.
7. No minimum denomination. Until July 1. 1979, a minimum of $\$ 1,000$ was required for savings and loan associations, except in areas where mutual savings banks permitted lower minimum denominations. This restriction was removed for deposits maturing in less than 1 year, effective Nov. 1, 1973.
8. No minimum denomination. Until July 1, 1979, minimum denomination was \$1,000 except for deposits representing funds contributed to an Individual Retirement Account (IRA) or a Keogh (H.R.10) plan established pursuant to the Internal Revenue Code. The $\$ 1,000$ minimum requirement was removed for such accounts in December 1975 and November 1976 respectively.
9 . Between July 1, 1973, and Oct. 31, 1973, there was no ceiling for certificates maturing in 4 years or more with minimum denominations of $\$ 1,000$; however, the amount of such certificates that an institution could issue was limited to 5 percent of its total time and savings deposits. Sales in excess of that amount, as well as of its total time and savings deposits. Sales in excess of that amount, as well as certificates of less than $\$ 1,000$, were
deposits maturing in $21 / 2$ years or more.
deposits maturing in $21 / 2$ years or more.
Effective Nov. 1, 1973, ceilings were reimposed on certificates maturing in 4
Effective Nov. 1, 1973, ceilings were reimposed on certificates maturing in 4
years or more with minimum denomination of $\$ 1.000$. There is no limitation on years or more with minimum denomination of $\$ 1.000$
the amount of these certificates that banks can issue.
9. Accounts subject to fixed-rate ceilings. See footnote 8 for minimum denomination requirements.
10. Effective January 1, 1980, commercial banks are permitted to pay the same rate as thrifts on IRA and Keogh accounts and accounts of governmental units when such deposits are placed in the new $21 / 2$-year or more variable-ceiling certificates or in 26 -week money market certificates regardless of the level of the Treasury bill rate.
11. Must have a maturity of exactly 26 weeks and a minimum denomination of $\$ 10.000$, and must be nonnegotiable.
12. Commercial banks, savings and loan associations, and mutual savings banks were authorized to offer money market time deposits effective June 1, 1978. The weiling rate for commercial banks on money market time deposits entered into ceiling rate for commercial banks on money market time deposits entered into
before June 5,1980 , is the discount rate (auction average) on most recently issued before June S, 1980, is the discount rate (auction average) on most recently issued
six-month U.S. Treasury bills. Until Mar. 15,1979 , the ceiling rate for savings and loan associations and mutual savings banks was $1 / 4$ percentage point higher than the rate for commercial banks. Beginning March 15, 1979, the $1 / 4$-percentage-point interest differential is removed when the six-month Treasury bill rate is 9 percent or more. The full differential is in effect when the six-month bill rate is $8 \frac{3}{4}$ percent
or less. Thrift institutions may pay a maximum 9 percent when the six-month bill rate is between $83 / 4$ and 9 percent. Also effective March 15,1979 , interest compounding was prohibited on six-month money market time deposits at all offering institutions. The maximum allowable rates in June for commercial banks and thrift institutions were as follows: June 2, 14.741; June 9.14.250; June 16, 13.606; June mstitutions were as follows: June $2,14.741$; June $9,14.250$; June $16,13.606$; June
$23,14.189$; June $30,13.871$. Effective for all six-month money market certificates $23,14.189$; June $30,13.871$. Effective for all six-month money market certificates
issued beginning June 5,1980 , the interest rate ceilings will be determined by the discount rate (auction average) of most recently issued six-month U.S. Treasury bills as follows.

|  |  | Commercial bank ceiling |
| :--- | :--- | :--- |
| Bill rate | Thrift ceiling |  |
| 8.75 and above | bill rate $+1 / 4$ percent | bill rate $+1 / 4$ percent |
| 8.50 to 8.75 | bill rate $+1 / 4$ percent | 9.00 |
| 7.50 to 8.50 | bill rate $+1 / 4$ percent | bill rate $+1 / 2$ percent |
| 7.25 to 7.50 | 7.75 | bill rate $+1 / 2$ percent |
| Below 7.25 | 7.75 | 7.75 |
| The prohibition against compounding interest in these certificates continues. |  |  |

The prohibition against compounding interest in these certificates continues.
14. Effective Jan. 1, 1980, commercial banks, savings and loan associations, and mutual savings banks were authorized to offer variable-ceiling nonnegotiable time deposits with no required minimum denomination and with maturities of $21 / 2$ years or more. The maximum rate for commercial banks is $3 / 4$ percentage point below the yield on $21 / 2$ year U.S. Treasury securities; the ceiling rate for thrift institutions is $1 / 4$ percentage point higher than that for commercial banks. Effective Mar. 1 , 1980, a temporary ceiling of $113 / 4$ percent was placed on these accounts at commercial banks; the temporary ceiling is 12 percent at savings and loan associations and mutual savings banks. Effective for all variable-ceiling nonnegotiable time deposits with maturities of $21 / 2$ years or more issued beginning June 2,1980 , the ceiling rates of interest will be determined as follows:

| Treasury yield | Commercial bank ceiling | Thrift ceiling |
| :--- | :--- | :--- |
| $\mathbf{1 2 . 0 0}$ and above | 11.75 | 12.00 |
| 9.50 to 12.00 | Treasury yield less $1 / 4$ percent | Treasury yield |
| Below 9.50 | 9.25 | 9.50 |

Interest may be compounded on these time deposits. The ceiling rates of interest at which these accounts may be offered vary biweekly. The maximum allowable rates in June for commercial banks were as follows: June 9, 11.75; June 23, 11.75. The maximum allowable rates in June for thrift institutions were as follows: June $9,12.00$; June $23,12.00$.
15. Between July 1, 1979, and Dec. 31, 1979, commercial banks, savings and loan associations, and mutual savings banks were authorized to offer variable ceiling accounts with no required minimum denomination and with maturities of 4 years or more. The maximum rate for commercial banks was $11 / 4$ percentage points below the yield on 4-year U.S. Treasury securities; the ceiling rate for thrift institutions was $1 / 4$ percentage point higher than that for commercial banks.
Note. Before Mar. 31, 1980 , the maximum rates that could be paid by federally insured commercial banks, mutual savings banks. and savings and loan associations were established by the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board under the provisions of 12 CFR 217,329 , and 526 respectively. Title II of the Depository Institutions Deregulation and Monetary Control Act of 1980 (P.L. 96-221) transferred the authority of the agencies to establish maximum rates of interest payable on deposits to the Depository Institutions Deregulation Committee. The maximum rates on time deposits in denominations of regulation Committee. The maximum rates on time deposits in denominations of
$\$ 100,000$ or more with maturities of $30-89$ days were suspended in June 1970 ; such $\$ 100,000$ or more with maturities of $30-89$ days were suspended in June 1970; such
deposits maturing in 90 days or more were suspended in May 1973. For information regarding previous interest rate ceilings on all types of accounts, see earlier issues of the Federal Reserve Bulletin, the Federal Home Loan Bank Board Journal, and the Annual Report of the Federal Deposit Insurance Corporation.July 1981

### 1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS

Millions of dollars


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

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 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1981 |  |  |  |  | 1981 |  |  |
|  | May 27 | June 3 | June 10 | June 17 | June 24 | Apr. | May | June |
|  | Consolidated condition statement |  |  |  |  |  |  |  |
| Assets |  |  |  |  |  |  |  |  |
| 1 Gold certificate account. | 11,154 | 11,154 | 11,154 | 11.154 | 11,154 | 11,154 | 11,154 | 11,154 |
| 2 Special drawing rights certificate account. . . . . . . . . . . . | 2,818 | 2,818 | 2,818 | 2.818 | 2.818 | 2,818 | 2,818 | 3,068 |
| 3 Coin. . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 391 | 378 | 382 | 388 | 397 | 412 | 396 | 380 |
| 4 To depository institutions . . . . . . . . . . . . . . . . . . . . . . | 1,851 | 5,742 0 | 3,613 | 6,357 | 1,803 | 2,333 | 1,366 | 1,010 0 |
|  |  | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 Held under repurchase agreements . . . . . . . . . . . . . . . . Federal agency obligations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7 Bought outright . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 8,720 | 8.720 | 8,707 | 8,707 | 8.707 | 8,720 | 8.720 | 8,694 |
| U.S. government securities Bought outright |  |  |  |  |  |  |  |  |
| 9 Bills . . . . . . . . . . . . . . . . | 40.769 | 44.951 | 40,325 | 44,922 | 42,936 | 43,263 | 41,887 | 43,593 |
| 10 Notes | 58.818 | 58.818 | 58.818 | 58.818 | 58.818 | 59.118 | 58,818 | 58,818 |
| 11 Bonds | 17.606 | 17,606 | 17.606 | 17,606 | 17.606 | 17,306 | 17,606 | 17,606 |
| 12 Total ${ }^{1}$ | 117.193 | 121,375 | 116,749 | 121,346 | 119,360 | 119,687 | 118,311 | 120,017 |
| 13 Held under repurchase agreements | 0 | 0 | 0 | ${ }^{0}$ | 0 | 0 | ${ }^{0}$ | 0 |
| 14 Total U.S. government securities.... | 117,193 | 121,375 | 116,749 | 121,346 | 119,360 | 119,687 | 118,311 | 120,017 |
| 15 Total loans and securities. | 127,764 | 135,837 | 129,069 | 136,410 | 129,870 | 130,740 | 128,397 | 129,721 |
| 16 Cash items in process of collection | 11,963 | 11,113 | 9,318 | 11,256 | 11,270 | 9,224 | 9,096 | 11,297 |
| 17 Bank premises........... Other assets | 470 | 470 | 471 | 472 | 474 | 467 | 470 | 475 |
| 18 Denominated in foreign currencies ${ }^{2}$ | 6,858 | 6.412 | 6.468 | 6.494 | 6.496 | 6.768 | 6.412 | 6.430 |
| 19 All other............. | 2,640 | 2,640 | 2.636 | 3.559 | 3,491 | 3.321 | 2.719 | 3,802 |
| 20 Total assets. | 164,058 | 170,822 | 162,316 | 172,551 | 165,970 | 164,904 | 161,462 | 166,327 |
| Liabilities |  |  |  |  |  |  |  |  |
| 21 Federal Reserve notes | 123.962 | 123.978 | 124.695 | 124,444 | 124,246 | 121.852 | 123.251 | 124.783 |
| 22 Deposits Depository institutions | 24,084 | 31,586 | 25,011 | 30,951 | 26,122 | 26,063 | 24,304 | 23,626 |
| 23 U.S. Treasury-General account | 2,880 | 4,127 | 2,391 | 5,215 | 2,909 | 4,460 | 2,288 | 2,923 |
| 24 Foreign-Official accounts . . | 299 | 186 | 238 | 196 | 237 | 476 | 346 | 338 |
| 25 Other. . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 245 | 441 | 400 | 435 | 284 | 311 | 275 | 536 |
| 26 Total deposits . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 27,508 | 36,340 | 28,040 | 36,797 | 29,552 | 31,310 | 27,213 | 27,423 |
| 27 Deferred availability cash items. | 7.881 | 6,280 | 5,241 | 6,596 | 6,955 | 7,068 | 6,554 | 8,791 |
| 28 Other liabilities and accrued dividends ${ }^{3}$ | 1.965 | 1,677 | 1,615 | 1,956 | 2.455 | 1,97\% | 1,744 | 2,387 |
| 29 Total liabilities. | 161,316 | 168,275 | 159,591 | 169,793 | 163,208 | 162,201 | 158,762 | 163,384 |
| Capital Accounts |  |  |  |  |  |  |  |  |
| 30 Capital paid in. . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 1,237 | 1,235 | 1,237 | 1,244 | 1,246 | 1,233 | 1,238 | 1,246 |
| 31 Surplus . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 1,203 | 1,203 | 1,203 | 1,203 | 1,203 | 1,203 | 1,203 | 1,203 |
| 32 Other capital accounts . . . . . . . . . . . . . . . . . . . . . . . . . . . | 302 | 109 | 285 | 311 | 313 | 267 | 259 | 494 |
| 33 Total liabilities and capital accounts | 164,058 | 170,822 | 162,316 | 172,551 | 165,970 | 164,904 | 161,462 | 166,327 |
| 34 Memo: Marketable U.S. government securities held in custody for foreign and international account . . . . . | 97.516 | 96.536 | 97.410 | 95,853 | 95.846 | 100.546 | 96.635 | 97,549 |
|  | Federal Reserve note statement |  |  |  |  |  |  |  |
| 35 Federal Reserve notes outstanding (issued to bank) .... | 143,959 | 144,094 | 144,091 | 144,354 | 144,704 | 143,716 | 143,936 | 145,062 |
| 36 Less-held by bank ${ }^{4}$. . . . . . . . . . . . . . . . . . . . . . . . . . . | 19.997 | 20.116 | 19,396 | 19.910 | 20.458 | 21.864 | 20,685 | 20.279 |
| 37 Federal Reserve notes, net . . . . . . . . . . . . . . . . . . . . | 123,962 | 123.978 | 124.695 | 124.444 | 124,246 | 121,852 | 123,251 | 124,783 |
| 38 Collateral for Federal Reserve notes |  |  |  |  |  |  |  |  |
| 38 Gold certificate account. . . . . . . . . . . . . | 11,154 | 11,154 | 11,154 | 11,154 | 11,154 | 11,154 | 11,154 | 11,154 |
| 39 Special drawing rights certificate account. | 2,818 | 2,818 | 2,818 | 2,818 | 2,818 | 2,818 | 2.818 | 3,068 |
| 40 Other eligible assets . . . . . . . . . . . |  | ${ }^{0}$ | 109 | 0 110.472 | 0 | 0 | ${ }^{0}$ | . 27 |
| 41 U.S. government and agency securities | 109,981 | 110,006 | 110,614 | 110,472 | 110,274 | 107,880 | 109,279 | 110,534 |
| 42 Total collateral. | 123,962 | 123,978 | 124,695 | 124,444 | 124,246 | 121,852 | 123,251 | 124,783 |

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 exchange-translation account reflecting the monthly revaluation at market exchange rates of foreign-exchange commitments.
4. 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


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

### 1.20 BANK DEBITS AND DEPOSIT TURNOVER

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


1. Represents accounts of individuals, partnerships, and corporations, and of states and political subdivisions.
2. Excludes special club accounts, such as Christmas and vacation clubs.
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. Represents corporations and other profit-seeking organizations (excluding commercial banks but including savings and loan associations, mutual savings banks, credit unions, the Export-Import Bank, and federally sponsored lending agencies).
5. Savings accounts other than NOW; business; and, from December 1978, ATS

Note. Historical data for the period 1970 through June 1977 have been estimated; these estimates are based in part on the debits series for 233 SMSAs, which were available through June 1977. Back data are available from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. Debits and turnover data for savings deposits are not available before July 1977.

### 1.21 MONEY STOCK MEASURES AND COMPONENTS

Billions of dollars, averages of daily figures

| Item | $\begin{aligned} & 1977 \\ & \text { Dec. } \end{aligned}$ | $1978$$\text { Dec. } r$ | $\begin{aligned} & 1979 \\ & \text { Dec. } . \end{aligned}$ | $\begin{aligned} & 1980 \\ & \text { Dec. } \end{aligned}$ | 1981 |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  | Jan. ${ }^{\text {r }}$ | Feb. ${ }^{\text {r }}$ | Mar. ${ }^{\text {r }}$ | Apr. ${ }^{\text {r }}$ | May |
|  | Seasonally adjusted |  |  |  |  |  |  |  |  |
| Measures ${ }^{1}$ |  |  |  |  |  |  |  |  |  |
| $1 \mathrm{M1-A}$. | 331.4 | 354.8 | 372.7 | 387.7 | 375.1 | 367.2 | 365.8 | 366.6 | 364.9 |
| ${ }_{3} \mathrm{M1}$-B | 336.4 | 364.2 | 390.5 | 415.6 | 419.2 | 421.2 | 425.8 | 433.7 | 431.5 |
| 3 M 2 | 1,296.4 | 1,404.2 | 1,525.2 | 1,669.4 | 1,680.8 | 1,695.7 | 1,718.4 | 1,737.8 | 1,743.7 |
| 4 M 3 | 1,462.5 | 1,625.7 | 1,775.1 | 1,963.5 | 1,988.3 | 2,007.9 | 2,025.9 | 2,044.3 | 2,059.8 |
|  | 1,722.7 | 1,936.5 | 2,151.1 | 2,377.4 | 2,408.1 | 2,431.2 | 2,442.3 | n.a. | n.a. |
| Components |  |  |  |  |  |  |  |  |  |
| 6 Currency. | 88.6 | 97.4 | 106.1 | 116.1 | 116.6 | 117.2 | 117.9 | 118.9 | 119.8 |
| 7 Demand deposits. | 239.7 | 253.9 | 262.8 | 267.4 | 254.4 | 245.8 | 243.5 | 243.1 | 240.7 |
| 8 Travelers checks ${ }^{3}$ | 3.1 | 3.5 | 3.8 | 4.2 | 4.2 | 4.2 | 4.4 | 4.6 | 4.4 |
| 9 Savings deposits. | 486.5 | 475.5 | 416.5 | 393.0 | 376.9 | 370.8 | 368.3 | 367.0 | 361.0 |
| 10 Small-denomination time deposits ${ }^{4}$ | 453.8 | 533.3 | 652.7 | 756.8 | 775.7 | 783.3 | 789.4 | 790.0 | 798.6 |
| 11 Latge-denomination time deposits ${ }^{5}$ | 145.1 | 194.0 | 219.7 | 256.8 | 268.0 | 273.9 | 271.0 | 269.5 | 278.6 |
|  | Not seasonally adjusted |  |  |  |  |  |  |  |  |
| Measures ${ }^{1}$ |  |  |  |  |  |  |  |  |  |
| 12 M1-A. | 340.1 | 364.2 | 382.5 | 397.7 | 378.9 | 358.7 | 358.9 | 369.5 | 359.4 |
| 13 M1-B | 345.1 | 373.6 | 400.6 | 425.9 | 423.5 | 411.5 | 411.8 | 436.7 | 424.4 |
| 14 M 2 | 1,299.0 | 1,409.0 | 1,531.3 | 1,675.2 | 1,683.6 | 1,685.1 | 1,713.3 | 1,745.4 | 1,737.7 |
| 15 M 3 | 1,467.7 | 1,634.6 | 1,785.5 | 1,974.0 | 1,993.9 | 1,999.8 | 2,023.5 | 2,050.8 | 2,052.8 |
| 16 L 2 . | 1,726.7 | 1,943.6 | 2,158.8 | 2,384.0 | 2,411.0 | 2,424.3 | 2,443.1 | n.a. | n.a. |
| Components |  |  |  |  |  |  |  |  |  |
| 17 Currency | 90.3 | 99.4 | 108.3 | 118.4 | 115.7 | 115.8 | 116.8 | 118.4 | 119.3 |
| 18 Demand deposits. | 247.0 | 261.5 | 270.8 | 275.4 | 259.2 | 238.9 | 237.9 | 246.8 | 235.9 |
| 19 Travelers checks ${ }^{3}$ | 2.9 | 3.3 | 3.5 | 3.9 | 4.0 | 4.0 | 4.2 | 4.3 | 4.2 |
| 20 Other checkable deposits ${ }^{6}$. | 5.0 | 9.4 | 18.2 | 28.3 | 44.8 | 53.0 | 59.2 | 67.5 | 65.3 |
| 21 Overnight RPs and Eurodollars ${ }^{7}$ | 18.6 | 23.9 | 25.4 | 32.4 | 32.7 | 31.9 | 33.2 | 34.0 | 38.5 |
| 22 Money market mutual funds. | 3.8 | 10.3 | 43.6 | 75.8 390.2 | 80.7 | 92.4 | 105.6 | 117.1 | 118.1 |
| 23 Savings deposits........... | 483.1 | 472.6 | 413.9 | 390.2 | 374.2 | 365.6 | 365.7 | 366.4 | 359.6 |
| 24 Small-denomination time deposits ${ }^{4}$ | 451.3 | 531.7 | 651.4 | 755.2 | 776.9 | 787.7 | 794.8 | 795.2 | 801.1 |
| 25 Large-denomination time deposits 5 | 147.7 | 198.1 | 223.9 | 261.4 | 270.8 | 276.3 | 273.8 | 268.3 | 277.7 |

1. Composition of the money stock measures is as follows:

M1-A: Averages of daily figures for (1) 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; (2) currency outside the Treasury, Federal Reserve Banks, and the vaults of commercial banks; and (3) travelers checks of nonbank issuers.
M1-B: M1-A plus negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at banks and thrift institutions, credit union share draft accounts, and demand deposits at mutual savings banks.
M2; M1-B plus 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 money market mutual fund shares.

M3: M2 plus large-denomination time deposits at all depository institutions and term RPs at commercial banks and savings and loan associations.
2. L: M3 plus other liquid assets such as term Eurodollars held by U.S. residents 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 other than banks, bankers acceptances, commercial
liquid Treasury securities, and U.S. savings bonds.
liquid Treasury securities, and U.S. savings bonds.
3. Outstanding amount of U.S. dollar-denominated travelers checks of nonbank issuers.
4. Small-denomination time deposits are those issued in amounts of less than $\$ 100,000$.
5. Large-denomination time deposits are those 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.
6. Includes ATS and NOW balances at all institutions, credit union share draft balances, and demand deposits at mutual savings banks.
7. Overnight (and continuing contract) RPs are those issued by commercial banks to the nonbank public, and overnight Eurodollars are those issued by Ca ribbean branches of member banks to U.S. nonbank customers.

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. The monetary aggregates and their components have been revised due to benchmark revisions made on June 26, 1981; for more information see H. 6 statistical release, June 26, 1981, or "Announcements," this Bulletin.

### 1.22 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MEMBER BANK DEPOSITS 1

Billions of dollars, averages of daily figures

\begin{tabular}{|c|c|c|c|c|c|c|c|c|c|c|c|}
\hline \multirow{2}{*}{Item} \& \multirow{2}{*}{\[
\begin{aligned}
\& 1978 \\
\& \text { Dec. }
\end{aligned}
\]} \& \multirow{2}{*}{\[
\begin{aligned}
\& 1979 \\
\& \text { Dec. }
\end{aligned}
\]} \& \multirow{2}{*}{\[
\begin{aligned}
\& 1980 \\
\& \text { Dec. }
\end{aligned}
\]} \& \multicolumn{3}{|c|}{1980} \& \multicolumn{5}{|c|}{1981} \\
\hline \& \& \& \& Oct. \& Nov. \({ }^{2}\) \& Dec. \& Jan. \& Feb. \& Mar. \& Apr. \& May \\
\hline \& \multicolumn{11}{|c|}{Seasonally adjusted} \\
\hline 1 Total reserves \({ }^{3}\) \& 41.16 \& 43.46 \& 40.13 \& 41.73 \& 41.23 \& 40.13 \& 40.10 \& 39.76 \& 40.25 \& 40.25 \& 40.81 \\
\hline \begin{tabular}{l}
2 Nonborrowed reserves \\
3 Required reserves ...
\end{tabular} \& 40.29
40.93 \& 41.98
43.13 \& \begin{tabular}{l}
38.44 \\
39.58 \\
\hline
\end{tabular} \& 40.42
41.52 \& 39.17
40.73 \& 38.44
39.58 \& \({ }_{3}^{38.71}{ }^{\text {39.56 }}\) \& 38.45
39.57 \& 39.25
39.87 \& 38.91
40.10 \& 38.58
40.55 \\
\hline 4 Monetary base \({ }^{4}\). . \& 142.2 \& 153.7 \& 159.8 \& 160.9 \& 160.7 \& 159.8 \& 160.1 \& 160.6 \& 161.3 \& 162.2 \& 163.6 \\
\hline 5 Member bank deposits subject to reserve requirements \({ }^{5}\) 6 Time and savings. \& 616.1
428.7 \& 644.5
451.2 \& 701.8
485.6 \& 684.7
485.5 \& 694.3 \& 701.8
485.6 \& 703.8
517.5 \& 704.3
523.4 \& 703.4
524.7 \& 711.2
531.1 \& 715.0
538.1 \\
\hline Demand

7
8
8 \& 185.1
2.2 \& 191.5
1.8 \& 196.0
1.9 \& 195.6
2.4 \& 198.1
2.2 \& 196.0
1.9 \& 184.1

2.3 \& $$
\begin{array}{r}
178.8 \\
2.1
\end{array}
$$ \& \[

$$
\begin{gathered}
176.7 r \\
2.0
\end{gathered}
$$
\] \& 177.4

2.8 \& 174.7
2.2 <br>
\hline \& \multicolumn{11}{|c|}{Not seasonally adjusted} <br>
\hline 9 Monetary base ${ }^{4}$ \& 144.6 \& 156.2 \& 162.5 \& 160.6 \& 161.5 \& 162.5 \& 161.0 \& 158.9 \& 159.6 \& 161.7 \& 162.7 <br>
\hline 10 Member bank deposits subject to reserve requirements ${ }^{5}$ \& 624.0 \& 652.7 \& 710.3 \& 684.2 \& 694.6 \& 710.3 \& 712.6 \& 701.5 \& 702.9 \& 713.5 \& 710.0 <br>
\hline 11 Time and savings. Demand \& 429.6 \& 452.1 \& 486.5 \& 485.7 \& 493.0 \& 505.0 \& 520.6 \& 524.9 \& 527.8 \& 531.6 \& 538.1 <br>
\hline 12 Private. \& 191.9 \& 198.6 \& 203.2 \& 196.4 \& 199.6 \& 203.3 \& 189.9 \& 174.5 \& 173.0 \& 178.9 \& 169.8 <br>
\hline 13 U.S. government . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . \& 2.5 \& 2.0 \& 2.1 \& 2.1 \& 1.9 \& 2.1 \& 2.1 \& 2.0 \& 2.1 \& 3.0 \& 2.1 <br>
\hline
\end{tabular}

1. Reserves of depository institutions series reflect actual reserve requirement percentages with no adjustment to eliminate the effect of changes in Regulations D and M. Before Nov. 13, 1980, the date of implementation of the Monetary Control Act, only the reserves of commercial banks that were members of the Federal Reserve System were included in the series. Since that date the series include the reserves of all depository institutions. In conjunction with the implementation of the act, required reserves of member banks were reduced about $\$ 4.3$ billion and required reserves of other depository institutions were increased about $\$ 1.4$ billion. Effective Oct. 11, 1979, an 8 percentage point marginal reserve requirement was imposed on "Managed Liabilities." This action raised required reserves about $\$ 320$ million. Effective Mar. 12, 1980, the 8 percentage point marginal reserve requirement was raised to 10 percentage points. In addition the base upon which the marginal reserve requirement was calculated was reduced. This upon which the marginal reserve requirement was calculated was reduced. This 1980. Effective May 29, 1980, the marginal reserve requirement was reduced from 10 to 5 percentage points and the base upon which the marginal reserve requirement 10 to 5 percentage points and the base upon which the marginal reserve requirement was calculated was raised. This action reduced required reserves about $\$ 980$ million
in the week ending June 18, 1980 . Effective July 24,1980 , the 5 percent marginal reserve requirement on managed liabilities and the 2 percent supplementary reserve requirement against large time deposits were removed. These actions reduced required reserves about $\$ 3.2$ billion.
2. Reserve measures for November reflect increases in required reserves associated with the reduction of weekend avoidance activities of a few large banks. The reduction in these activities lead to essentially a one-time increase in the average level of required reserves that need to be held for a given level of deposits entering the money supply. In November, this increase in required reserves is estimated at $\$ 550$ million to $\$ 600$ million.
3. 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.
4. 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.
5. Includes total time and savings deposits and net demand deposits as defined by Regulation D. Private demand deposits include all demand deposits except by Regulation D. Private demand deposits include all demand deposits except
those due to the U.S. government, less cash items in process of collection and those due to the U.S. government, less cash items in P
demand balances due from domestic commercial banks.

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.

### 1.23 LOANS AND SECURITIES All Commercial Banks ${ }^{1}$

Billions of dollars; averages of Wednesday figures

| Category | 1978 <br> Dec. | $\begin{aligned} & 1979 \\ & \text { Dec. } \end{aligned}$ | $\begin{aligned} & 1980 \\ & \text { Dec. } \end{aligned}$ | 1981 |  | $1978$Dec. | 1979 <br> Dec. | $\begin{aligned} & 1980 \\ & \text { Dec. } \end{aligned}$ | 1981 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Apr. | May |  |  |  | Apr. | May |
|  | Seasonally adjusted |  |  |  |  | Not seasonally adjusted |  |  |  |  |
| 1 Total loans and securities ${ }^{2}$. | 1,013.43 | 1,134.64 | 1,237.35 | 1,267.0 | 1,279.3 | 1,022.53 | 1,145.94 | 1,248.95 | 1,265.6 | 1,276.1 |
| 2 U.S. Treasury securities. | 93.3 | 93.8 | 110.7 | 115.3 | 117.7 | 94.5 | 95.0 | 112.1 | 118.9 | 118.4 |
| 3 Other securities . . . . . . | 173.23 | 191.8 | 213.9 | 217.6 | 218.6 | 173.93 | 192.6 | 214.8 | 218.0 | 219.0 |
| 4 Total loans and leases ${ }^{2}$. | 746.93 | 848.94 | 912.75 | 934.2 | 943.0 | 754.23 | 857.44 | 922.15 | 928.7 | 938.7 |
| 5 Commercial and industrial loans | 246.16 | 291.14 | 324.95 | $333.1{ }^{7}$ | 335.0 | 247.76 | 293.04 | $327.0^{5}$ | 333.77 | 335.8 |
| 6 Real estate loans. | 210.5 | 241.34 | $260.6{ }^{5}$ | 268.3 | 270.4 | 210.9 | $241.8{ }^{4}$ | $261.1^{5}$ | 267.0 | 269.3 |
| 7 Loans to individuals | 164.7 | 184.9 | 175.2 | 174.5 | 173.9 | 165.6 | 186.0 | 176.2 | 172.3 | 172.5 |
| 8 Security loans. . . . . . . | 19.3 | 18.6 | 17.6 | 19.7 | 20.0 | 20.6 | 19.8 | 18.8 | 19.4 | 19.1 |
| 9 Loans to nonbank financial institutions . . | 27.18 | 28.84 | 28.75 | 28.8 | 29.3 | 27.68 | 29.34 | 29.25 | 28.4 | 29.1 |
| 10 Agricultural loans . . . . . . . . . . . . . . . . . . | 28.2 | 31.1 | 31.6 | 31.9 | 32.1 | 28.1 | 30.9 | 31.4 | 31.5 | 32.0 |
| 11 Lease financing receivables. . . . . . . . . . . . | 7.5 | 9.3 | 10.9 | 12.0r | 12.1 | 7.5 | 9.3 | 10.9 | $12.0{ }^{\text {r }}$ | 12.1 |
| 12 All other loans. . . . . . . . . . . . . . . . . . . . . . | 43.63 | 44.0 | 63.4 | 65.8 | 70.2 | 46.23 | 47.3 | 67.5 | 64.4 | 68.8 |
| Memo: 13 Total loans and securities plus loans sold ${ }^{2,9}$. | 1,017.1 ${ }^{3}$ | 1,137.64.10 | 1,240.05 | 1,269.7r | 1,282.1 | 1,026.23 | 1,148.04.10 | 1,251.65 | 1,268.3 | 1,278.9 |
| 14 Total loans plus loans sold 2.9 . . . . . . . . . . . . | $750.6{ }^{3}$ | 851.94 .10 | 915.55 | 936.9 | 945.8 | 757.93 | $860.4^{4.10}$ | 924.85 | 931.4 | 941.4 |
| 15 Total loans sold to affiliates ${ }^{9}$. . . . . . . . . . . . | 3.7 | 3.08 .10 | 2.7 | 2.7 | 2.8 | 3.7 | 3.08 .10 | 2.7 | 2.7 | 2.8 |
| 16 Commercial and industrial loans plus loans sold ${ }^{9}$ | 248.06 .11 | 293.14.10 | $326.6{ }^{5}$ | 334.97 | 336.9 | 249.66,11 | 295.04.10 | $328.8{ }^{5}$ | $335.6{ }^{7}$ | 337.7 |
| 17 Commercial and industrial loans sold ${ }^{9}$ | 1.911 | $2.0{ }^{10}$ | 1.8 | 1.9 | 1.9 | 1.911 | 2.010 | 1.8 | 1.9 | 1.9 |
| 18 Acceptances held . . . . . . . . . . . . . . . . . | 6.6 | 8.2 | 8.1 | 9.6 | 9.4 | 7.3 | 9.1 | 8.8 | 9.3 | 9.1 |
| 19 Other commercial and industrial loans... | 239.5 | 282.9 | 316.7 | 323.5 | 325.6 | 240.4 | 283.9 | 318.2 | 324.4 | 326.7 |
| 20 To U.S. addressees ${ }^{12} \ldots$ | 226.0 | 264.1 | 295.2 | 297.8 | 300.7 | 225.9 | 264.1 | 295.2 | 298.9 | 302.1 |
| 21 To non-U.S. addressees. | 13.5 | 18.8 | 21.5 | 25.7 | 24.9 | 14.5 | 19.8 | 23.0 | 25.5 | 24.7 |
| 22 Loans to foreign banks . . . . . . . . . . . . . . . | 21.5 | 18.5 | 23.2 | 22.8 | 23.7 | 23.2 | 20.0 | 24.9 | 22.1 | 22.9 |

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. Excludes loans to commercial banks in the United States.
3. As of Dec. 31, 1978, total loans and securities were reduced by $\$ 0.1$ billion. "Other securities" were increased by $\$ 1.5$ billion and total loans were reduced by $\$ 1.6$ billion largely as the result of reclassifications of certain tax-exempt obligations. $\$ 1.6$ billion largely as the result of rechassifications of ce
Most of the loan reduction was in "all other loans."
Most of the loan reduction was in "all other loans."
4. As of Jan. 3,1979 , as the result of reclassifications, total loans and securities and total loans were increased by $\$ 0.6$ billion. Business loans were increased by $\$ 0.4$ billion and real estate loans by $\$ 0.5$ billion. Nonbank financial loans were reduced by $\$ 0.3$ billion.
5 . Absorption of a nonbank affiliate by a large commercial bank added the following to February figures: total loans and securities, $\$ 1.0$ billion; total loans and leases, $\$ 1.0$ billion; commercial and industrial loans, $\$ .5$ billion; real estate loans, $\$ .1$ billion; nonbank financial, $\$ .1$ billion.
5. As of Dec. 31, 1978, commercial and industrial loans were reduced $\$ 0.1$ billion as a result of reclassifications.
6. An accounting procedure change by one bank reduced commercial and industrial loans by $\$ 0.1$ billion as of Apr. 1, 1981.
7. As of Dec. 1, 1978, nonbank financial loans were reduced $\$ 0.1$ billion as the result of reclassification.
8. 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.
9. As of Dec. 1, 1979, loans sold to affiliates were reduced $\$ 800$ million and commercial and industrial loans sold were reduced $\$ 700$ million due to corrections commercial and industrial loans
of two banks in New York City.
10. As of Dec. 31,1978 , commercial and industrial loans sold outright were increased $\$ 0.7$ billion as the result of reclassifications, but $\$ 0.1$ billion of this amount was offset by a balance sheet reduction of $\$ 0.1$ billion as noted above.
11. 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 | December outstanding |  |  | Outstanding in 1980 and 1981 |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1977 | 1978 | 1979 | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | May |
| Total nondeposit funds |  |  |  |  |  |  |  |  |  |  |  |  |
| 1 Seasonally adjusted ${ }^{2}$ | 61.5 | 91.2 | 121.1 | 114.0 | 119.9 | 116.9 | 120.5 | $124.7{ }^{\text {r }}$ | $122.3{ }^{r}$ | 117.5 r | $112.0{ }^{\text {r }}$ | 118.5 |
| 2 Not seasonally adjusted. Federal funds, RPs, and other borrowings from non-banks ${ }^{3}$ | 60.1 | 90.2 | 119.8 | 114.5 | 120.8 | 120.1 | 119.9 | 122.2 | $121.5 r$ | $117.2{ }^{\text {r }}$ | $111.6^{r}$ | 122.9 |
| 3 Seasonally adjusted | 58.4 | 80.7 | 90.0 | 102.2 | 105.7 | 105.4 | 109.6 | $113.6{ }^{\text {r }}$ | $110.9 r$ | $110.7{ }^{\text {r }}$ | $109.6 r$ | 106.8 |
|  | 57.0 | 79.7 | 88.7 | 102.7 | 106.6 | 108.6 | 109.0 | 111.1 | $110.2 r$ | $110.5 r$ | $109.2 r$ | 111.2 |
| 5 Net balances due to foreign-related institutions, not seasonally adjusted | -1.5 | 6.8 | 28.1 | 8.9 | 11.4 | 8.9 | 8.2 | 8.3 | 8.5 | 4.0 | -. 3 | 8.9 |
| 6 Loans sold to affiliates, not seasonally adjusted ${ }^{4}, 5$ | 4.7 | 3.7 | 3.0 | 2.9 | 2.8 | 2.6 | 2.7 | 2.8 | 2.8 | 2.8 | 2.7 | 2.8 |
| Memo <br> 7 Domestically chartered banks net positions with own foreign branches, not seasonally adjusted ${ }^{6}$ | -12.5 | -10.2 | 6.5 | -14.5 | -12.9 | -14.2 | - 14.7 | -16.2 | -14.7 | -16.9 | -21.2 ${ }^{\text {r }}$ | -13.4 |
| 8 Gross due from balances.................... | 21.1 | 24.9 | 22.8 | 38.2 | 38.3 | 37.3 | 37.5 | 37.5 | 36.4 | 38.9 | $43.3 r$ | 44.3 |
| 9 Gross due to balances... | 8.6 | 14.7 | 29.3 | 23.7 | 25.5 | 23.1 | 22.8 | 21.2 | 21.7 | 22.0 | 22.1 r | 30.9 |
| 10 Foreign-related institutions net positions with directly related institutions, not seasonally adjusted 7 | 10.9 | 17.0 | 21.6 | 23.3 | 24.3 | 23.1 | 22.9 | 24.5 | 23.2 | 20.9 | $20.9 r$ | 22.3 |
| 11 Gross due from balances. . . . . . . . . . . . . . . . | 10.7 | 14.3 | 28.9 | 30.3 | 30.8 | 31.0 | 32.5 | 31.4 | 31.7 | 31.7 | $33.5 r$ | 34.7 |
| 12 Gross due to balances | 21.7 | 31.3 | 50.5 | 53.6 | 55.2 | 54.1 | 55.4 | 55.9 | 54.9 | 52.6 | $54.4 r$ | 57.0 |
| Security RP borrowings 13 Seasonally adjusted ${ }^{8}$ | 36.0 | 44.8 | 49.2 | 56.2 | 59.7 | 58.8 | 63.4 | 68.7 | 67.0 | 67.1 | 67.0 |  |
| 14 Not seasonally adjusted. | 35.1 | 43.6 | 47.9 | 58.7 | 59.5 | 60.9 | 61.7 | 65.0 | 65.2 | 65.8 | 65.6 | 64.4 |
| U.S. Treasury demand balances ${ }^{9}$ |  |  |  |  |  |  |  |  |  |  |  |  |
| 15 Seasonally adjusted.... | 4.4 | 8.7 | 8.9 | $11.0 r$ | $11.5 r$ | $8.1{ }^{r}$ | $8.4{ }^{r}$ | 6.9 r | $8.2{ }^{\text {r }}$ | $11.7{ }^{\text {r }}$ | 12.3 r | 14.2 |
| 16 Not seasonally adjusted. . . . . . . . . . . . . . . . . | 5.1 | 10.3 | 9.7 | $13.8{ }^{r}$ | $12.6{ }^{r}$ | 6.7 ' | $9.0{ }^{\text {r }}$ | $8.0{ }^{\text {r }}$ | $8.1{ }^{r}$ | $10.3 r$ | $12.1{ }^{\text {r }}$ | 12.4 |
| 17 Time deposits, $\$ 100,000$ or more ${ }^{10}$ | 162.0 | 213.0 | 227.1 | 244.7 r | 247.8 r | 254.9 r | $265.8{ }^{\text {r }}$ | 277.0 r | $282.5{ }$ | $281.1^{\text {r }}$ | 284.3 r | 294.8 |
| 18 Not seasonally adjusted. . . . . . . . . . . . . . . . | 165.4 | 217.9 | 232.8 | $241.0 r$ | 246.8 r | 257.9 r | 272.4 ' | 282.0 r | 287.0 | 285.9 r | $283.7{ }^{\text {r }}$ | 293.6 |

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. In cludes 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
4. 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. note or due bill, given for the purpose of borrowing money for the banking business. 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. As of Dec. 1, 1979 , loans sold to affiliates were reduced $\$ 800$ million due to corrections of two New York City banks.
6. Averages of daily figures for member and nonmember banks. Before October

1980 nonmember banks were interpolated from quarterly call report data.
7. Includes averages of current and previous month-end data until August 1979; beginning September 1979 averages of daily data.
8. Based on daily average data reported by 122 large banks beginning February 1980 and 46 banks before February 1980.
9. Includes U.S. Treasury demand deposits and Treasury tax-and-loan notes at commercial banks. Averages of daily data.
10. Averages of Wednesday figures.

Note. Movement of federal funds, RPs, and other borrowings from nonbanks (lines 3 and 4) is based on fluctuations in security RP borrowings (lines 13 and 14) and borrowings from unaffiliated foreign sources (not shown) after October 1980. U.S. Treasury demand balances (lines 15 and 16 ) and time deposits of $\$ 100,000$ or more (lines 17 and 18) have revised beginning July 1980 to reflect benchmarking to the June, September and December 1980 call reports.
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 | 1981 |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Apr. 29 | May 6 | May 13 | May 20 | May $27 p$ | June $30 p$ | June 10p | June 17 $p$ | June 24p |
| 1 Cash items in process of collection | 55,348 | 56,242 | 54,134 | 53,492 | 59,894 | 57,965 | 56,568 | 66,599 | 53,159 |
| rom banks in the States | 19,504 | 19,536 | 19,680 | 19,684 | 19,536 | 21,964 | 19,478 | 19,027 | 21,507 |
| 3 All other cash and due from depository institutions. . | 42,633 | 33,910 | 30,714 | 35,571 | 29,911 | 36,154 | 30,776 | 37,279 | 31,538 |
| 4 Total loans and securities | 558,677 | 564,716 | 561,613 | 559,536 | 563,300 | 571,413 | 572,730 | 573,191 | 571,939 |
| ${ }_{5}$ Securities |  |  |  |  |  |  |  |  |  |
| 5 U.S. Treasury securities. | 39,720 | 40,190 | 39,655 | 39,560 | 39,632 | 42,128 | 43,334 | 43,138 | 40,945 |
| 6 Trading account. | 5,440 | 5,590 | 4,985 | 5,108 | 5,306 | 7,685 | 8,879 | 8,836 | 7,071 |
| 7 Investment account, by maturity | 34,280 | 34,600 | 34,671 | 34,452 | 34,326 | 34,444 | 34,455 | 34,303 | 33,874 |
| 8 One year or less. | 9,997 | 10,439 | 10,359 | 10,150 | 10,126 | 10,627 | 10,788 | 10,758 | 10,506 |
| 9 Over one through five years | 20,447 | 20,367 | 20,531 | 20,484 | 20,393 | 19,994 | 19,840 | 19,708 | 19,596 |
| 10 Over five years. | 3,836 | 3,794 | 3,781 | 3,817 | 3,807 | 3,823 | 3,827 | 3,836 | 3,772 |
| 11 Other securities | 77,596 | 78,317 | 76,813 | 76,761 | 76,857 | 78,914 | 78,092 | 77,593 | 77,000 |
| 12 Trading account. | 2,671 | 3,663 | 2,117 | 2,079 | 2,078 | 3,711 | 2,945 | 2,723 | 2,353 |
| 13 Investment account | 74,925 | 74,654 | 74,696 | 74,682 | 74,779 | 75,202 | 75,148 | 74,870 | 74,648 |
| 14 U.S. government agencies | 16,395 | 16,364 | 16,411 | 16,410 | 16,449 | 16,556 | 16,406 | 16,364 | 16,256 |
| 15 States and political subdivision, by maturity | 55,680 | 55,537 | 55,527 | 55,495 | 55,555 | 55,882 | 55,970 | 55,745 | 55,672 |
| 16 One year or less. | 7,269 | 7,344 | 7,288 | 7,277 | 7,338 | 7,733 | 7,767 | 7,502 | 7,398 |
| 17 Over one year | 48,412 | 48,194 | 48,239 | 48,218 | 48,217 | 48,149 | 48,203 | 48,242 | 48,274 |
| 18 Other bonds, corporate stocks and securities. | 2,849 | 2,753 | 2,757 | 2,777 | 2,776 | 2,764 | 2,771 | 2,761 | 2,720 |
| Loans |  |  |  |  |  |  |  |  |  |
| 19 Federal funds sold ${ }^{1}$. | 26,696 | 27,266 | 28,826 | 26,717 | 29.213 | 28,491 | 32,141 | 27,334 | 29,959 |
| 20 To commercial banks | 17,853 | 18,312 | 18,830 | 18,754 | 19,975 | 19,753 | 22,469 | 19,136 | 20,965 |
| 21 To nonbank brokers and dealers in securities | 6,605 | 6,799 | 6,634 | 5,961 | 6,399 | 6,714 | 6,427 | 6,266 | 6,432 |
| 22 To others. | 2,238 | 2,155 | 3,361 | 2,002 | 2,840 | 2,024 | 3,245 | 1,932 | 2,563 |
| 23 Other loans, gross | 426,478 | 430,788 | 428,174 | 428,386 | 429,509 | 433,858 | 431,209 | 437,230 | 436,122 |
| 24 Commercial and industrial | 174,456 | 176,899 | 175,545 | 174,878 | 175,464 | 176,639 | 176,005 | 178,296 | 178,750 |
| 25 Bankers acceptances and commercial paper | 4,414 | 4,576 | 3,803 | 3,758 | 4,256 | 4,209 | 4,217 | 4,585 | 4,878 |
| 26 All other | 170,042 | 172,322 | 171,743 | 171,119 | 171,208 | 172,430 | 171,788 | 173,711 | 173,873 |
| 27 U.S. addressees | 162,838 | 165,018 | 164,289 | 163,817 | 163,862 | 165,033 | 164,226 | 166,140 | 166,320 |
| 28 Non-U.S. addressees | 7,203 | 7,304 | 7,454 | 7,302 | 7,345 | 7,397 | 7,562 | 7,570 | 7,553 |
| 29 Real estate | 115,342 | 115,453 | 116,033 | 116,227 | 116,365 | 116,635 | 116,918 | 117,237 | 117.519 |
| 30 To individuals for personal expenditures | 70,598 | 70,458 | 70,486 | 70,532 | 70,634 | 70,708 | 70,720 | 70,875 | 71,026 |
| 31 To financial institutions Commercial banks in the United States | 4,917 | 4,828 | 4,868 | 4,430 | 4,773 | 5,274 | 4,870 | 5,321 | 5,363 |
| 32 Banks in foreign countries. | 8,055 | 8,450 | 8,344 | 9,045 | 9,038 | 8,783 | 8,746 | 8,741 | 8,386 |
| 33 Sales finance, personal finance companies, etc | 10,084 | 10,178 | 9,904 | 9,924 | 9,773 | 9,841 | 9,894 | 9,822 | 9,812 |
| 34 Other financial institutions. | 15,225 | 15,631 | 15,661 | 15,810 | 15,543 | 15,966 | 15,907 | 16,114 | 15,948 |
| 35 To nonbank brokers and dealers in securities | 6,344 | 6,401 | 5,872 | 5,610 | 5,630 | 7,796 | 6,105 | 7,866 | 6,906 |
| 36 To others for purchasing and carrying securities ${ }^{2}$. | 2,357 | 2,509 | 2,567 | 2,591 | 2,572 | 2,592 | 2,616 | 2.539 | 2,509 |
| 37 To finance agricultural | 5,590 | 5.656 | 5,712 | 5,763 | 5,782 | 5,823 | 5,821 | 5,844 | 5.902 |
| 38 All other | 13,509 | 14,325 | 13,181 | 13,577 | 13,934 | 13,799 | 13,604 | 14,575 | 13,998 |
| 39 Less: Unearned income | 5,840 | 5,803 | 5,805 | 5,810 | 5,834 | 5,838 | 5,880 | 5,914 | 5,921 |
| 40 Loan loss reserve | 5,973 | 6,042 | 6,051 | 6,078 | 6,076 | 6,139 | 6,166 | 6,192 | 6,166 |
| 41 Other loans, net. . | 414,664 | 418,943 | 416,318 | 416,498 | 417,598 | 421,880 | 419,162 | 425,125 | 424,035 |
| 42 Lease financing receivables | 10,142 | 10,124 | 10,173 | 10,201 | 10,218 | 10,242 | 10,259 | 10,269 | 10,272 |
| 43 All other assets | 91,751 | 90,099 | 89,140 | 86,871 | 84,580 | 87,779 | 90,940 | 91,260 | 90,285 |
| 44 Total assets | 778,056 | 774,628 | 765,455 | 765,357 | 767,440 | 785,518 | 780,752 | 797,625 | 778,700 |
| Deposits <br> 45 Demand deposits | 188,649 | 190,281 | 185,036 | 182,768 | 191,452 | 195,134 | 192,070 | 200,130 | 188,279 |
| 46 Mutual savings banks | 188,649 | ,674 | , 579 | , 576 | , 589 | -689 | 495 | , 521 | 517 |
| 47 Individuals, partnerships, and corporations | 128,823 | 129,194 | 127,775 | 125,053 | 130,954 | 130,752 | 131,013 | 133,582 | 125,959 |
| 48 States and political subdivisions | 4,456 | 4,993 | 4,002 | 4,335 | 4,498 | 4,262 | 4,306 | 4,734 | 4,427 |
| 49 U.S. government | 2,880 | 1,829 | 1,183 | 3,099 | 1,104 | 3,312 | 1,913 | 2,098 | 3,193 |
| 50 Commercial banks in the United States | 32,839 | 35,125 | 35,242 | 32,792 | 35,972 | 36,735 | 35,232 | 34,059 | 36,122 |
| 51 Banks in foreign countries. | 8,400 | 7,847 | 7,616 | 8,159 | 9,195 | 8,674 | 8,488 | 9,408 | 9,126 |
| 52 Foreign governments and official institutions | 1,987 | 1,992 | 1,469 | 1,271 | 1,558 | 1,725 | 1,990 | 1,623 | 1,492 |
| 53 Certified and officers' checks | 8,664 | 8,625 | 7,169 | 7,483 | 7,580 | 8,985 | 8,633 | 14,105 | 7.441 |
| 54 Time and savings deposits . | 322,988 | 326,510 | 328.552 | 330,722 | 331,715 | 334,602 | 333,130 | 331,623 | 334,260 |
| 55 Savings. | 77,894 | 78,439 | 77,679 | 77,344 | 77,064 | 77,797 | 77,822 | 77,719 | 76,796 |
| 56 Individuals and nonprofit organizations | 73,904 | 74,480 | 73,691 | 73,415 | 73,133 | 73,903 | 73,953 | 73,920 | 72,919 |
| 57 Partnerships and corporations operated for profit | 3,376 | 3,341 | 3,311 | 3,265 | 3,300 | 3,244 | 3,273 | 3,180 | 3,194 |
| 58 Domestic governmental units | 597 | 596 | 655 | 640 | 610 | 633 | 579 | 599 | 662 |
| 59 All other .................... | 17 | 21 | 22 | 24 | 21 | 16 | 18 | 21 | 22 |
| 60 Time.. | 245,094 | 248,070 | 250,873 | 253,378 | 254,650 | 256,805 | 255,308 | 253,904 | 257,463 |
| 61 Individuals, partnerships, and corporations | 211,052 | 213,863 | 216,054 | 218,236 | 219,492 | 221,968 | 220.914 | 220,197 | 223,663 |
| 62 States and political subdivisions . . . . . . . . . . . . | 19,924 | 19,910 | 20,218 | 20,309 | 20,176 | 19,852 | 19.626 | 19,250 | 19,268 |
| 63 U.S. government | 228 | 233 | 257 | 253 | 255 | 258 | 240 | 264 | 271 |
| 64 Commercial banks in the United States ...... | 7,833 | 7,884 | 8,147 | 8,351 | 8,421 | 8,394 | 8,272 | 7,934 | 8,020 |
| 65 Foreign governments, official institutions, and banks. | 6,057 | 6,180 | 6,196 | 6,228 | 6,307 | 6,333 | 6,256 | 6,258 | 6,241 |
| ${ }_{66} \begin{aligned} & \text { Liabilities for borrowed money } \\ & \text { Borrowings from Federal Reserve Banks }\end{aligned}$ | 7.478 | 965 | 2,530 | 2,352 | 369 | 4,843 | 2.669 | 5,447 | 616 |
| 67 Treasury tax-and-loan notes ........... | 12,536 | 10,008 | 8,743 | 4,009 | 3,568 | 2,023 | 2,536 | 11,360 | 12,578 |
| 68 All other liabilities for borrowed money ${ }^{3}$ | 128,539 | 129,508 | 122,596 | 124,728 | 121,896 | 128,969 | 132.092 | 130,599 | 124,707 |
| 69 Other liabilities and subordinated notes and debentures. | 66,742 | 65,697 | 66,287 | 69,300 | 66,858 | 67,971 | 66,201 | 66,872 | 66,369 |
| 70 Total liabilities | 726,932 | 722,969 | 713,744 | 713,879 | 715,856 | 733,542 | 728,699 | 746,031 | 726,809 |
| 71 Residual (total assets minus total liabilities) ${ }^{4}$. | 51,123 | 51,659 | 51,711 | 51,478 | 51,584 | 51,976 | 52,054 | 51,594 | 51,891 |

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 agreements to repurchase; for information on these liabilities at banks with assets of $\$ 1$ billion or more on Dec. 31, 1977, see table 1.13.

### 1.27 LARGE WEEKLY REPORTING COMMERCIAL BANKS with Domestic Assets of $\$ 1$ Billion or More on December 31, 1977, Assets and Liabilities <br> Millions of dollars, Wednesday figures

| Account | 1981 |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Apr. 29 | May 6 | May 13 | May 20 | May 27p | June 3p | June 10p | June 17p | June $24 p$ |
| 1 Cash items in process of collection. <br> 2 Demand deposits due from banks in the United States. <br> 3 All other cash and due from depository institutions. . | 52,165 | 53,367 | 51,272 | 50,781 | 56,561 | 54,958 | 53,977 | 63,404 | 50,128 |
|  | 18,855 | 18,814 | 19,097 | 18,825 | $18,751$ | 21,319 | 18,943 | 18,424 | 20,739 |
|  | 39,977 | 31,948 | 28,620 | 33,206 | $27,646$ | 34,016 | 28,755 | 34,846 | $29,378$ |
| 4 Total loans and securities | 521,738 | 526,972 | 524,618 | 522,624 | 526,474 | 533,782 | 534,896 | 535,397 | 534,105 |
| Securities |  |  |  |  |  |  |  |  |  |
| 6 Trading account.... | $\begin{array}{r}36,370 \\ \hline\end{array}$ | 3,525 | $\begin{array}{r}36,214 \\ 4,917 \\ \hline\end{array}$ | $\begin{array}{r}36,146 \\ 5,046 \\ \hline\end{array}$ | 36,231 5,244 | 38,733 | 8,801 | 8,750 | 6,993 |
| 7 Investment account, by maturity | 30,894 | 31,227 | 31,296 | 31,100 | 30,987 | 31,120 | 31,124 | 30,958 | 30,533 |
| 8 One year or less. | 9,183 | 9,603 | 9,545 | 9,354 | 9,330 | 9,790 | 9,925 | 9,884 | 9,632 |
| 9 Over one through five years | 18,250 | 18,199 | 18,346 | 18,315 | 18,233 | 17,881 | 17,742 | 17,607 | 17,498 |
| 10 Over five years. | 3,461 | 3,425 | 3,406 | 3,431 | 3,424 | 3,449 | 3,457 | 3,467 | 3,403 |
| 11 Other securities | 71,333 | 72,073 | 70,602 | 70,529 | 70,635 | 72,593 | 71,818 | 71,358 | 70,740 |
| 12 Trading account. | 2,583 | 3,571 | 2,061 | 2,005 | 2,017 | 3,632 | 2,886 | 2,659 | 2,284 |
| 13 Investment account | 68,750 | 68,502 | 68,542 | 68,524 | 68,618 | 68,961 | 68,932 | 68,699 | 68,456 |
| 14 U.S. government agencies | 15,199 | 15,177 | 15,225 | 15,234 | 15,272 | 15,372 | 15,222 | 15,190 | 15,082 |
| 15 States and political subdivision, by maturity | 50,873 | 50,743 | 50,731 | 50,690 | 50,747 | 51,001 | 51,115 | 50,925 | 50,831 |
| 16 One year or less. | 6,567 | 6,650 | 6,596 | 6,587 | 6,652 | 6,970 | 6,992 | 6,772 | 6,661 |
| 17 Over one year | 44,306 | 44,093 | 44,135 | 44,103 | 44,095 | 44,031 | 44,123 | 44,153 | 44,170 |
| 18 Other bonds, corporate stocks and securities. | 2,678 | 2,582 | 2,586 | 2,600 | 2,599 | 2,588 | 2,594 | 2,584 | 2,543 |
| Loans |  |  |  |  |  |  |  |  |  |
| 19 Federal funds sold ${ }^{1}$ | 24,144 | 23,960 | 26,187 | 24,238 | 26,767 | 25,378 | 28,695 | 24,045 | 26,625 |
| 20 To commercial banks ................ | 15,779 | 15,652 | 16,787 | 16,826 | 18,037 | 17,124 | 19,543 | 16,328 | 18,182 |
|  | 6,145 | 6,181 | 6,058 | 5,438 | 5,918 | 6,252 | 5,928 | 5,797 | 5,900 |
| 22 To others. | 2,220 | 2,127 | 3,342 | 1,974 | 2,812 | 2,002 | 3,224 | 1,919 | 2,542 |
| 23 Other loans, gross | 400,830 | 405,051 | 402,484 | 402,610 | 403,765 | 408,068 | 405,513 | 411,393 | 410,302 |
| 24 Commercial and industrial ..................... | 165,587 | 168,009 | 166,643 | 165,944 | 166,573 | 167,730 | 167,120 | 169,429 | 169,922 |
|  | 4,231 | 4,398 | 3,631 | 3,587 | 4,087 | 4,028 | 4,040 | 4,404 | 4,701 |
| 25 Bankers acceptances and commercial paper...... | 161,356 | 163,611 | 163,012 | 162,358 | 162,486 | 163,702 | 163,080 | 165,025 | 165,221 |
| 27 U.S. add | 154,220 | 156,374 | 155,627 | 155,125 | 155,210 | 156,373 | 155,587 | 157,524 | 157,739 |
| 28 Non-U.S. addresse | 7,136 | 7,237 | 7,385 | 7,233 | 7,276 | 7,329 | 7,494 | 7,500 | 7,482 |
| 29 Real estate | 108,810 | 108,940 | 109,485 | 109,670 | 109,823 | 110,103 | 110,382 | 110,669 | 110,944 |
| To financial institutions | 62,115 | 61,973 | 62,011 | 62,039 | 62,136 | 62,196 | 62,198 | 62,343 | 62,462 |
| 31 Commercial banks in the United States | 4,817 | 4,724 | 4,763 | 4,325 | 4,673 | 5,165 | 4,764 | 5,173 | 5,216 |
| 32 Banks in foreign countries... | 8,004 | 8,378 | 8,286 | 8,976 | 8,968 | 8,700 | 8,662 | 8,671 | 8,316 |
| 33 Sales finance, personal finance companies, etc | 9,941 | 10,034 | 9,755 | 9,772 | 9,621 | 9,692 | 9,746 | 9,684 | 9,684 |
| 34 Other financial institutions. | 14,868 | 15,263 | 15,294 | 15,435 | 15,170 | 15,608 | 15,542 | 15,734 | 15,562 |
| 35 To nonbank brokers and dealers in securities | 6,242 | 6,313 | 5,789 | 5,526 | 5,544 | 7,710 | 6,017 | 7,774 | 6,817 |
| 36 To others for purchasing and carrying securities ${ }^{2}$. | 2,152 | 2,302 | 2,365 | 2,392 | 2,376 | 2,393 | 2,418 | 2,336 | 2,306 |
| 37 To finance agricultural production | 5,450 | 5,513 | 5,568 | 5,619 | 5,634 | 5,679 | 5,679 | 5,697 | 5,755 |
| 38 All other | 12,844 | 13,603 | 12,525 | 12,910 | 13,246 | 13,092 | 12,985 | 13,883 | 13,318 |
| 39 Less: Unearned income | 5,210 | 5,172 | 5,168 | 5,172 | 5,200 | 5,207 | 5,246 | 5,274 | 5,277 |
| 40 Loan loss reserve | 5,624 | 5,692 | 5,700 | 5,728 | 5,724 | 5,783 | 5,809 | 5,833 | 5,811 |
| 41 Other loans, net. | 389,997 | 394,187 | 391,615 | 391,709 | 392,840 | 397,078 | 394,458 | 400,286 | 399,213 |
| 42 Lease financing receivables | 9,852 | 9,834 | 9,884 | 9,911 | 9,927 | 9,949 | 9,965 | 9,974 | 9,978 |
| 43 All other assets | 88,923 | 87,349 | 86,412 | 84,250 | 81,803 | 85,101 | 88,293 | 88,641 | 87,465 |
| 44 Total assets | 731,510 | 728,285 | 719,903 | 719,597 | 721,161 | 739,125 | 734,829 | 750,687 | 731,794 |
| Deposits |  |  |  |  |  |  |  |  |  |
| 45 Demand deposits ....... | 176,588 | 178,450 | 173,637 | 171,168 | 179,422 | 183,224 | 180,717 | 188,270 | 176,405 |
|  | 577 | 642 | 552 | 550 | , 561 | 651 | 474 | 500 | 498 |
| 47 Individuals, partnerships, and corporations | 119,683 | 119,959 | 118,688 | 115,921 | 121,577 | 121,589 | 122,054 | 124,459 | 116,981 |
| 48 States and political subdivisions ........... | 3,901 | 4,400 | 3,532 | 3,784 | 3,968 | 3,732 | 3,830 | 4,075 | 3,865 |
| 49 U.S. government . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 2,220 | 1,628 | 1,082 | 2,839 | 977 | 3,057 | 1,699 | 1,767 | 2,652 |
| 50 Commercial banks in the United States | 31,553 | 33,729 | 33,906 | 31,502 | 34,349 | 35,223 | 33,934 | 32,735 | 34,706 |
| 51 Banks in foreign countries | 8,324 | 7,769 | 7,537 | 8,067 | 9,119 | 8,578 | 8,386 | 9,319 | 9,053 |
| 52 Foreign governments and offici | 1,983 | 1,989 | 1,458 | 1,270 | 1,556 | 1,724 | 1,988 | 1,615 | 1,485 |
| 53 Certified and officers' checks . | 801,348 | 8,333 305156 | 6,881 | 7,235 309 | 7,314 | 8,669 | 8,351 | 13,800 | 7,165 |
|  | 301,827 | 305,156 | 307, 131 | 309,131 | 310,056 | 312,687 | 311,242 | 309,698 | 312,275 |
| 55 Savings. . . . . . . . . . . . | 71,903 | 72,407 | 71,717 | 71,420 | 71,167 | 71,810 | 71,864 | 71,778 | 70,880 |
| 56 Individuals and nonprofit organizations.... | 68,238 | 68,768 | 68,042 | 67,799 | 67,542 | 68,233 | 68,301 | 68,270 | 67,348 |
| 57 Partnerships and corporations operated for profit | 3,108 | 3,082 | 3,052 | 3,010 | 3,040 | 2,989 | 3,017 | 2,927 | 2,943 |
| 58 Domestic governmental units | 540 | 536 | 601 | 587 | 564 | 571 | 528 | 560 | 568 |
| 59 All other | 17 | 21 | 22 | 24 | 21 | 16 | 18 | 21 | 22 |
| 60 Time. | 229,924 | 232,749 | 235,414 | 237,711 | 238,889 | 240,877 | 239,379 | 237,920 | 241,395 |
| 61 Individuals, partnerships, and corporations | 197,999 | 200,653 | 202,700 | 204,726 | 205,895 | 208,190 | 207,121 | 206,279 | 209,671 |
| 62 States and political subdivisions | 18,154 | 18,139 | 18,463 | 18,510 | 18,376 | 18,084 | 17,882 | 17,572 | 17,578 |
| 63 U.S. government........... | 207 | ${ }_{5}^{212}$ | 237 | 235 | 236 | 241 | 224 | 250 | 258 |
| 64 Commercial banks in the United States ...... | 7,506 | 7,565 | 7,817 | 8,011 | 8,075 | 8,030 | 7,895 | 7,562 | 7,647 |
| 65 Foreign governments, official institutions, and $\begin{gathered}\text { banks ................................... . . } . ~\end{gathered}$ | 6,057 | 6,180 | 6,196 | 6,228 | 6,307 | 6,333 | 6,256 | 6,258 | 6,241 |
| 66 Liabilities for borrowed money | 7,176 | 951 | 2,411 | 2,054 | 302 | 4,731 | 2,546 | 5,314 | 578 |
| 67 Treasury tax-and-loan notes .......... | 11,662 | 9,318 | 8,136 | 3,698 | 3,327 | 1,856 | 2,365 | 10,510 | 11,560 |
| 68 All other liabilities for borrowed money ${ }^{3}$. | 121,231 | 121,887 | 115,424 | 117,617 | 114,597 | 121,597 | 124,642 | 123,233 | 117,686 |
| 69 Other liabilities and subordinated notes and debentures. | 65,309 | 64,248 | 64,855 | 67,819 | 65,262 | 66,446 | 64,689 | 65,484 | 64,811 |
| 70 Total liabilities | 683,792 | 680,011 | 671,594 | 671,487 | 672,966 | $\mathbf{6 9 0 , 5 4 1}$ | 686,201 | 702,509 | 683,315 |
| 71 Residual (total assets minus total liabilities) ${ }^{4}$. | 47,717 | 48,274 | 48,309 | 48,110 | 48,195 | 48,584 | 48,628 | 48,178 | 48,479 |

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
4. 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

5. Excludes trading account securities.
6. Not available due to confidentiality.
7. Includes securities purchased under agreements to resell.
8. Other than financial institutions and brokers and dealers.
9. Includes trading account securities.
10. Includes federal funds purchased and securities sold under agreements to repurchase
11. 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


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 COMMERCIAL BANKS Domestic Classified Commercial and Industrial Loans Millions of dollars

| Industry classification | Outstanding |  |  |  |  | Net change during |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1981 |  |  |  |  | 1981 |  | 1981 |  |  |
|  | Feb. 25 | Mar. 25 | Apr. 29 | May 27 | June 24p | Q1 | Q2p | Apr. | May | June $P$ |
| 1 Durable goods manufacturing. | 24,650 | 24,654 | 24,570 | 24,623 | 25,274 | -217 | 620 | -84 | 52 | 651 |
| 2 Nondurable goods manufacturing ..... <br> 3 Food, liquor, and tobacco. | 19,051 4,544 | 19.401 4.580 | 19,845 4,409 | 20,266 4,577 | 20,618 4,404 | $-1,229$ -834 | 1,217 -176 | 444 -171 | 421 | 352 -173 |
| 4 Textiles, apparel, and leather. | 4,365 | 4,351 | 4,469 | 4,603 | 4,920 | 200 | 569 | 118 | 134 | 317 |
| 5 Petroleum refining .......... | 3,005 | 2,982 | 3,298 | 3,457 | 3,412 | -724 | 430 | 316 | 159 | -45 |
| 6 Chemicals and rubber | 3,690 | 3,838 | 4,036 | 3,957 | 4,055 | -100 | 217 | 198 | -79 | 98 |
| 7 Other nondurable goods | 3,446 | 3,650 | 3.633 | 3,672 | 3,826 | 230 | 176 | -18 | 40 | 154 |
| 8 Mining (including crude petroleum and natural gas). | 15,974 | 15,750 | 16,752 | 17,182 | 18,194 | -695 | 2,444 | 1,002 | 430 | 1,012 |
| 9 Trade. | 25,316 | 25,617 | 26,778 | 26,306 | 26,107 | -729 | 490 | 1,160 | -472 | -199 |
| 10 Commodity dealers. | 1,874 | 1,950 | 2,337 | 1,865 | 1,499 | -613 | -451 | 387 | -472 | -366 |
| 11 Other wholesale ................. | 11,735 | 11,875 | 12,244 | 12,023 | 12,087 | -467 | 212 | 369 | -221 | 65 |
| 12 Retail. . . . . . . . . . . . . . . . . . . . . . . . . . | 11,707 | 11,792 | 12,196 | 12,418 | 12,520 | 352 | 728 | 404 | 222 | 102 |
| 13 Transportation, communication, and other public utilities | 20,428 | 19,973 | 20.338 | 20,403 | 20,824 | -1,518 | 851 | 365 | 65 | 421 |
| 14 Transportation.................... | 8,235 | 8,107 | 8,156 | 8,343 | 8,196 | -377 | 89 | 49 | 187 | -147 |
| 15 Communication................. | 3,110 | 3,160 | 3,275 | 3,462 | 3,542 | -174 | 381 | 115 | 186 | 79 |
| 16 Other public utilities. .............. | 9,082 | 8,705 | 8,906 | 8,597 | 9,086 | -967 | 381 | 201 | -308 | 489 |
| 17 Construction. | 6,126 | 6.225 | 6,446 | 6.988 | 6,984 | 218 | 758 | 221 | 542 | -4 |
| 18 Services. | 23,719 | 23,611 | 24,074 | 24,422 | 24,546 | 555 | 934 | 463 | 347 | 124 |
| 19 All other ${ }^{2}$. | 15,046 | 15,181 | 15,416 | 15,020 | 15,192 | -878 | 11 | 234 | -396 | 173 |
| 20 Total domestic loans | 150,310 | 150,413 | 154,220 | 155,210 | 157,739 | -4,492 | 7,326 | 3,807 | 990 | 2,529 |
| 21 Memo: Term loans (original maturity more than 1 year) included in domestic loans. | 80,147 | 79,298 | 80,333 | 82,441 | 83,481 | -2,492 | 4,183 | 1,036 | 2,108 | 1,040 |

1. Adjustment bank amounts represent accumulated adjustments originally made to offset the cumulative effects of mergers. These adjustment amounts should be added to outstanding data for any date in the year to establish comparability with any date in the subsequent year. Changes shown have been adjusted for these amounts.
2. Includes commercial and industrial loans at a few banks with assets of $\$ 1$ billion or more that do not classify their loans.

Note. New series. The 134 large weekly reporting commercial banks with domestic assets of $\$ 1$ billion or more as of December 31,1977 , are included in this mestic assets of $\$ 1$ billion or more as of December 31, 1977, are included in this
series. The revised series is on a last-Wednesday-of-the-month basis. Partly estiseries. The revised series is on a last-Wednesday-of-the-month basis. Partly esti-
mated historical data are available from the Banking Section, Division of Research mated historical data are available from the Banking Section, Division of Research
and Statistics. Board of Governors of the Federal Reserve System, Washington, D.C., 20551.

## NOTES TO TABLE 1.31

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 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 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 reporting sample, the following estimates in billions of dollars for December 1978
have been constructed using the new smaller sample: financial business, 27.0 ; have been constructed using the new smaller sample: financial business,
nonfinancial business. 146.9; consumer, 98.3 ; foreign, 2.8 ; and other, 15.1 .
nonfinancial business, 146.9 ; consumer, 98.3 ; foreign, 2.8 ; and other, 15.1 .
3. Demand deposit ownership data for March 1981 are subject to greater that
4. Demand deposit ownership data for March 1981 are subject to greater than
normal errors reflecting unusual reporting difficulties associated with funds shifted normal errors reflecting unusua reporting difficulties associated with category, the $\$ 15.7$ billion decline in demand deposits at all commercial banks between December 1980 and March 1981 has an estimated standard error of $\$ 4.8$ billion.
5. 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 mates 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 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; 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; financial bu
1.31 GROSS DEMAND DEPOSITS of Individuals, Partnerships, and Corporations ${ }^{1}$

Billions of dollars, estimated daily-average balances

| Type of holder | Commercial banks |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | $\begin{aligned} & 1975 \\ & \text { Dec. } \end{aligned}$ | $\begin{aligned} & 1976 \\ & \text { Dec. } \end{aligned}$ | $\begin{aligned} & 1977 \\ & \text { Dec. } \end{aligned}$ | $\begin{aligned} & 1978 \\ & \text { Dec. } \end{aligned}$ | 19792 | 1980 |  |  |  | 1981 <br> Mar. ${ }^{3}$ |
|  |  |  |  |  | Dec. | Mar. | June | Sept. | Dec. |  |
| 1 All holders-Individuals, partnerships, and corporations | 236.9 | 250.1 | 274.4 | 294.6 | 302.2 | 288.4 | 288.6 | 302.0 | 315.5 | 280.8 |
| 2 Financial business . | 20.1 | 22.3 | 25.0 | 27.8 | 27.1 | 28.4 | 27.7 | 29.6 | 29.8 | 30.8 |
| 3 Nonfinancial business. | 125.1 | 130.2 | 142.9 | 152.7 | 157.7 | 144.9 | 145.3 | 151.9 | 162.3 | 144.3 |
| 4 Consumer......... | 78.0 | 82.6 | 91.0 | 97.4 | 99.2 | 97.6 | 97.9 | 101.8 | 102.4 | 86.7 |
| 5 Foreign. | 2.4 | 2.7 | 2.5 | 2.7 | 3.1 | 3.1 | 3.3 | 3.2 15.5 | 3.3 | 3.4 |
| 6 Other... | 11.3 | 12.4 | 12.9 | 14.1 | 15.1 | 14.4 | 14.4 | 15.5 | 17.2 | 15.6 |
|  | Weekly reporting banks |  |  |  |  |  |  |  |  |  |
|  | $\begin{aligned} & 1975 \\ & \text { Dec. } \end{aligned}$ | $1976$ | 1977 <br> Dec. | $\begin{aligned} & 1978 \\ & \text { Dec. } \end{aligned}$ | 19794 | 1980 |  |  |  | 1981 <br> Mar. ${ }^{3}$ |
|  |  |  |  |  | Dec. | Mar. | June | Sept. | Dec. |  |
| 7 All holders-Individuals, partnerships, and corporations | 124.4 | 128.5 | 139.1 | 147.0 | 139.3 | 133.6 | 133.9 | 140.6 | 147.4 | 133.2 |
| 8 Financial business | 15.6 | 17.5 | 18.5 | 19.8 | 20.1 | 20.1 | 20.2 | 21.2 | 21.8 | 21.9 |
| 9 Nonfinancial business. | 69.9 | 69.7 | 76.3 | 79.0 | 74.1 | 69.1 | 69.2 | 72.4 | 78.3 | 69.8 |
| 10 Consumer..... | 29.9 | 31.7 | 34.6 | 38.2 | 34.3 | 34.2 | 33.9 | 36.0 | 35.6 | 30.6 |
| 11 Foreign... | 2.3 | 2.6 | 2.4 | 2.5 | 3.0 | 3.0 | 3.1 | 3.1 | 3.1 | 3.2 |
| 12 Other.. | 6.6 | 7.1 | 7.4 | 7.5 | 7.8 | 7.2 | 7.5 | 7.9 | 8.6 | 7.7 |

For notes see bottom of page A22.

### 1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

| Instrument | $\begin{aligned} & 1977 \\ & \text { Dec. } \end{aligned}$ | 1978 <br> Dec. | $\begin{aligned} & 19791 \\ & \text { Dec. } \end{aligned}$ | $\begin{aligned} & 1980 \\ & \text { Dec. } \end{aligned}$ | 1980 |  | 1981 |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | May |
|  | Commercial paper (seasonally adjusted) |  |  |  |  |  |  |  |  |  |  |
|  | 65,051 | 83,438 | 112,809 | 125,148 | 124,606 | 125,148 | 128,656 | 130,306 | 132,702 | 134,229 | 141,466 |
| Financial companies ${ }^{2}$ Dealer-placed paper ${ }^{3}$ |  |  |  |  |  |  |  |  |  |  |  |
| 2 Total ............. | 8.796 2.132 | 12,181 | 17.377 | 19.631 3.561 | 19.591 3.436 | 19.631 3.561 | 19.886 3.670 | 20.859 3.742 | 22,643 4,163 | 24,206 4.437 | 25,061 4,800 |
| 3 Bank-related ${ }^{\text {Directly placed paper }{ }^{4}}$ |  |  |  |  |  |  |  |  |  |  |  |
| 4 Total ..... | 40,574 | 51,647 | 64,748 | 67.888 | 67.340 | 67.888 | 68,956 | 68,936 | 69,461 | 69,537 | 71,842 |
| 5 Bank-related | 7,102 | 12,314 | 17,598 | 22,382 | 21,939 | 22,382 | 22,570 | 22,331 | 21,604 | 22,858 | 23,880 |
| 6 Nonfinancial companies ${ }^{5}$... | 15,681 | 19,610 | 30,684 | 37,629 | 37,675 | 37,629 | 39,814 | 40,511 | 40,598 | 40,486 | 44,563 |
|  | Bankers dollar acceptances (not seasonally adjusted) |  |  |  |  |  |  |  |  |  |  |
| 7 Total | 25,450 | 33,700 | 45,321 | 54,744 | 55,226 | 54,744 | 54,465 | 58,084 | 60,089 | 62,320 | 60,551 |
| 8 Holder | 10.434 | 8.579 | 9,865 | 10,564 | 10,236 | 10,564 | 9,371 | 9,911 | 10,117 | 10,781 |  |
| 9 Own bills .... | 8,915 | 7,653 | 8,327 | 10,963 | 8,837 | -8,963 | 7,951 | 8,770 | -8,735 | 9,626 | -9,049 |
| 10 Bills bought | 1,519 | 927 | 1,538 | 1,601 | 1.399 | 1.601 | 1,420 | 1,141 | 1,382 | 1,155 | 1,088 |
| Federal Reserve Banks |  |  |  |  |  |  |  |  |  |  |  |
| 11 Own account .... | 954 | 1 | 704 | 776 | 523 | 776 | ${ }^{0} 1$ | 0 1399 | 298 | 0 | 0 |
| 12 Foreign correspondents | 362 | 664 | 1,382 | 1,791 | 1,852 | 1.791 | 1,771 | 1,399 | 1,372 | 1,383 | 1,255 |
| 13 Others.................. | 13,700 | 24.456 | 33,370 | 41,614 | 42.616 | 41.614 | 43,323 | 46.779 | 48.303 | 50,156 | 49,158 |
| Basis |  |  |  |  |  |  |  |  |  |  |  |
| 14 Imports into United States | 6,378 | 8,574 | 10,270 | 11.776 | 11,774 | 11,776 | 11,903 | 12,976 | 13,292 | 13,634 | 12,775 |
| 15 Exports from United States | 5,863 | 7.586 | 9,640 | 12,712 | 13,670 | 12.712 | 12,816 | 12,979 | 13,451 | 13,368 | 13,057 |
| 16 All other.................. | 13,209 | 17,540 | 25,411 | 30.257 | 29.782 | 30,257 | 29,746 | 32,129 | 33,347 | 35,319 | 34,768 |

1. A change in reporting instructions results in offsetting shifts in the dealerplaced and directly placed tinancial company paper in October 1979.
2. 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.
3. Includes all financial company paper sold by dealers in the open market. 4. As reported by financial companies that place their paper directly with investors.
4. 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

1.34 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, May 4-9, 1981

| Item | $\begin{aligned} & \text { All } \\ & \text { sizes } \end{aligned}$ | Size of loan (in thousands of dollars) |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | 1-24 | 25-49 | 50-99 | 100-499 | 500-999 | $\begin{gathered} 1,000 \\ \text { and over } \end{gathered}$ |
| Short-Term Commercial and Industrial Loans |  |  |  |  |  |  |  |
| 1 Amount of loans (thousands of dollars). | 16,840,794 | 853,190 | 481,971 | 767,519 | 2,118,788 | 1,041,775 | 11,577,551 |
| 2 Number of loans . . . . . . . . . . . . . . . . . | 164,452 | 121,015 | 14,694 | 12,003 | 12,686 | 1,706 | 2,346 |
| 3 Weighted-average maturity (months) . | 2.0 | 3.1 | 3.8 | 3.5 | 3.2 | 3.3 | 1.4 |
| 4 Weighted-average interest rate (percent per annum) | 19.99 | 17.85 19.45 | 19.87 | 19.10 | 19.93 | 19.58 | 20.14 |
| 5 Interquartile range ${ }^{1}$. . . . . . . . . . . . . . . . . . . . . . . . . | 19.00-20.85 | 17.85-21.15 | 18.83-21.74 | 17.00-21.00 | 18.95-21.49 | 18.39-20.75 | 19.36-20.85 |
| ${ }_{6}$ Percentage of amount of loans |  |  |  |  |  |  |  |
| 6 With floating rate . . . . . . . . . . | 49.0 | 30.1 | 41.2 | 43.2 | 64.7 | 60.7 | 47.2 |
| 8 With no stated maturity | 21.6 | 24.6 13.4 | 33.1 12.6 | 21.4 | 20.7 | 56.7 29.5 | 56.4 22.0 |
| Long-Term Commercial and Industrial Loans |  |  |  |  |  |  |  |
| 9 Amount of loans (thousands of dollars). | 3,633,958 |  | 280,677 |  | 450,944 | 175,691 | 2,726,645 |
| 10 Number of loans. | 21,441 |  | 17,936 |  | 2,725 | 277 | 503 |
| 11 Weighted-average maturity (months) . . . . . . . . . . . . . | 50.6 |  | 35.4 |  | 53.1 | 43.8 | 52.2 |
| 12 Weighted-average interest rate (percent per annum) . | 19.25 |  | 19.22 |  | 19.34 | 19.48 | 19.23 |
|  | 19.00-20.00 |  | 17.87-21.34 |  | 18.68-20.16 | 19.00-20.74 | 19.00-19.76 |
| Percentage of amount of loans |  |  |  |  |  |  |  |
| 14 With floating rate . . . . . . . . . . | 78.6 |  | 49.5 |  | 68.4 | 87.1 | 82.7 |
| 15 Made under commitment | 77.2 |  | 25.7 |  | 34.6 | 78.0 | 89.5 |
| Construction and <br> Land Development Loans |  |  |  |  |  |  |  |
| 16 Amount of loans (thousands of dollars) | 874,542 | 74,010 | 81,222 | 169,763 | 223,133 |  | 6,415 |
| 17 Number of loans . . . . . . . . . . . . . . . . . . | 13,956 | 7,690 | 2,363 | 2,333 | 1,332 |  | 237 |
| 18 Weighted-average maturity (months) . . . . . . . . . . . . . | 13.2 | 3.3 | 4.1 | 17.7 | 12.0 |  | 16.1 |
| 19 Weighted-average interest rate (percent per annum) . | 19.09 | 19.83 | 19.06 | 16.10 | 20.74 |  | 19.35 |
| 20 Interquartile range ${ }^{1}$. . . . . . . . . . . . . . . . . . . . . . . . . | 18.00-21.94 | 18.00-21.91 | 15.00-21.74 | 8.25-18.40 | 20.40-22.54 | 19.0 | 21.55 |
| ${ }^{2}$ Percentage of amount of loans |  |  |  |  |  |  |  |
| 21 With floating rate . . . . . . | 66.3 | 58.5 | 42.3 | 19.4 | 83.2 |  | 87.0 |
| 22 Secured by real estate | 93.1 | 93.3 | 85.5 | 97.9 | 92.4 |  | 93.0 |
| 23 Made under commitment | 64.8 | 63.5 | 62.3 | 19.8 | 80.9 |  | 78.1 |
| 24 With no stated maturity | 10.5 | 20.6 | 5.2 | 4.7 | 4.0 |  | 17.0 |
| 25 Type of construction |  |  |  |  |  |  |  |
| 251 - to 4-family | 32.3 | 64.1 | 85.5 | 12.5 | 24.0 |  | 27.7 |
| 26 Multifamily | 13.1 | 2.9 | 3.3 | 3.0 | 10.1 |  | 25.2 |
| 27 Nonresidential. | 54.7 | 33.0 | 11.2 | 84.5 | 65.9 |  | 47.2 |
|  | $\begin{gathered} \text { All } \\ \text { sizes } \end{gathered}$ | 1-9 | 10-24 | 25-49 | 50-99 | 100-249 | $\begin{gathered} 250 \\ \text { and over } \end{gathered}$ |
| 28 Amount of loans (thousands of dollars) | 1,419,090 | 188,183 | 236,302 | 220,646 | 180,935 | 281,187 | 311,838 |
| 29 Number of loans . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 77,593 | 50,065 | 15,850 | 6,450 | 2,740 | 1,957 | 531 |
| 30 Weighted-average maturity (months) . . . . . . . . . . . . . | 6.8 | 6.8 | 6.4 | 17.6 | 6.3 | 7.7 | 6.8 |
| 31 Weighted-average interest rate (percent per annum) . | 17.88 | 17.50 | 17.59 | 17.67 | 17.78 | 17.97 | 18.46 |
| 32 Interquartile range ${ }^{1}$. . . . . . . . . . . . . . . . . . . . . . . . . . | 16.53-19.10 | 16.64-18.68 | 16.64-18.81 | 16.64-18.50 | 16.64-18.50 | 16.53-18.77 | 16.10-20.75 |
| 33 By purpose of loan |  |  |  |  |  |  |  |
| 33 Feeder livestock | 18.44 | 17.98 | 18.43 | 17.91 | 18.07 | 18.49 | 18.93 |
| 34 Otherlivestock . . . . . . . . . . . . . . | 17.98 | 17.28 | 18.42 | 17.39 | 18.75 | 17.64 | $17{ }^{(2)}$ |
| 35 Other current operating expenses . . . . . . . . . . . . . . . . | 17.73 | 17.46 | 17.36 | 17.65 | 17.88 | 18.27 | 17.85 |
| 36 Farm machinery and equipment . . . . . . . . . . . . . . . . . | 17.61 | 17.53 | 17.62 | 17.63 | 17.01 | 17 (2) | 19.2 |
| 37 Other . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 17.68 | 17.30 | 17.25 | 17.58 | 17.22 | 17.35 | 19.73 |

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

Note. For more detail, see the Board's E.2(111) statistical release.

## of loans made.

2. Fewer than 10 sample loans.
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.


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 150179 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.
6. Unweighted average of closing bid rates quoted by at least five dealers
7. Rates are recorded in the week in which bills are issued.
8. Yields (not compounded) are based on closing bid prices quoted by at least five dealers.
9. Yields adjusted to constant maturities by the U.S. Treasury. That is, yietds are read from a yield curve at fixed maturities. Based on only recently issued, actively traded securities.
10. Each weekly figure is calculated on a biweekly basis and is the average of five business days ending on the Monday following the calendar week. The biweekly five business days ending on the Monday following the calendar week. The biweekly rate is used to determine the maximum interest rate payab
week period on small saver certificates. (See table 1.16.)
11. Unweighted averages for all outstanding notes and 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.
12. General obligations only, with 20 years to maturity, issued by 20 state and local governmental units of mixed quality. Based on figures for Thursday.
13. Daily figures from Moody's Investors Service. Based on yields to maturity on selected long-term bonds
14. 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.
15. 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.

1.37 SAVINGS INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

| Account | 1978 | 1979 | 1980 |  |  |  |  | 1981 |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | Mayp |
|  | Savings and loan associations |  |  |  |  |  |  |  |  |  |  |  |
| 1 Assets | 523,542 | 578,962 | 603,295 | 609,320 | 617,773 | 623,939 | 629,829 | 631,228 | 634,405 | 636,859 | 639,827 | 644,362 |
| 2 Mortgages | 432,808 | 475,688 | 487,036 | 491,895 | 496,495 | 499,973 | 502,812 | 504,068 | 505,309 | 507,152 | 509,525 | 511,986 |
| 3 Cash and investment securities ${ }^{1}$ | 44,884 | 46,341 | 53,336 | 53,435 | 56,146 | 57,302 | 57,572 | 57,460 | 58,401 | 58,461 | 56,886 | 58,871 |
| 4 Other | 45,850 | 56,933 | 62,923 | 63,990 | 65,132 | 66,664 | 69,445 | 69,700 | 70,695 | 71,246 | 72,416 | 73,505 |
| 5 Liabilities and net worth | 523,542 | 578,962 | 603,295 | 609,320 | 617,773 | 623,939 | 629,829 | 631,228 | 634,405 | 636,859 | 639,827 | 644,362 |
| 6 Savings capital. . | 430,953 42,907 | $\begin{array}{r}470,004 \\ 55 \\ \hline\end{array}$ | $\begin{array}{r}497,403 \\ 55 \\ \hline\end{array}$ | $\begin{array}{r}496,991 \\ 58,418 \\ \hline 8.54\end{array}$ | 500,861 60,727 | $\begin{array}{r}503,365 \\ 62,067 \\ \hline\end{array}$ | $\begin{array}{r}510,959 \\ 6494 \\ \hline\end{array}$ | $\begin{array}{r}512,946 \\ 62,938 \\ \hline\end{array}$ | 515,250 6,270 | 518,990 64,197 | 516,071 67,704 | 517,541 69832 |
| 8 FHLBB ..... | 31,990 | 40,441 | 41,005 | 42,547 | 44,325 | 45,505 | 47,045 | 46,629 | 46,360 | 47,310 | 49,607 | 50,961 |
| 9 Other | 10,917 | 14,791 | 15,871 | 16,402 | 16,562 | 17,446 | 16,309 | 15,910 | 16,887 | 18,097 | 18,097 | 18,871 |
| 10 Loans in process | 10,721 | 9,582 | 8,243 | 8,654 | 8,853 | 8,783 | 8,120 | 7,833 | 7,756 | 7,840 | 7,840 | 7,997 |
| 11 Other ....... | 9,904 | 11,506 | 16,190 | 12,776 | 14,502 | 16,433 | 12,227 | 14,104 | 16,071 | 13,271 | 14,946 | 17,129 |
| 12 Net worth ${ }^{2}$ | 29,057 | 32,638 | 32,787 | 32,892 | 33,029 | 33,221 | 33,319 | 33,120 | 32,981 | 32,645 | 32,266 | 31,863 |
| 13 Memo: Mortgage loan commitments outstanding ${ }^{3}$. | 18,911 | 16,007 | 20,278 | 20,311 | 19,077 | 17,979 | 16,102 | 15,972 | 16,279 | 17,374 | 18,552 | 18,553 |
|  | Mutual savings banks ${ }^{4}$ |  |  |  |  |  |  |  |  |  |  |  |
| 14 Assets | 158,174 | 163,405 | 168,752 | 169,409 | 170,432 | 171,126 | 171,564 ${ }^{\prime}$ | 171,891 | 172,349 | 173,232 | 172,837 |  |
| Loans |  |  |  |  |  |  |  |  |  |  |  |  |
| 15 Mortgage | 95,157 | 98,908 | 99,289 | 99,306 | 99,523 | 99,677 | 99,865r | 99,816 | 99,739 | 99,719 | 99,798 |  |
| 16 Other. | 7,195 | 9,253 | 11,122 | 11,415 | 11,382 | 11,477 | 11,733 ${ }^{\prime}$ | 12,199 | 12,598 | 13,248 | 12,756 |  |
| 17 U.S. government ${ }^{5}$ | 4,959 | 7,658 | 8,079 | 8,434 | 8,622 | 8,715 | 8,949 | 9,000 | 9,032 | 9,203 | 9,262 |  |
| 18 State and local government | 3,333 | 2,930 | 2,709 | 2,728 | 2,754 | 2,736 | 2,390 | 2,378 | 2,376 | 2,359 | 2,314 |  |
| 19 Corporate and other ${ }^{6}$. | 39,732 | 37,086 | 39,327 | 39,609 | 39,720 | 39,888 | 39,282 ${ }^{\prime}$ | 39,256 | 39,223 | 39,236 | 39,247 |  |
| 20 Cash | 3,665 | 3,156 | 3,456 | 3,153 | 3,592 | 3,717 | 4,334 | 4,133 | 4,205 | 4,238 | 4,172 | n.a. |
| 21 Other assets. | 4,131 | 4,412 | 4,770 | 4,764 | 4,839 | 4,916 | 5,011 ${ }$ | 5,107 | 5,177 | 5,231 | 5,288 |  |
| 22 Liabilities. | 158,174 | 163,405 | 168,752 | 169,409 | 170,432 | 171,126 | 171,564 ${ }^{\text {r }}$ | 171,891 | 172,349 | 173,232 | 172,837 |  |
| 23 Deposits. | 142,701 | 146,006 | 150,187 | 151,765 | 151,998 | 152,133 | 153,501' | 153,143 | 153,332 | 154,805 | 153,692 |  |
| 24 Regular ${ }^{7}$ | 141,170 | 144,070 | 148,018 | 149,395 | 149,797 | 150,109 | 151,416 | 151,051 | 151,346 | 152,630 | 151,429 |  |
| 25 Ordinary savings. | 71,816 | 61,123 | 58,191 | 58,658 | 57,651 | 56,256 | 53,971 ${ }^{\text {r }}$ | 52,737 | 52,035 | 53,049 | 52,331 |  |
| 26 Time and other. | 69,354 | 82,947 | 89,827 | 90,736 | 92,146 | 93,853 | 97,445r | 98,314 | 99,311 | 99,581 | 99,098 |  |
| 27 Other | 1,531 | 1,936 | 2,169 | 2,370 | 2,200 | 2,042 | 2,086 ${ }^{\text {r }}$ | 2,092 | 1,986 | 2,174 | 2,264 |  |
| 28 Other liabilities. | 4,565 | 5,873 | 7,211 | 6,299 | 7,117 | 7,644 | 6,695 r | 7,426 | 7.753 | 7,265 | 8,103 |  |
| 29 General reserve accounts | 10,907 | 11,525 | 11,353 | 11,344 | 11,317 | 11,349 | 11,368 | 12,957 | 13,412 | 11,163 | 11,042 |  |
| mitments outstanding 8 . | 4,400 | 3,182 | 1,849 | 1,883 | 1,817 | 1,682 | 1,476 ${ }^{\text {r }}$ | 1,316 | 1,331 | 1,379 | 1,614 | $\dagger$ |
|  | Life insurance companies |  |  |  |  |  |  |  |  |  |  |  |
| 31 Assets | 389,924 | 432,282 | 459,362 | 464,483 | 468,057 | 473,529 | 476,190 | 463,150 | 482,264 | 487,067 | 489,431 | 4 |
| Securities |  |  |  |  |  |  |  |  |  |  |  |  |
| 32 Government | 20,009 | 0,338 | 20,833 | 20,853 | 20,942 | 21,204 | 21,453 | 21,891 | 22,092 | 22,132 | 21,646 |  |
| 33 United States 9 . | 4.822 | 4,888 | 5,386 | 5,361 | 5,390 | 5,568 | 5,753 | 6,016 | 6,066 | 6,024 | 5,369 |  |
| 34 State and local | 6.402 | 6,428 | 6,421 | 6,474 | 6,484 | 6,568 | 6,682 | 6,831 | 6,900 | 6,948 | 7,103 |  |
| 35 Foreign ${ }^{10}$ | 8,785 | 9,022 | 9,026 | 9,018 | 9,068 | 9,068 | 9,018 | 9,044 | 9,126 | 9,160 | 9,174 |  |
| 36 Business | 198,105 | 222,332 | 230,477 | 233,652 | 236,115 | 239,150 | 238,048 | 240,630 | 241,600 | 243,304 | 245,498 | n.a. |
| 37 Bonds | 162,587 | 178,371 | 187,839 | 189,586 | 191,229 | 191,753 | 191,090 | 194,889 | 195,521 | 196,439 | 198,385 |  |
| 38 Stocks | 35,518 | 39,757 | 42,638 | 44,066 | 44,886 | 47,397 | 46,958 | 45,741 | 46,079 | 46,865 | 47,113 |  |
| 39 Mortgages | 106,167 | 118,421 | 127,357 | 128,089 | 128,977 | 129,878 | 131,145 | 131,710 | 132,445 | 133,150 | 133,659 |  |
| 40 Real estate. | 11,764 | 13,007 | 14,184 | 14,460 | 14,702 | 15,183 | 15,247 | 15,235 | 16,026 | 16,370 | 16,575 |  |
| 41 Policy loans | 30,146 | 34,825 | 39,925 | 40,258 | 40,548 | 40,878 | 41,411 | 42,032 | 42,604 | 43,264 | 43,795 |  |
| 42 Other assets. . . . . . . . . . . . . . . . | 23,733 | 27,563 | 26,586 | 27,171 | 26,765 | 27,236 | 28,836 | 26,983 | 27,497 | 28,847 | 27,934 | 1 |
|  | Credit unions |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| 44 Federal | 34,760 | 35,934 | 38,168 | 39,219 | 39,155 | 39,428 | 39,801 | 39,142 | 39,636 | 40,624 | 40,207 | 40,648 |
| 45 State | 27,588 | 29,920 | 31,385 | 31,296 | 31,547 | 31,907 | 31,908 | 31,612 | 31,810 | 32,590 | 32,576 | 32,917 |
| 46 Loans outstanding | 50,269 | 53,125 | 47,884 | 47,211 | 47,221 | 47,299 | 47,774 | 47,309 | 47,451 | 47,815 | 47,994 | 48,499 |
| 47 Federal. | 27,687 | 28,698 | 25,401 | 25,381 | 25,288 | 25,273 | 25,627 | 25,272 | 25,376 | 25,618 | 25,707 | 26,038 |
| 48 State | 22,582 | 24,426 | 22,483 | 21,830 | 21,933 | 22,026 | 22,147 | 22,037 | 22,075 | 22,197 | 22,287 | 22,461 |
| 49 Savings. | 53,517 | 56,232 | ${ }^{61,403}$ | 63,728 | 63,957 | 64,304 | 64,399 | 63,874 | 64,357 | 65,744 | 65,495 | 65,988 |
| 50 Federal (shares) | 29,802 | 35,530 | 33,964 | 35,961 | 36,030 | 36,183 | 36,348 | 35,915 | 36,236 | 36,898 | 36,684 | 36,967 |
| 51 State (shares and deposits) | 23,715 | 25,702 | 27,439 | 27,767 | 27,927 | 28,121 | 28,051 | 27,959 | 28,121 | 28,846 | 28,811 | 29,021 |

For notes see bottom of page A28.

### 1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

| Type of account or operation | Fiscal year 1978 | Fiscal year 1979 | Fiscal year 1980 | Calendar year |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | 1979 | 1980 |  | 1981 |  |  |
|  |  |  |  | H2 | H1 | H2 | Mar. | Apr. | May |
| U.S. budget |  |  |  |  |  |  |  |  |  |
| 1 Receipts ${ }^{\text {l }}$ | 401,997 | 465,940 | 520,050 | 233,952 | 270,864 | 262.152 | 44.623 | 74,464 | 38,514 |
| 2 Outlays 1.2 | 450,804 | 493.635 | 579,613 | 263,004 | 289.905 | 310.972 | 54,217 | 57.198 | 54,608 |
| 3 Surplus, or deficit( - ) | $-48,807$ | $-27,694$ | $-59.563$ | -29,052 | $-19,041$ | -48,821 | -9,593 | 17,266 | $-16,094$ |
| 4 Trust funds. | 12,693 | 18,335 | 8,791 | 9.679 | 4,383 | -2,551 | -601 | 1.896 | 3,639 |
| 5 Federal funds ${ }^{3}$ | -61,532 | -46,069 | -67.752 | -38.773 | -23.418 | -46,306 | -8,992 | 15,370 | -19,733 |
| Off-budget entities (surplus, or deficit $(-))$ |  |  |  |  |  |  |  |  |  |
| 6 Federal Financing Bank outlays. | -10.661 | $-13,261$ 793 | $-14,549$ 303 | $-5,909$ 765 | $-7,735$ -522 | -7.552 376 | $-3,420$ -35 | -2.088 -73 | $-1,943$ -342 |
| U.S. budget plus off-budget, including Federal Financing Bank |  |  |  |  |  |  |  |  |  |
| 8 Surplus, or deficit ( - ) . . . . . | -59,166 | -40,162 | $-73,808$ | -34,197 | -27,298 | -55.998 | - 13,048 | 15.251 | -18,379 |
| Source or financing |  |  |  |  |  |  |  |  |  |
| 9 10 Borrowing from the public . . . . . . . . . . | 59.106 | 33,641 | 70.515 | 31.320 | 24,435 | 54.764 | 15.138 | -3.725 | 539 |
| 10 Cash and monetary assets (decrease, or increase (-) $)^{5}$ | -3,023 | -408 | -355 | 3.059 | $-3.482$ | -6,730 | -5,852 | -5,122 | 22,809 |
| 11 Others. . . . . . . . . . . . . . . . . . . . . . . . . | 3,083 | 6,929 | 3,648 | -182 | 6.345 | 7,964 | 3,762 | 6,404 | -4,969 |
| Memo: |  |  |  |  |  |  |  |  |  |
| 12 Treasury operating balance (level, end of period) | 22.444 | 24.176 | 20.990 | 15.924 | 14.092 | 12,305 | 10,717 | 21,150 | 5,702 |
| 13 Federal Reserve Banks . . . . . . . . . . . . . | 16.647 | 6.489 | 4.102 | 4.075 | 3,199 | 3,062 | 3,032 | 4,460 | 2,288 |
| 14 Tax and loan accounts | 5,797 | 17,687 | 16,888 | 11,849 | 10,893 | 9.243 | 7,685 | 16,690 | 3,414 |

1. Effective June 1978, earned income credit payments in excess of an individual's tax liability, formerly treated as income tax refunds, are classified as outlays retroactive to January 1976.
2. 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. Includes Postal Service Fund; Rural Electrification and Telephone Revolving Fund; and Rural Telephone Bank.
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; seignorage; increment on gold; net gain/loss for U.S. currency valuation adjustment; net gain/loss for IMF valuation adjustment; and profit on the sale of gold.

Source. "Monthly Treasury Statement of Receipts and Outlays of the U.S. Government," Treasury Bulletin, and the Budget of the United States Government, Fiscal Year 1981.

## 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. Prior to that date, data were reported on a gross-of-valuation-reserves basis.
gross-or-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."
that date, this item was included in "Corporate and other.
6. Includes securities of foreign governments and international organizations and, prior to 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.

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 annualstatement asset values, with bonds carried on an amortized basis and stocks at year-end market value. Adjustments for interest due and accrued and for differences between market and book values are not made on each item separately but are included, in total, in "other assets."
Credit unions: Estimates by the National Credit Union Administration for a group of federal and state-chartered credit unions that account for about 30 percent of credit union assets. Figures are preliminary and revised annually to incorporate recent benchmark data

### 1.39 U.S. BUDGET RECEIPTS AND OUTLAYS

Millions of dollars

| Source or type | Fiscal year 1978 | Fiscal year 1979 | Fiscal year 1980 | Calendar year |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | 1979 | 1980 |  | 1981 |  |  |
|  |  |  |  | H2 | HI | H2 | Mar. | Apr. | May |
| Receipis |  |  |  |  |  |  |  |  |  |
| 1 All sources ${ }^{1}$. | 401,997 | 465,955 | 520,050 | 233,952 | 270,864 | 262,152 | 44,623 | 74,464 | 38,514 |
| 2 Individual income taxes, net. | 180,988 | 217,841 | 244,069 | 115,488 | 119,988 | 131,962 | 13,693 | 38,659 | 10,496 |
| 3 Withheld.......................... | 165,215 | 195,295 | 223,763 39 | 105,764 | 110,394 34 | 120,924 4 | 22,337 | 20,532 | 20,260 |
| ${ }_{5}^{4} \quad \begin{aligned} & \text { Presidential Election Campaign Fund . . } \\ & \text { Nonwithheld. . . . . . . . . . . }\end{aligned}$ | 39 47,804 | 56,215 | 39 639 | 12,355 | 49, 34 407 | 14,592 ${ }^{4}$ | 11 3.754 | 30,674 | 2,451 |
| 6 Refunds 1. | 32,070 | 33,705 | 43,479 | 2,634 | 40,147 | 3,559 | 12.410 | 12,644 | 12,222 |
| ${ }_{7} \begin{gathered}\text { Corporation income taxes } \\ \text { Gross receipts ........ }\end{gathered}$ | 65.380 | 71,448 | 72,380 | 29,169 | 43,434 | 28.579 | 10,203 | 10,203 |  |
| 78 Gross receipts ....... | 5.428 | 5,771 | 7.780 | 3.306 | 4,064 | 4,518 | 1.617 | 1.617 | 1,894 883 |
| 9 Social insurance taxes and contributions, net | 123,410 | 141,591 | 160,747 | 71,031 | 86,597 | 77,262 | 15,784 | 20,201 | 20,694 |
| 10 Payroll employment taxes and contributions ${ }^{2}$. ..................... | 99,626 | 115,041 | 133,042 | 60,562 | 69,077 | 66,831 | 14,579 | 13,843 | 15,026 |
| 11 Self-employment taxes and | 4.267 | 5,034 | 5,723 | 417 | 5,535 | 188 | 419 | 3,945 | 419 |
| 12 Unemployment insurance | 13.850 | 15,387 | 15.336 | 6.899 | 8.690 | 6.742 | 174 | 1,802 | 4.660 |
| 13 Other net receipts ${ }^{4}$. | 5,668 | 6,130 | 6,646 | 3,149 | 3.294 | 3,502 | 613 | 612 | 588 |
| 14 Excise taxes. | 18,376 | 18.745 | 24,329 | 9.675 | 11,383 | 15,332 | 4,210 | 3,754 | 3,953 |
| 15 Customs deposits. | 6.573 | 7.439 | 7,174 | 3,741 | 3,443 | 3,717 | 661 | 655 | 625 |
| 16 Estate and gift taxes. | 5,285 | 5.411 | 6,389 | 2,900 | 3.091 | 3.499 | 572 | 485 | 647 |
| 17 Miscellaneous receipts ${ }^{\text {s }}$. $\ldots . . . . . . . . . . . .$. | 7.413 | 9,252 | 12.741 | 5,254 | 6,993 | 6.318 | 1.117 | 1.338 | 1,087 |
| Outlays |  |  |  |  |  |  |  |  |  |
| 18 All types ${ }^{1,6}$ | 450,804 | 493,635 | 579,613 | 263,004 | 289,905 | 310,972 | 54,217 | 57,198 | 54,608 |
| 19 National defense | 105,186 | 117.681 | 135,856 | 62,002 | 69,132 | 72.457 | 13,560 | 13.274 | 13,810 |
| 20 International affairs | 5.922 | 6,091 | 10.733 | 4.617 | 4.602 | 5.430 | 808 | 1.681 | 737 |
| 21 General science, space, and technology... | 4,742 | 5,041 | 5,722 | 3.299 | 3.150 | 3.205 | 692 | 505 | 536 |
| 22 Energy...... | 5,861 | 6,856 | 6,313 | 3,281 | 3,126 | 3,997 | 475 | 924 | 1,106 |
| 23 Natural resources and environment....... | 10.925 | 12,091 | 13,812 | 7.350 | 6,668 | 7.722 | 1,093 | 1,093 | 1,017 |
| 24 Agriculture............................. | 7.731 | 6,238 | 4.762 | 1,709 | 3.193 | 1,892 | -54 | -304 | -151 |
| 25 Commerce and housing credit ........... | 3,324 | 2.565 | 7.782 | 3.002 | 3.878 | 3.163 | 377 | 321 | -269 |
| 26 Transportation ......................... | 15,445 | 17.459 | 21.120 | 10.298 | 9.582 | 11.547 | 1,605 | 1,685 | 1,581 |
| 27 Community and regional development.... | 11,039 | 9,482 | 10,068 | 4,855 | 5,302 | 5,370 | 782 | 844 | 687 |
| 28 Education, training, employment, social services | 26,463 | 29,685 | 30,767 | 14,579 | 16,686 | 15,221 | 2,666 | 2,564 | 2,677 |
| 29 Health. . . . . . . . . . . . . . . . . . | 43,676 | 49,614 | 58,165 | 26,492 | 29,299 | 31,263 | 5,757 | 6,259 | 5.645 |
|  | 146.180 | 160,159 | 193,100 | 85,967 | 94,605 | 107,912 | 19.242 | 18.768 | 18,576 |
| 31 Veterans benefits and services | 18,974 | 19,928 | 21.183 | 10.113 | 9,758 | 11,731 | 1,028 | 2,168 | 1,670 |
| 32 Administration of justice............... | 3,802 | 4,153 | 4.570 | 2.174 | 2,291 | 2,299 | 377 | 465 | 343 |
| 33 General government. | 3.737 | 4,153 | 4,505 | 2,103 | 2,422 | 2,432 | 749 | 310 | 393 |
| 34 General-purpose fiscal assistance......... | 9.601 | 8.372 | 8.584 | 4,286 | 3.940 | 4.191 | 98 | 1,166 | 253 |
| 35 Interest ${ }^{7}$ | 43,966 | 52.556 | 64.504 | 29.045 | 32,658 | 35,909 | 5.835 | 6,423 | 7.024 |
| 36 Undistributed offsetting receipts ${ }^{7}, 8 \ldots \ldots$. | -15,772 | -18,489 | -21,933 | -12,164 | -10,387 | -14.769 | -875 | -949 | -1,029 |

1. Effective June 1978, earned income credit payments in excess of an individual's tax liability, formerly treated as income tax refunds, were classified as outlays retroactive to January 1976
2. Old-age, disability, and hospital insurance, and railroad retirement accounts.
3. Old-age, disability, and hospital insurance,
4. Supplementary medical insurance premiums, federal employee retirement contributions, and Civil Service retirement and disability fund
5. Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts.
6. Effective Oct. 1, 1980, the Pension Benefit Guaranty Corporation was re-
classified from an off-budget agency to an on-budget agency in the Department of Labor
7. Effective September 1976, "Interest" and "Undistributed offsetting receipts" reflect the accounting conversion from an accrual basis to a cash basis for the interest on special issues for U.S. government accounts.
8. Consists of interest received by trust funds, rents and royalties on the Outer Continental Shelf, and U.S. government contributions for employee retirement.
Source. "Monthly Treasury Statement of Receipts and Outlays of the U.S. Government" and the Budget of the U.S. Government, Fiscal Year 1981.

### 1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars

| Itern | 1979 |  |  |  | 1980 |  |  |  | $\qquad$ <br> Mar. 31 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Mar. 31 | June 30 | Sept. 30 | Dec. 31 | Mar. 31 | June 30 | Sept. 30 | Dec. 31 |  |
| 1 Federal debt outstanding | 804.6 | 812.2 | 833.8 | 852.2 | 870.4 | 884.4 | 914.3 | 936.7 | 970.9 |
| 2 Public debt securities | 796.8 | 804.9 | 826.5 | 845.1 | 863.5 | 877.6 | 907.7 | 930.2 | 964.5 |
| 3 Held by public. | 630.5 | 626.4 | 638.8 | 658.0 | 677.1 | 682.7 | 710.0 | 737.7 | 773.7 |
| 4 Held by agencies. | 166.3 | 178.5 | 187.7 | 187.1 | 186.3 | 194.9 | 197.7 | 192.5 | 190.9 |
| 5 Agency securities | 7.8 | 7.3 | 7.2 | 7.1 | 7.0 | 6.8 | 6.6 | 6.5 | 6.4 |
| 6 Held by public. | 6.3 | 5.9 | 5.8 | 5.6 | 5.5 | 5.3 | 5.1 | 5.0 | 4.9 |
| 7 Held by agencies. | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |
| 8 Debt subject to statutory limit. . | 797.9 | 806.0 | 827.6 | 846.2 | 864.5 | 878.7 | 908.7 | 931.2 | 965.5 |
| 9 Public debt securities | 796.2 | 804.3 | 825.9 | 844.5 | 862.8 | 877.0 | 907.1 | 929.6 | 963.9 |
| 10 Other debt ${ }^{1}$ | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.6 | 1.6 | 1.6 |
| 11 Memo: Statutory debt limit. | 798.0 | 830.0 | 830.0 | 879.0 | 879.0 | 925.0 | 925.0 | 935.1 | 985.0 |

1. Includes guaranteed debt of government agencies, specified participation cer-

Note. Data from Treasury Bulletin (U.S. Treasury Department). tificates, notes to international lending organizations, and District of Columbia stadium bonds.

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

 Billions of dollars, end of period| Type and holder | 1977 | 1978 | 1979 | 1980 | 1981 |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  | Feb. | Mar. | Apr. | May | June |
| 1 Total gross public debt. | 718.9 | 789.2 | 845.1 | 930.2 | 950.5 | 964.5 | 964.0 | 968.5 | 971.2 |
| By type |  |  |  |  |  |  |  |  |  |
| 2 Interest-bearing debt | 715.2 | 782.4 | 844.0 | 928.9 | 946.5 | 963.2 | 962.8 | 964.8 | 969.9 |
| 3 Marketable . . . . . . . | 459.9 | 487.5 | 530.7 | 623.2 | 642.9 | 661.1 | 657.9 | 656.2 | 660.8 |
| 4 Bills . . . . | 161.1 | 161.7 | 172.6 | 216.1 | 229.0 | 235.3 | 225.8 | 224.5 | 218.8 |
| 5 Notes. | 251.8 | 265.8 | 283.4 | 321.6 | 324.5 | 336.5 | 341.1 | 338.4 | 348.8 |
| 6 Bonds | 47.0 | 60.0 | 74.7 | 85.4 | 89.4 | 89.3 | 91.0 | 93.3 | 93.2 |
| 7 Nonmarketable ${ }^{1}$. | 255.3 | 294.8 | 313.2 | 305.7 | 303.5 | 302.1 | 304.9 | 308.6 | 309.2 |
| 8 Convertible bonds ${ }^{2}$ | 2.2 | 2.2 | 2.2 |  |  |  |  |  |  |
| 9 State and local government series | 13.9 | 24.3 | 24.6 | 23.8 | 23.6 | 23.5 | 23.4 | 23.2 | 23.2 |
| 10 Foreign issues ${ }^{3}$. . . . . . . . . . . . . . . | 22.2 | 29.6 | 28.8 | 24.0 | 24.0 | 24.2 | 24.4 | 24.8 | 23.5 |
| 11 Government. | 21.0 | 28.0 | 23.6 | 17.6 | 17.5 | 17.7 | 18.0 | 18.4 | 17.1 |
| 12 Public | 1.2 | 1.6 | 5.3 | 6.4 | 6.4 | 6.4 | 6.4 | 6.4 | 6.4 |
| 13 Savings bonds and notes... | 77.0 139.8 | 80.9 | 79.9 177 | 72.5 | 70.7 | 70.3 183.8 | 69.8 187.0 | 69.5 | 69.2 |
| 14 Government account series ${ }^{4}$ | 139.8 | 157.5 | 177.5 | 185.1 | 185.0 | 183.8 | 187.0 | 190.8 | 193.0 |
| 15 Non-interest-bearing debt | 3.7 | 6.8 | 1.2 | 1.3 | 4.0 | 1.3 | 1.2 | 3.7 | 1.3 |
| 16 By holder ${ }^{5}$ |  |  |  |  |  |  |  |  |  |
| 16 U.S. government agencies and trust funds. | 154.8 | 170.0 | 187.1 | 192.5 | 192.0 | 190.9 | 193.9 | 4 | 4 |
| 18 Private investors . . . . . | 461.3 | 508.6 | 540.5 | 616.4 | 118.4 | 119.0 654.6 | 119.7 |  |  |
| 19 Commercial banks | 101.4 | 93.1 | 91.5 | 104.7 | 107.4 | 108.5 | 104.8 |  |  |
| 20 Mutual savings banks. | 5.9 | 5.0 | 4.7 | 5.8 | 5.8 | 6.0 | 6.2 |  |  |
| 21 Insurance companies | 15.1 | 14.9 | 14.8 | 15.2 | 15.0 | 14.8 | 14.8 | F |  |
| 22 Other companies.... | 22.7 | 21.2 | $24.9{ }^{\text {r }}$ | 24.6 | 22.4 | 21.5 | 21.8 | n.a. | n.a. |
| 23 State and local governments. | 55.2 | 64.4 | 67.4 | 74.7 | 76.0 | 77.8 | 79.1 |  |  |
| 24 Individuals |  |  |  |  |  |  |  |  |  |
| 24 Savings bonds . . | 76.7 28.6 | 80.7 30.3 | 79.9 36.2 | 72.2 56.7 | 70.7 65.5 | 70.4 | 69.8 68.3 |  |  |
| 25 Other securities......... | 28.6 109.6 | 30.7 137.8 | 36.2 123.8 | 56.7 134 | 65.5 1367 | 68.2 142.7 | 68.3 142.8 |  |  |
| 26 Foreign and international ${ }^{6}$ Other miscellaneous investors ${ }^{7}$. | 109.6 46.1 | 137.8 58.2 | 123.8 97.4 | 134.3 127.9 | 136.7 140.0 | 142.7 | 142.8 142.8 | $\dagger$ | $\dagger$ |

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 $11 / 2$ 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. Beginning with July 1974, the figures exclude non-interest-bearing notes issued to the International Monetary Fund.
7. Includes savings and loan associations. nonprofit institutions, corporate pension trust funds, dealers and brokers, certain government deposit accounts, and government sponsored agencies.

Note. Gross public debt excludes guaranteed agency securities and, beginning in July 1974, includes Federal Financing Bank security issues.
in July 1974, includes Federal Financing Bank security issues. States (U.S. Treasury Department); data by holder from Treasury Bulletin.
1.42 U.S. GOVERNMENT MARKETABLE SECURITIES Ownership, by maturity

Par value; millions of dollars, end of period

| Type of holder | 1979 | 1980 | 1981 |  | 1979 | 1980 | 1981 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Mar. | Apr. |  |  | Mar. | Apr. |
|  | All maturities |  |  |  | 1 to 5 years |  |  |  |
| 1 All holders | 530,731 | 623,186 | 661,142 | 657,906 | 164,198 | 197,409 | 203,927 | 203,931 |
| 2 U.S. government agencies and trust funds. | 11,047 117,458 | 9,564 121,328 | 9,304 119,039 | 9,228 119,687 | 2,555 8,469 | 1,990 35,835 | 1,363 35,323 | 1,363 34,981 |
| 4 Private investors | 402,226 | 492,294 | 532,800 | 528,992 | 133,173 | 159,585 | 167,241 | 167,588 |
| 5 Commercial banks | 69,076 | 77,868 | 80,710 | 77,913 | 38,346 | 44,482 | 41,573 | 41,218 |
| 6 Mutual savings banks | 3,204 | 3,917 | 4,098 | 4,204 | 1,668 | 1,925 | 1,950 | 2,008 |
| 7 Insurance companies | 11,496 | 11,930 | 11,698 | 11,661 | 4,518 | 4,504 | 4,171 | 4,224 |
| 8 Nonfinancial corporations | 8.433 | 7,758 | 7,203 | 7,342 | 2,844 | 2,203 | 1,734 | 1,392 |
| 9 Savings and loan associations | 3,209 15735 | 4,225 | 4,163 | 4,330 | 1,763 | 2,289 | 2,524 | 2,654 |
| 10 State and local governments. | 15,735 291 | 21,058 365,539 | 22,317 402,610 | 22,756 400,787 | 3,487 80,546 | 4,595 99.577 | 4,818 110,470 | 5,218 110,873 |
| 11 All others | 291,072 | 365,539 | 402,610 | 400,787 | 80,546 | 99,577 | 110,470 | 110,873 |
|  | Total, within 1 year |  |  |  | 5 to 10 years |  |  |  |
| 12 All holders | 255,252 | 297,385 | 318,907 | 311,001 | 50,440 | 56,037 | 61,995 | 64,945 |
| 13 U.S. government agencies and trust funds. | 1,629 | 830 | 1,189 | 1,113 | 871 | 1,404 | 1,411 | 1,411 |
| 14 Federal Reserve Banks | 63,219 | 56,858 | 54,525 | 55,373 | 12,977 | 13,458 | 13,797 | 13,918 |
| 15 Private investors | 190,403 | 239,697 | 263,193 | 254,515 | 36,592 | 41,175 | 46,786 | 49,616 |
| 16 Commercial banks | 20,171 | 25,197 | 30,106 | 27,183 | 8,086 | 5,793 | 6,424 | 6,695 |
| 17 Mutual savings banks | 836 | 1,246 | 1,317 | 1,340 | 459 | 455 | 511 | 521 |
| 18 Insurance companies | 2,016 | 1,940 | 2,152 | 1,992 | 2,815 | 3,037 | 3,146 | 3,207 |
| 19 Nonfinancial corporations | 4,933 | 4,281 | 3,774 | 3,768 | 308 | 357 | 461 | 516 |
| 20 Savings and loan associations | 1,301 | 1,646 | 1,465 | 1,489 | 69 | 216 | 111 | 127 |
| 21 State and local governments. | 5,607 | 7,750 | 8,183 | 7,819 | 1,540 | 2,030 | 2,243 | 2,491 |
| All others . | 15,539 | 197,636 | 216,196 | 210,924 | 23,314 | 29,287 | 33,891 | 36,060 |
|  | Bills, within 1 year |  |  |  | 10 to 20 years |  |  |  |
| 23 All holders | 172,644 | 216,104 | 235,315 | 225,849 | 27,588 | 36,854 | 38,238 | 38,202 |
| 24 U.S. government agencies and trust funds. | 0 | 1 | 1 | 1 | 4,520 | 3,686 | 3,685 | 3,685 |
| 25 Federal Reserve Banks | 45,337 | 43,971 | 42,632 | 43,263 | 3,272 | 5,919 | 5,891 | 5,929 |
| 26 Private investors | 127,306 | 172,132 | 192,681 | 182,585 | 19,796 | 27,250 | 28,662 | 28,587 |
| 27 Commercial banks | 5,938 | 9,856 | 12,464 | 9,504 | 993 | 1,071 | 1,166 | 1,190 |
| 28 Mutual savings banks | 262 | 394 | 425 | 426 | 127 | 181 | 186 | 182 |
| 29 Insurance companies | 473 | 672 | 812 | 730 | 1,305 | 1,718 | 1,519 | 1,528 |
| 30 Nonfinancial corporations | 2,793 | 2,363 | 1,879 | 1,900 | 218 | 431 | 417 | 839 |
| 31 Savings and loan associations | 219 | 818 | 512 | 526 | 58 | 52 | 39 | 37 |
| 32 State and local governments. | 3,100 | 5,413 | 5,701 | 5,150 | 1,762 | 3,597 | 3,923 | 4,014 |
| 33 All others | 114,522 | 152,616 | 170,888 | 164,349 | 15,332 | 20,200 | 21,413 | 20,798 |
|  |  | Other, wi | 1 year |  |  | Over 2 |  |  |
| 34 All holders | 82,608 | 81,281 | 83,592 | 85,153 | 33,254 | 35,500 | 38,076 | 39,827 |
| 35 U.S. government agencies and trust funds. | 1,629 | 829 | 1,188 | 1,112 | 1,472 | 1,656 | 1,656 | 1,656 |
| 36 Federal Reserve Banks | 17,882 | 12,888 | 11,892 | 12,110 | 9,520 | 9,258 | 9,503 | 9,486 |
| 37 Private investors | 63,097 | 67,565 | 70,512 | 71,931 | 22,262 | 24,587 | 26,918 | 28,685 |
| 38 Commercial banks | 14,233 | 15,341 | 17,641 | 17,680 | 1,470 | 1,325 | 1,441 | 1,627 |
| 39 Mutual savings banks | 574 | 852 | 892 | 914 | 113 | 110 | 135 | 153 |
| 40 Insurance companies | 1,543 | 1,268 | 1,340 | 1,262 | 842 | 730 | 710 | 709 |
| 41 Nonfinancial corporations. | 2,140 | 1,918 | 1,895 | 1,868 | 130 | 476 | 816 | 828 |
| 42 Savings and loan associations | 1,081 | 828 | 953 | 963 | 19 | 21 | 25 | 23 |
| 43 State and local governments. | 2,508 | 2,337 | 2,481 | 2,669 | 3,339 | 3,086 | 3,150 | 3,213 |
| 44 All others. | 41,017 | 45,020 | 45,308 | 46,574 | 16,340 | 18,838 | 20,640 | 22,132 |

NOTE. Direct public issues only. Based on Treasury Survey of Ownership from
Treasury Bulletin (U.S. Treasury Department).
Data complete for U.S. govemment agencies and trust funds and Federal Reserve
Banks, but data for other groups include only holdings of those institutions that report. The following figures show, for each category, the number and proportion reporting as of Apr. 30, 1981: (1) 5,342 commercial banks, 457
mutual savings banks, and 723 insurance companies, each about 80 percent; (2) 411 nonfinancial corporations and 474 savings and loan associations, each about
50 percent; and (3) 488 state and local governments, about 40 percent.
"All others," a residual, includes holdings of all those not reporting in the Treasury Survey, including investor groups not listed separately.

### 1.43 U.S. GOVERNMENT SECURITIES DEALERS Transactions

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

| Item | 1978 | 1979 | 1980 | 1981 |  |  | 1981, week ending Wednesday |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Mar. ${ }^{\text {r }}$ | Apr. ${ }^{\text {P }}$ | May ${ }^{\prime}$ | May 20 | May 27 | June 3 | June 10 | June 17 | June 24 |
| Immediate delivery ${ }^{1}$ <br> 1 U.S. government securities | 10.285 | 13,183 |  | 23,848 | 21,360 | 21,554 | 20,848 | 21,449 | 24,992 | 23,287 | 21,664 | 24,215 |
| By maturity <br> 2 Bills | 6.173 | 7.915 |  | 14.114 | 13.134 | 12,359 | 11.679 | 12.745 | 15,045 | 13,680 | 13,314 | 14,011 |
| 3 Other within 1 year | 392 | 454 |  | 388 | 374 | 459 | . 593 | 355 | 406 | 451 | 584 | , 304 |
| 4 1-5 years. | 1,889 | 2.417 |  | 4.182 | 3,390 | 3.954 | 3.867 | 4.586 | 3.905 | 3,586 | 3,008 | 5,525 |
| 5 5-10 years. | 965 | 1.121 |  | 2.758 | 2.135 | 1.982 | 1.658 | 1.619 | 3.270 | 2.836 | 2.386 | 2.118 |
| 6 Over 10 years. | 867 | 1.276 | n.a. | 2.408 | 2.328 | 2.574 | 3.052 | 2.144 | 2.364 | 2.732 | 2.371 | 2.257 |
| By tope of customer <br> 7 U.S. government securities dealers. | 1.135 | 1.448 |  | 1.390 | 1.070 | 1.108 | 1.006 | 1.216 | 1.181 | 1,491 | 1,311 | 1,454 |
| 8 U.S. government securities brokers | 3.838 | 5.170 |  | 11.681 | 10.565 | 10.226 | 10.075 | 9.771 | 11.796 | 11.104 | 10,635 | 11,715 |
| 9 All others ${ }^{2}$. | 5.312 | 6.564 |  | 10.776 | 9.725 | 10.221 | 9.767 | 10.462 | 12,014 | 10,692 | 9,718 | 11,047 |
| 10 Federal agency securities | 1,894 | 2,723 |  | 3,311 | 2,864 | 2,806 | 3,368 | 2,837 | 4,269 | 3,996 | 3,724 | 3,938 |
| 11 Certificates of deposit ......... | n.a. | n.a. |  | 3.717 | 3,518 | 2.992 | 2.823 | 3.079 | 4.004 | 3.686 | 4,168 | 4.829 |
| 12 Bankers acceptances. . . . . . . . . . . |  |  |  | 1.751 | 1.627 | 1.363 | 1.104 | 1.547 | 1.651 | 1.887 | 1.986 | 1.528 |
| 13 Commercial paper. . ........... |  |  |  | 5.073 n.a. | 5.302 n.a. | 6.047 n.a. | 6.193 n.a. | 5.877 n.a. | 6.572 $\mathrm{n} . \mathrm{a}$ | 5.669 n.a. | 6.652 n.a. | $\begin{gathered} 5.834 \\ \text { n.a. } \end{gathered}$ |

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.
Notes. 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.
1.44 U.S. GOVERNMENT SECURITIES DEALERS Positions and Sources of Financing Averages of daily figures, in millions of dollars

| Item | 1978 | 1979 | 1980 | 1981 |  |  | 1981, week ending Wednesday |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Mar.p | Apr. ${ }^{\text {p }}$ | May ${ }^{\text {p }}$ | Apr. 29 | May 6 | May 13 | May 20 | May 27 | June 3 |
|  | Positions |  |  |  |  |  |  |  |  |  |  |  |
| Net immediate ${ }^{1}$ |  |  |  |  |  |  |  |  |  |  |  |  |
| 1 U.S. government securities | 2,656 | 3,223 |  | 17,059 | 11,570 | 4,646 | 7,329 | 4,651 | 4,161 | 4,128 | 4,689 | 6,317 |
| 2 Bills. | 2.452 | 3.813 |  | 13.608 | 8.471 | 1.820 | 4,361 | 1.944 | 1.176 | 1,745 | 1,635 | 3,215 |
| 3 Other within I year | 260 | -325 |  | -279 | 142 | 226 | 232 | 182 | 485 | 198 | 112 | 88 |
| 4 ${ }_{5} 1-5$ years................... | -92 | -455 |  | 817 | 399 | 499 | 332 | 428 | 441 | 221 | 994 | 329 |
| 5 5-10 years. | 40 | 160 |  | 650 | 530 | 157 | 405 | 246 | 46 | 31 | -14 | 735 |
| 6 Over 10 years. | -4 | 30 | n.a. | 2.263 | 2.027 | 1.944 | 1.998 | 1.850 | 2.013 | 1.932 | 1.962 | 1.950 |
| 7 Federal agency securities | 606 | 1,471 |  | 1,429 | 1,710 | 1,680 | 1,569 | 1,716 | 1,538 | 1,701 | 1,521 | 2,115 |
| 8 Certificates of deposit | 2,775 | 2,794 | * | 2.728 | 2.117 | 1.965 | 1,924 | 2.310 | 1.871 | 1.724 | 1,746 | 2.419 |
| 9 Bankers acceptances. | n.a. | n.a. |  | 1.594 | 1.705 | 1.278 | 1.614 | 1.686 | 1.270 | 1.121 | 1.040 | 1.370 |
| 10 Commercial paper... | n.a. | п.a. |  | 2.590 | 2.721 | 2.373 | 2.639 | 2.503 | 2.402 | 1,959 | 2,180 | 3,190 |
| Futures and forward positions | n.a. | n.a. |  | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
|  | Financing ${ }^{2}$ |  |  |  |  |  |  |  |  |  |  |  |
| Reverse repurchase agreements ${ }^{3}$ <br> 11 Overnight and continuing <br> 12 Term agreements | n.a. | n.a. | n.a. |  |  |  |  |  |  | n.a. |  |  |
|  |  |  |  | 8.392 | 9.466 | 10.667 | 10.393 | 10.693 | 10.926 |  | 10.123 | 11,256 |
|  |  |  |  | 24.529 | 25.704 | 30.592 | 27.385 | 28.370 | 31,332 |  | 31,342 | 28.715 |
| Repurchase agreements ${ }^{\dagger}$........ <br> 13 Overnight and continuing... |  |  |  | 32.456 | 32.515 | 28,075 | 29,842 | 29,223 | 27,343 |  | 28,393 | 28.393 |
| 14 Term agreements ............ |  |  |  | 24.252 | 24.563 | 27.716 | 25.798 | 25.556 | 28,231 |  | 28,845 | 27,281 |

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 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 positions. do not include securities to resell (re
immediate positions include forward positions.
2. Figures cover financing involving U.S. government and federal agency securities, negotiable CDs, bankers acceptances. and commercial paper.
[^32]
### 1.45 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt outstanding

 Millions of dollars, end of period| Agency | 1976 | 1977 | 1978 | 1980 |  | 1981 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. |
| 1 Federal and federally sponsored agencies ${ }^{1}$ | 103,848 | 112,472 | 137,063 | 188,743 | 193,229 | 195,056 | 194,926 | 198,828 | 200,434 |
| 2 Federal agencies | 22.419 | 22,760 | 23,488 | 27,941 | 28,606 | 28,769 | 28,596 | 29,397 | 29,502 |
| 3 Defense Department ${ }^{2}$ | 1,113 | 983 | 968 | 631 | 610 | 600 | 591 | 576 | 566 |
| 4 Export-Import Bank ${ }^{3}{ }^{4}{ }^{4}$ | 8,574 | 8,671 581 | 8,711 | 10,696 | 11,250 | 11,239 | 11,201 | 11,881 | 11,868 |
| 5 Federal Housing Administration ${ }^{\text {G }}$ ( $\ldots$.......... | 575 | 581 | 588 | 486 | 477 | 476 | 468 | 464 | 459 |
| participation certificates ${ }^{6}$. ${ }^{\text {a }}$. | 4,120 | 3,743 | 3,141 | 2,842 | 2,817 | 2,817 | 2,817 | 2,817 | 2,775 |
| 7 Postal Service ${ }^{7}$............... | 2,998 | 2,431 | 2,364 | 1,770 | 1,770 | 1,770 | 1,770 | 1,770 | 1,770 |
| 8 Tennessee Valley Authority ...... | 4,935 | 6,015 | 7,460 | 11,010 | 11,190 | 11,375 | 11,550 | 11,680 | 11,845 |
| 9 United States Railway Association ${ }^{7}$ | 104 | 336 | 356 | 506 | 492 | 492 | 199 | 209 | 219 |
| 10 Federally sponsored agencies ${ }^{1}$ | 81,429 | 89,712 | 113,575 | 160.802 | 164,623 | 166,287 | 166,330 | 169,431 | 170,932 |
| 11 Federal Home Loan Banks. | 16,811 | 18.345 | 27,563 | 39.380 | 41,258 | 41.819 | 42,275 | 43,791 | 44,357 |
| 12 Federal Home Loan Mortgage Corporation | 1,690 | 1,686 | 2,262 | 2,537 | 2,536 | 2,518 | 2,514 | 2,409 | 2,409 |
| 13 Federal National Mortgage Association | 30,565 | 31,890 | 41,080 | 53,643 | 55,185 | 54,605 | 54,110 | 54,666 | 54,183 |
| 14 Federal Land Banks. | 17,127 | 19,118 | 20,360 | 12,365 | 12,365 | 11,507 | 11,507 | 11,507 | 10,583 |
| 15 Federal Intermediate Credit Banks | 10,494 | 11,174 | 11,469 | 1,821 | 1,821 | 1,388 | 1,388 | 1,388 | 1,388 |
| 16 Banks for Cooperatives | 4,330 | 4.434 | 4.843 | 584 | 584 | 584 | 584 | 584 | 220 |
| 17 Farm Credit Banks ${ }^{1}$ |  | 2,548 | 5,081 | 48,021 | 48.153 | 50,645 | 50,675 | 51,689 | 54,345 |
| 18 Student Loan Marketing Association ${ }^{8}$ | 410 | 515 | 915 | 2,450 | 2,720 | 3,220 | 3,275 | 3,395 | 3,445 |
| 19 Other. . . . . . . . . . . . . . . . . . . . . . . . . | 2 | 2 | 2 | 1 | 1 | 1 | 2 | 2 | 2 |
| Memo: <br> 20 Federal Financing Bank debt 1,9 | 28,711 | 38,580 | 51,298 | 85,440 | 87,460 | 88,420 | 89,444 | 94,101 | 96,489 |
| Lending to federal and federally sponsored agencies 21 Export-Import Bank ${ }^{4}$. | 5,208 | 5,834 | 6.898 | 10,067 | 10,654 | 10,654 | 10,654 | 11346 |  |
| 22 Postal Service ${ }^{7}$. . . . | 2,748 | 2,181 | 2,114 | 1,520 | 1,520 | 1,520 | 1,520 | 1,520 | 1,520 |
| 23 Student Loan Marketing Association 8 | 410 | 515 | 915 | 2,450 | 2,720 | 3,220 | 3,275 | 3,395 | 3,445 |
| 24 Tennessee Valley Authority | 3,110 | 4,190 | 5,635 | 9.285 | 9,465 | 9,650 | 9,825 | 9,955 | 10,120 |
| 25 United States Railway Association ${ }^{7}$ | 104 | 336 | 356 | 506 | 492 | 492 | 199 | 209 | 219 |
| Other Lending ${ }^{10}$ |  |  |  |  |  |  |  |  |  |
| 26 Farmers Home Administration. | 10,750 | 16,095 | 23,825 | 39,431 | 39,431 | 39,271 | 39,851 | 41,791 | 43,456 |
| 27 Rural Electrification Administration. | 1,415 | 2,647 | 4,604 | 8,760 | 9,196 | 9,471 | 10,212 | 10,443 | 10,652 |
| 28 Other... | 4,966 | 6,782 | 6,951 | 13,421 | 13,982 | 14,142 | 13,908 | 15,442 | 15,731 |

1. In September 1977 the Farm Credit Banks issued their first consolidated bonds, and in January 1979 they began issuing these bonds on a regular basis to replace the financing activities of the Federal Land Banks, the Federal Intermediate Credit the financing activities of the Federal Land Banks, the Federal Intermediate Credit
Banks, and the Banks for Cooperatives. Line 17 represents those consolidated Banks, and the Banks for Cooperatives. Line 17 represents those consolidated
bonds outstanding, as well as any discount notes that have been issued. Lines 1 bonds outstanding, as well as any disco
and 10 reflect the addition of this item.
2. Consists of mortgages assumed by the Defense Department between 1957 and 1963 under family housing and homeowners assistance programs.
3. Includes participation certificates reclassified as debt beginning Oct. 1, 1976.
4. Off-budget Aug. 17, 1974, through Sept. 30, 1976; on-budget thereafter.
5. Consists of debentures issued in payment of Federal Housing Administration insurance claims. Once issued, these securities may be sold privately on the securities market.
6. Certificates of participation issued prior to fiscal 1969 by the Government National Mortgage Association acting as trustee for the Farmers Home Administration; Department of Health, Education, and Welfare; Department
of Housing and Urban Development; Small Business Administration; and the Veterans Administration.
7. Off-budget.
8. Unlike other federally sponsored agencies, the Student Loan Marketing Association may borrow from the Federal Financing Bank (FFB) since its obligations are guaranteed by the Department of Health, Education, and Welfare.
9. The FFB, which began operations in 1974, is authorized to purchase or sell obligations issued, sold, or guaranteed by other federal agencies. Since FFB incurs debt solely for the purpose of lending to other agencies, its debt is not included in the main portion of the table in order to avoid double counting.
10. Includes FFB purchases of agency assets and guaranteed loans; the latter contain loans guaranteed by numerous agencies with the guarantees of any particular agency being generally small. The Farmers Home Administration item consists exclusively of agency assets, while the Rural Electrification Administration entry contains both agency assets and guaranteed loans.July 1981

### 1.46 NEW SECURITY ISSUES of State and Local Governments

Millions of dollars

| Type of issue or issuer, or use | 1978 | 1979 | 1980 | 1980 |  | 1981 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Nov. | Dec. | Jan. ${ }^{\text {r }}$ | Feb. ${ }^{\text {r }}$ | Mar. ${ }^{\text {r }}$ | Apr. |
| 1 All issues, new and refunding ${ }^{1}$ | 48,607 | 43,490 | 48,462 | 2,928 | 3,859 | 2,695 | 2,916 | 3,885 | 5,060 |
| Type of issue |  |  |  |  |  |  |  |  |  |
| ${ }_{3}{ }^{\text {R }}$ General obligation | 17,854 30.658 | 12,109 31,256 | 14,100 | 734 2.183 | 5588 | 736 1952 | 876 | 1,249 | 1,323 |
| ${ }_{4}^{3}$ Revenue Housing Assistance Administration ${ }^{2}$ | 30,658 | 31,256 | 34,267 | 2,183 | 3,297 | 1,952 | 2,037 | 2,625 | 3,731 |
| 5 U.S. government loans ........... | 95 | 125 | 95 | 11 | 4 | 7 | 3 | 11 | 6 |
| Type of issuer |  |  |  |  |  |  |  |  |  |
| 6 State ..... | 6,632 | 4,314 | 5,304 | 323 | 127 | 478 | 530 | 349 | 544 |
| 7 Special district and statutory authority. | 24.156 | 23,434 | 26,972 | 1,638 | 2,332 | 1,437 | 1,437 | 1,986 | 2,697 |
| 8 Municipalities, counties, townships, school districts. | 17.718 | 15,617 | 16,090 | 955 | 1,395 | 773 | 945 | 1,540 | 1,813 |
| 9 Issues for new capital, total. | 37,629 | 41,505 | 46,736 | 2,715 | 3,760 | 2,686 | 2,843 | 3,851 | 4,891 |
| Use of proceeds |  |  |  |  |  |  |  |  |  |
| 10 Education. | 5,003 | 5.130 | 4,572 | 211 | 198 | 334 | 292 | 515 | 484 |
| 11 Transportation. | 3,460 | 2,441 | 2.621 | 256 | 53 | 147 | 322 | 238 | 118 |
| 12 Utilities and conservation | 9,026 | 8,594 | 8,149 | 369 | 408 | 630 | 452 | 784 | 1,258 |
| 13 Social welfare. | 10,494 | 15,968 | 19,958 | 1,076 | 2,465 | 784 | 869 | 960 | 997 |
| 14 Industrial aid | 3,526 | 3,836 | 3,974 | 412 | 295 | 386 | 296 | 514 | 1,284 |
| 15 Other purposes | 6,120 | 5,536 | 7,462 | 391 | 341 | 405 | 612 | 840 | 750 |

1. Par amounts of long-term issues based on date of sale.

Source. Public Securities Association.
2. Only bonds sold pursuant to the 1949 Housing Act, which are secured by contract requiring the Housing Assistance Administration to make annual contributions to the local authority.

### 1.47 NEW SECURITY ISSUES of Corporations

Millions of dollars

| Type of issue or issuer, or use | 1978 | 1979 | 1980 | 1980 |  |  | 1981 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. |
| 1 All issues ${ }^{1}$. | 47,230 | 51,533 | 73,688 | 5,819 | 3,936 | 5,933 | 5,581 | 4,157 | 6,423 r | 6,511 |
| 2 Bonds. | 36,872 | 40,208 | 53,199 | 3,284 | 2,164 | 3,044 | 3,386 | 2,834 | 4,275 $r$ | 4,273 |
| $3 \begin{gathered}\text { Type of offering } \\ 3\end{gathered}$ | 19,815 | 25,814 | 41,587 | 2,756 | 1,405 | 1,719 | 2,928 | 2,408 | 3,788r |  |
| 4 Private placement | 17,057 | 14,394 | 11.612 | -528 | '759 | 1,325 | -458 | 2,426 | -497 | ,605 |
| Industry group |  |  |  |  |  |  |  |  |  |  |
| 5 Manufacturing .............. | 9,572 | 9,678 | 15,409 | 623 | 132 | 609 | 1,635 | 1,140 | 1,064 r | 1,355 |
| 6 Commercial and miscellaneous. | 5,246 | 3,948 | 6,688 | 320 | 442 | 509 | 231 | 356 | 212 | 301 |
| 7 Transportation | 2.007 | 3,119 | 3,329 | 240 | 147 | 165 | 353 | 45 | 172 | 105 |
| 8 Public utility. | 7.092 | 8.153 | 9,556 | 769 | 565 | 314 | 800 | 593 | 594 | 774 |
| 9 Communication | 3,373 | 4,219 | 6,683 | 763 | 147 | 653 | 62 | 272 | 958 | 553 |
| 10 Real estate and financial | 9,586 | 11,094 | 11,534 | 569 | 732 | 793 | 306 | 430 | 1,276 r | 1,181 |
| 11 Stocks | 10,358 | 11,325 | 20,490 | 2,535 | 1,772 | 2,889 | 2,195 | 1,323 | 2,148 | 2,238 |
| ${ }^{\text {T Type }}$ |  |  |  |  |  |  |  |  |  |  |
| 12 Preferred. | 2,832 | 3,574 | 3,632 | 543 | 256 | 241 | 364 | 149 | 298 | 85 |
| 13 Common. | 7.526 | 7.751 | 16,858 | 1,992 | 1,516 | 2,648 | 1,831 | 1,174 | 1,850 | 153 |
| Industry group |  |  |  |  |  |  |  |  |  |  |
| 14 Manufacturing | 1,241 | 1,679 | 4,839 | 851 | 418 | 844 | 609 | 204 | 735 | 531 |
| 15 Commercial and miscellaneous. | 1.816 | 2,623 | 5,245 | 400 | 509 | 908 | 603 | 589 | 816 | 477 |
| 16 Transportation. | 263 | 255 | 549 | 117 | 53 | 95 | 124 | 81 | 17 | 146 |
| 17 Public utility. | 5,140 | 5,171 | 6,230 | 526 | 227 | 669 | 562 | 260 | 414 | 717 |
| 18 Communication. | 264 | 303 | 567 | 67 | 113 | 65 | 14 | 31 |  | 56 |
| 19 Real estate and financial | 1,631 | 12,931 | 3,059 | 574 | 452 | 308 | 284 | 159 | 167 | 310 |

1. Figures, which represent gross proceeds of issues maturing in more than one year, sold for cash in the United States, are principal amount or number of units multiplied by offering price. Excludes offerings of less than $\$ 100,000$, secondary offerings, undefined or exempted issues as defined in the Securities Act of

1933, employee stock plans, investment companies other than closed-end, intracorporate transactions, and sales to foreigners.
Source. Securities and Exchange Commission.

### 1.48 OPEN-END INVESTMENT COMPANIES Net Sales and Asset Position <br> Millions of dollars

| Item |  | 1979 | 1980 | 1980 |  |  | 1981 |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Oct. |  | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | May |
| Investment Companies ${ }^{1}$ |  |  |  |  |  |  |  |  |  |  |  |
| 1 | Sales of own shares ${ }^{2}$. |  | 7.495 | 15,266 | 1,523 | 1,289 | 1,242 | 1,676 | 1,347 | 1,696 | 2,000 | 1,789 |
| 2 | Redemptions of own shares ${ }^{3}$. | 8.393 | 12,012 | 1,362 | 1,086 | 1.720 | 1,193 | 960 | 1,112 | 1,594 | 1,282 |
| 3 | Net sales . . . . . . . . . . . | -898 | 3,254 | 161 | 203 | -478 | 483 | 387 | 584 | 406 | 507 |
| 4 | Assets ${ }^{4}$ | 49,277 | 58,400 | 56,156 | 60,329 | 58,400 | 56,160 | 56,452 | 59,146 | 58,531 | 60,067 |
| 5 | Cash position ${ }^{5}$ | 4,983 | 5,321 | 5,460 | 5,467 | 5,321 | 4,636 | 4,882 | 4,971 | 5,099 r | 5,441 |
| 6 | Other. . . . . . . | 44,294 | 53,079 | 50,696 | 54,862 | 53,079 | 51,524 | 51,570 | 54,175 | 53,432r | 54,626 |

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.

### 1.49 CORPORATE PROFITS AND THEIR DISTRIBUTION

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

| Account |  | 1978 | 1979 | 1980 | 1979 |  | 1980 |  |  |  | $\frac{1981}{\text { Q1 }^{r}}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Q3 |  |  | Q4 | Q1 | Q2 | Q3 | Q4r |  |
| 1 | Profits before tax |  | 223.3 | 255.4 | 245.5 | 262.0 | 255.4 | 277.1 | 217.9 | 237.6 | 249.5 | 259.1 |
| 2 | Profits tax liability. | 83.0 | 87.6 | 82.3 | 86.4 | 87.2 | 94.2 | 71.5 | 78.5 | 85.2 | 91.1 |
| 3 | Profits after tax. | 140.3 | 167.7 | 163.1 | 173.6 | 168.2 | 182.9 | 146.4 | 159.1 | 164.3 | 168.0 |
| 4 | Dividends.... | 44.6 | 50.2 | 56.0 | 50.2 | 51.6 | 53.9 | 55.7 | 56.7 | 57.7 | 59.6 |
| 5 | Undistributed profits | 95.7 | 117.6 | 107.1 | 123.4 | 116.6 | 129.0 | 90.7 | 102.4 | 106.6 | 108.4 |
| 6 | Capital consumption allowances | 122.9 | 139.5 | 158.3 | 142.6 | 146.4 | 151.7 | 155.4 | 160.5 | 165.4 | 170.7 |
| 7 | Net cash flow......... | 218.6 | 257.1 | 265.4 | 266.0 | 263.0 | 280.7 | 246.1 | 267.9 | 272.0 | 279.1 |

Sovrce. Survey of Current Business (U.S. Department of Commerce).

### 1.50 NONFINANCIAL CORPORATIONS Current Assets and Liabilities

Billions of dollars, except for ratio

| Account | 1975 | 1976 | 1977 | 1978 | 1979 |  | 1980 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  | O3 | Q4 | O1 | Q2 | Q3 | Q4 |
| 1 Current assets | 759.0 | 826.8 | 902.1 | 1,030.0 | 1,169.5 | 1,200.9 | 1,235.2 | 1,233.8 | 1,255.8 | 1,279.9 |
| 2 Cash. | 82.1 | 88.2 | 95.8 | 104.5 | 103.7 | 116.1 | 110.2 | 111.5 | 113.2 | 120.8 |
| 3 U.S. government securities | 19.0 | 23.4 | 17.6 | 16.3 | 15.8 | 15.6 | 15.1 | 13.8 | 16.3 | 17.0 |
| 4 Notes and accounts receivable | 272.1 | 292.8 | 324.7 | 383.8 | 453.0 | 456.8 | 471.2 | 464.2 | 479.2 | 491.1 |
| 5 Inventories. | 315.9 | 342.4 | 374.8 | 426.9 | 489.4 | 501.7 | 519.5 | 525.7 | 525.1 | 525.1 |
| 6 Other. | 69.9 | 80.1 | 89.2 | 98.5 | 107.7 | 110.8 | 119.3 | 118.7 | 122.0 | 125.9 |
| 7 Current liabilities | 451.6 | 494.7 | 549.4 | 665.5 | 777.8 | 809.1 | 838.3 | 828.1 | 852.1 | 877.2 |
| 8 Notes and accounts payable | 264.2 | 281.9 | 313.2 | 373.7 | 438.8 | 456.3 | 467.9 | 463.1 | 477.3 | 498.2 |
| 9 Other. | 187.4 | 212.8 | 236.2 | 291.7 | 339.0 | 352.8 | 370.4 | 364.9 | 374.8 | 379.0 |
| 10 Net working capital. | 307.4 | 332.2 | 352.7 | 364.6 | 391.7 | 391.8 | 397.0 | 405.7 | 403.7 | 402.7 |
| 11 Memo: Current ratio ${ }^{1}$. | 1.681 | 1.672 | 1.642 | 1.548 | 1.504 | 1.484 | 1.474 | 1.490 | 1.474 | 1.459 |

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

Note. For a description of this series, see "Working Capital of Nonfinancia Corporations" in the July 1978 Bulletin, pp. 533-37

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

Source. Federal Trade Commission.

### 1.51 TOTAL NONFARM BUSINESS EXPENDITURES on New Plant and Equipment

 Billions of dollars; quarterly data are at seasonally adjusted annual rates| Industry | 1979 | 1980 | $1981{ }^{1}$ | 1980 |  |  | 1981 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Q2 | Q3 | Q4 | Q1 | O21 | Q31 | Q41 |
| 1 Total nonfarm business | 270.46 | 295.63 | 320.51 | 294.36 | 296.23 | 299.58 | 312.24 | 311.87 | 322.88 | 333.09 |
| 2 Manufacturing |  |  |  |  |  |  |  |  |  |  |
| 2 Durable goods industries.... | 51.07 47.61 | 58.91 56.90 | 63.99 63.89 | 59.38 56.32 | 58.19 58.21 | 59.77 58.86 | 61.24 63.27 | 60.28 61.71 | 64.90 65.56 | 68.65 64.80 |
| Nonmanufacturing |  |  |  |  |  |  | 63.27 | 61.71 | 6.56 | 64.80 |
| 4 Mining. . . . . . . . . | 11.38 | 13.51 | 16.91 | 12.81 | 13.86 | 15.28 | 16.20 | 15.93 | 17.51 | 17.87 |
| $5 \quad \begin{gathered}\text { Transportation } \\ \text { Railroad ... }\end{gathered}$ | 4.03 | 4.25 | 4.39 | 4.06 | 3.98 | 4.54 | 4.23 | 4.10 | 4.41 | 4.81 |
| 6 Air. | 4.01 | 4.01 | 3.65 | 4.27 | 4.06 | 3.77 | 3.85 | 3.17 | 3.09 | 4.55 |
| 7 Other. | 4.31 | 3.82 | 4.10 | 3.76 | 4.18 | 3.39 | 3.66 | 4.21 | 4.07 | 4.35 |
| Public utilities |  |  |  |  |  |  |  |  |  |  |
| 8 Electric. . | 27.65 | 28.12 | 28.93 | 27.91 | 28.14 | 27.54 | 27.69 | 28.98 | 30.26 | 28.73 |
| 9 Gas and other | 6.31 | 7.32 | 8.33 | 7.12 | 7.44 | 7.41 | 8.36 | 8.40 | 7.98 | 8.57 |
| 10 Trade and services | 79.26 | 81.79 | 85.22 | 81.07 | 81.19 | 82.91 | 83.43 | 84.55 | 84.12 | 88.33 |
| 11 Communication and other ${ }^{2}$. | 34.83 | 36.99 | 41.09 | 37.66 | 36.97 | 36.11 | 40.32 | 40.54 | 40.97 | 42.43 |

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

### 1.52 DOMESTIC FINANCE COMPANIES Assets and Liabilities

Billions of dollars, end of period

| Account | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 |  |  |  | $\begin{gathered} 1981 \\ \hline \text { Q1 } \end{gathered}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  | Q1 | Q2 | Q3 | Q4 |  |
| Assets |  |  |  |  |  |  |  |  |  |  |
| Accounts receivable, gross |  |  |  |  |  |  |  |  |  |  |
| 1 Consumer | 36.0 | 38.6 | 44.0 | 52.6 | 65.7 | 67.7 | 70.2 | 71.7 | 73.6 | 76.1 |
| 2 Business | 39.3 | 44.7 | 55.2 | 63.3 | 70.3 | 70.6 | 70.3 | 66.9 | 72.3 | 72.7 |
| 3 Total | 75.3 | 83.4 | 99.2 | 116.0 | 136.0 | 138.4 | 140.4 | 138.6 | 145.9 | 148.7 |
| ${ }_{5}$ Less: Reserves for unearned income and losses . . . . | 9.4 | 10.5 | 12.7 | 15.6 | 20.0 | 20.4 | 21.4 | 22.3 | 23.3 | 24.3 |
| 5 Accounts receivable, net. | 65.9 | 72.9 | 86.5 | 100.4 | 116.0 | 118.0 | 119.0 | 116.3 | 122.6 | 124.5 |
| 6 Cash and bank deposits. | 2.9 | 2.6 | 2.6 | 3.5 |  |  |  |  |  |  |
| 7 Securities | 1.0 | 1.1 | . 9 | 1.3 | 24.91 | 23.7 | 26.1 | 28.3 | 27.5 | 30.8 |
| 8 All other. | 11.8 | 12.6 | 14.3 | 17.3 |  |  |  |  |  |  |
| 9 Total assets. | 81.6 | 89.2 | 104.3 | 122.4 | 140.9 | 141.7 | 145.1 | 144.7 | 150.1 | 155.3 |
| Liabilities |  |  |  |  |  |  |  |  |  |  |
| 10 Bank loans | 8.0 | 6.3 | 5.9 | 6.5 | 8.5 | 9.7 | 10.1 | 10.1 | 13.2 | 13.1 |
| 11 Commercial paper. | 22.2 | 23.7 | 29.6 | 34.5 | 43.3 | 40.8 | 40.7 | 40.5 | 43.4 | 44.2 |
| 12 Short-term, n.e.c. . . . . . . . . . . . . . . . . . . . . . . . . . | 4.5 | 5.4 | 6.2 | 8.1 | 8.2 | 7.4 | 7.9 | 7.7 | 7.5 | 8.2 |
| 13 Long-term, n.e.c. . . . . . . . . . . . . . . . . . . . . . . . . . | 27.6 | 32.3 | 36.0 | 43.6 | 46.7 | 48.9 | 50.5 | 52.0 | 52.4 | 51.6 |
| 14 Other........................................ | 6.8 | 8.1 | 11.5 | 12.6 | 14.2 | 15.7 | 16.0 | 14.6 | 14.3 | 17.3 |
| 15 Capital, surplus, and undivided profits.......... | 12.5 | 13.4 | 15.1 | 17.2 | 19.9 | 19.2 | 19.9 | 19.8 | 19.4 | 20.9 |
| 16 Total liabilities and capital. . . . . . . . . . . . . . . . . . . . | 81.6 | 89.2 | 104.3 | 122.4 | 140.9 | 141.7 | 145.1 | 144.7 | 150.1 | 155.3 |

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

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

### 1.53 DOMESTIC FINANCE COMPANIES Business Credit

Millions of dollars, seasonally adjusted except as noted

| Type | Accounts receivable outstanding Apr. 30, $1981{ }^{1}$ | Changes in accounts receivable |  |  | Extensions |  |  | Repayments |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | 1981 |  |  | 1981 |  |  | 1981 |  |  |
|  |  | Feb. | Mar. | Apr. | Feb. | Mar. | Apr. | Feb. | Mar. | Apr. |
| 1 Total . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 74,065 | 280 | -773 | 1,409 | 18,207 | 18,096 | 18,133 | 17,927 | 18,869 | 16,724 |
| 2 Retail automotive (commercial vehicles) | 11,646 | -160 | -295 | -213 | $\begin{array}{r}885 \\ \hline\end{array}$ | 749 5050 | 790 5865 | ${ }_{5}^{1,045}$ | 1,044 | 1,003 |
| 3 Wholesale automotive................. | 11,669 | -494 | $-1,075$ | 890 | 5,351 | 5,050 | 5,865 | 5,845 | 6,125 | 4,975 |
| 4 Retail paper on business, industrial and farm equipment | 23,872 | 591 | 556 | 56 | 1,800 | 1,788 | 1,384 | 1,209 | 1,232 | 1,328 |
| 5 Loans on commercial accounts receivable and factored commercial accounts receivable .. |  | -262 |  | 139 | 7,792 | 8,142 | 7,735 |  | 7,964 |  |
| 6 All other business credit. . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 18,859 | 605 | -137 | 537 | 2,379 | 2,367 | 2,359 | 1,774 | 2,504 | 1,822 |

1. Not seasonally adjusted.

### 1.55 MORTGAGE DEBT OUTSTANDING

Millions of dollars, end of period

| Type of holder, and type of property |  | 1978 | 1979 | 1980 | 1980 |  |  |  | $\frac{1981}{\text { Q1 }}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Q1 |  |  | Q2 | Q3 | Q4 |  |
| 1 | All holders |  | 1,169,412 | 1,326,750 | 1,451,840 | 1,357,660 | 1,380,928 | 1,414,881 | 1,451,840 | 1,474,943 ${ }^{\text {c }}$ |
|  | 1- to 4-family | 765.217 | 878.931 | 960.422 | 897.608 | 910.286 | 935.393 | 960.422 | 973.601 |
| 3 | Multifamily.. | 121.138 | 128.852 | 136.580 | 130,363 | 132.194 | 134,193 | 136.580 | 139.1087 c |
| 4 | Commercial | 211.851 | 236.451 | 258,338 | 242,776 | 247.444 | 251,651 | 258,338 | 262,140 |
| 5 | Farm | 71.206 | 82.516 | 96,500 | 86,913 | 91,004 | 93.644 | 96,500 | 100,115 |
| 6 | Major financial institutions | 848.177 | 938.567 | 998.386 | 951.276 | 958.750 | 977.281 | 998.386 | 1.008.265 |
| 7 | Commercial banks ${ }^{1}$. . . . | 214.045 | 245.187 | 264.602 | 250.702 | 253.103 | 258.003 | 264,602 | 268,102 |
| 8 | 1- to 4 -family | 129.167 | 149.460 | 160.746 | 152.553 | 153.753 | 156.737 | 160,746 | 162,872 |
| 9 | Multifamily. | 10.266 | 11.180 | 12,304 | 11.557 | 11.764 | 11.997 | 12,304 | 12,467 |
| 10 | Commercial | 66.115 | 75.957 | 82.688 | 77.993 | 79.110 | 80,626 | 82,688 | 83.782 |
| 11 | Farm | 8.497 | 8.590 | 8.864 | 8.599 | 8.476 | 8.643 | 8.864 | 8.981 |
| 12 | Mutual savings banks | 95.157 | 98.908 | 99.827 | 99.151 | 99.150 | 99,306 | 99,827 | 99.840 |
| 13 | 1- to 4 -family . . . . | 62.252 | 64.706 | 65,307 | 64.865 | 64,864 | 64,966 | 65,307 | 65,316 |
| 14 | Multifamily. | 16.529 | 17.340 | 17.180 | 17.223 | 17.223 | 17.249 | 17,340 | 17,342 |
| 15 | Commercial | 16.319 | 16.963 | 17.120 | 17.004 | 17.004 | 17,031 | 17,120 | 17.122 |
| 16 | Farm . . . . . | 57 | 59 | 60 | 59 | 59 | 60 | 60 | 60 |
| 17 | Savings and loan associations | 432.808 | 475.688 | 502.812 | 478.952 | 481.042 | 491.895 | 502.812 | 507,040 |
| 18 | 1- to 4 -family . . . . . . . . . . | 356.114 | 394.345 | 419.446 | 398.009 | 399.746 | 409.896 | 419.446 | 422,964 |
| 19 | Multifamily. | 36.053 | 37.579 | 38.113 | 37,215 | 37,329 | 37,728 | 38,113 | 38.443 |
| 20 | Commercial | 40,461 | 43.764 | 45,253 | 43,728 | 43,967 | 44.271 | 45,253 | 45,633 |
| 21 | Life insurance companies | 106.167 | 118.784 | 131.145 | 122.471 | 125.455 | 128.077 | 131.145 | 133,283 |
| 22 | 1- to 4 -family ... | 14.436 | 16.193 | 17.911 | 16.850 | 17.796 | 17.996 | 17.911 | 18,203 |
| 23 | Multifamily. | 19.000 | 19.274 | 19.614 | 19,590 | 19,284 | 19,357 | 19.614 | 19,934 |
| 24 | Commercial | 62,232 | 71.137 | 80.776 | 73,618 | 75,693 | 77.995 | 80.776 | 82,093 |
| 25 | Farm | 10,499 | 12.180 | 12,844 | 12,413 | 12.682 | 12,729 | 12.844 | 13,053 |
| 26 | Federal and related agencies. | 81.739 | 97.084 | 114.300 | 103.921 | 108.539 | 110.526 | 114.300 | 116.306 |
| 27 | Government National Mortgage Association. | 3.509 | 3.852 | 4.642 | 3.919 | 4.466 | 4.389 | 4.642 | 4.966 |
| 28 | 1-to 4-family . . . . . . . . . . . . . . . . . . . . . . . | 877 | 763 | 704 | +749 | . 736 | . 719 | 704 | 730 |
| 29 | Multifamily. | 2.632 | 3.089 | 3,938 | 3,170 | 3.730 | 3.670 | 3.938 | 4,236 |
| 30 | Farmers Home Administration. | 926 | 1.274 | 3.492 | 2.845 | 3,375 | 3.525 | 3.492 | 2.837 |
| 31 | 1- to 4-family | 288 | 417 | 916 | 1,139 | 1,383 | 978 | 916 | 1.321 |
| 32 | Multifamily. | 320 | 71 | 610 | 408 | 636 | 774 | 610 | 528 |
| 33 | Commercial | 101 | 174 | $\begin{array}{r}411 \\ \hline 555\end{array}$ | 409 | 402 | 370 | 411 | 479 |
| 34 | Farm | 217 | 612 | 1.555 | 889 | 954 | 1,403 | 1,555 | 509 |
| 35 | Federal Housing and Veterans Administration | 5,305 | 5.555 | 5.640 | 5,621 | 5,691 | 5,600 | 5.640 | 5.723 |
| 36 | 1-to 4-family . . . . . . . . . . . . . . . . . . . . . . . . | 1.673 | 1.955 | 2.051 | 2.022 | 2.085 | 1.986 | 2.051 | 2.098 |
| 37 | Multifamily.. | 3.632 | 3.600 | 3.589 | 3.599 | 3.606 | 3.614 | 3.589 | 3,625 |
| 38 | Federal National Mortgage Association | 43.311 | 51.091 | 57.327 | 53,990 | 55,419 | 55.632 | 57,327 | 57,362 |
| 39 | 1- to 4-family . . . . . . . | 37.579 | 45.488 | 51.775 | 48,394 | 49.837 | 50,071 | 51,775 | 51,842 |
| 40 | Multifamily.. | 5.732 | 5.603 | 5,552 | 5.596 | 5.582 | 5,561 | 5.552 | 5,520 |
| 41 | Federal Land Banks | 25.624 | 31,277 | 38.131 | 33.311 | 35.574 | 36.837 | 38.131 | 40.258 |
| 42 | 1- to 4-family. | 927 | 1.552 | 2.099 | 1.708 | 1.893 | 1.985 | 2.099 | 2,228 |
| 43 | Farm ...... | 24.697 | 29.725 | 36.032 | 31.603 | 33,681 | 34.852 | 36,032 | 38,030 |
| 44 | Federal Home Loan Mortgage Corporation | 3.064 | 4.035 | 5.068 | 4.235 | 4,014 | 4,543 | 5.068 | 5.160 |
| 45 | 1- to 4-family . . . . . . . . . . . . . . . . . . . . . . | 2.407 | 3.059 | 3.873 | 3.210 | 3.037 | 3.459 | 3.873 | 3.952 |
| 46 | Multifamily.. | 657 | 976 | 1,195 | 1.025 | 977 | 1.084 | 1,195 | 1.208 |
| 47 | Mortgage pools or trusts ${ }^{2}$. . . . . . . . . . . . . . . | 88.633 | 119.278 | 142.258 | 124.632 | 129.647 | 136.583 | 142.258 | 147.251 |
| 48 | Government National Mortgage Association. | 54.347 | 76.401 | 93.874 | 80.843 | 84.282 | 89.452 | 93.874 | 97.184 |
| 49 | 1- to 4-family | 52,732 | 74,546 | 91.602 | 78.872 | 82.208 | 87.276 | 91.602 | 94.810 |
| 50 | Multifamily.. | 1.615 | 1.855 | 2.272 | 1.971 | 2.074 | 2.176 | 2.272 | 2,374 |
| 51 | Federal Home Loan Mortgage Corporation | 11.892 | 15.180 | 16,854 | 15.454 | 16,120 | 16.659 | 16,854 | 17,100 |
| 52 | 1- to 4-family . . . . . . . . . . . . . . . | 9.657 | 12,149 | 13,471 | 12,359 | 12,886 | 13,318 | 13,471 | 13,680 |
| 53 | Multifamily. | 2.235 | 3.031 | 3,383 | 3,095 | 3,234 | 3,341 | 3.383 | 3.420 |
| 54 | Farmers Home Administration. | 22.394 | 27.697 | 31.530 | 28.335 | 29.245 | 30.472 | 31.530 | 32,967 |
| 55 | 1- to 4-family . . . . . . . . | 13.400 | 14.884 | 16.683 | 14.926 | 15.224 | 16.226 | 16.683 | 16,640 |
| 56 | Multifamily. | 1.116 | 2.163 | 2.612 | 2.159 | 2.159 | 2.235 | 2,612 | 2,825 |
| 57 | Commercial | 3.560 | 4,328 | 5.271 | 4.495 | 4.763 | 5,059 | 5,271 | 5,382 |
| 58 | Farm | 4.318 | 6,322 | 6.964 | 6.755 | 7,1199 | 6,952 | 6.964 | 8.120 |
| 59 | Individual and others ${ }^{3}$ | 150.863 | 171.821 | 196.896 | 177.831 | 183.992 | 190.491 | 196.896 | 203.121 |
| 60 | 1-to 4 -family | 83.708 | 99.414 | 113.838 | 101.952 | 104.838 | 109,780 | 113.838 | 116.945 |
| 61 | Multifamily | 21,351 | 23.251 | 26.058 | 23,755 | 24.596 | 25.407 | 26,058 | 27,165 |
| 62 | Commercial | 22.883 | 24,128 | 26.819 | 25.529 | 26.505 | 26.299 | 26.819 | 27.649 |
| 63 | Farm . | 22.921 | 25.028 | 30.181 | 26,595 | 28.053 | 29.005 | 30.181 | 31,362 |

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

Nore. 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.

### 1.56 CONSUMER INSTALLMENT CREDIT ${ }^{1}$ Total Outstanding, and Net Change

Millions of dollars


1. The Board's series cover most short- and intermediate-term credit extended to individuals through regular business channels, usually to finance the purchase of consumer goods and services or to refinance debts incurred for such purposes, and scheduled to be repaid (or with the option of repayment) in two or more installments.
2. Includes auto dealers and excludes 30 -day charge credit held by travel and entertainment companies
3. Net change equals extensions minus liquidations (repayments, charge-offs, and other credit); figures for all months are seasonally adjusted.

### 1.57 CONSUMER INSTALLMENT CREDIT Extensions and Liquidations

Millions of dollars; monthly data are seasonally adjusted.

| Holder, and type of credit | 1978 | 1979 | 1980 | 1980 |  | 1981 |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | May |
|  | Extensions |  |  |  |  |  |  |  |  |  |
| 1 Total | 297,668 | 324,777 | 305,887 | 25,991 | 27,149 | 27,059 | 28,706 | 29,822 | 28,878 | 28,149 |
| By major holder 2 Commercial banks | 142,433 | 154,733 | 133,605 | 11.432 | 11,484 | 10.397 | 11.648 | 12,676 | 11.986 | 12,055 |
| 3 Finance companies | 50.505 | 61,518 | 60.801 | 4.852 | 5.185 | 5,904 | 6,193 | 5,911 | 5,218 | 4,937 |
| 4 Credit unions..... | 38.111 | 34,926 | 29.594 | 2.795 | 3.035 | 2,994 | 3.167 | 3,153 | 3.181 | 3,212 |
| 5 Retailers ${ }_{6}$ Saving . | 44,571 | 47,676 | 50.959 | 4,250 | 4.497 | 4,673 | 4,500 | 4,685 | 5.002 | 4,486 |
| ${ }_{7} 6$ Savings and loans.. | 16,017 | 18,005 | 22.402 | 2.024 | 2.061 | 2,130 | 2,284 | ${ }_{2}^{1.180}$ | 2,272 | 2,243 |
| 8 Mutual savings banks. | 2.307 | 2,018 | 1.905 | 194 | 229 | 246 | 163 | 179 | 234 | 148 |
| 9 Ay major type of credit |  |  |  |  |  |  |  |  |  |  |
|  | 87,981 | 93,901 | 83.002 | 7.117 | 7,234 3,271 | 7,237 2.598 | 8,333 3 360 | 8,700 4117 | 7.205 | 7.320 |
| 110 Commercial banks | 22,342 | -29,623 | 22.269 <br> 20.69 | 1,962 | 1 | 1,230 | 1.944 | 2,365 | 1,929 | 2,071 |
| 12 Direct loans | 23.627 | 23,931 | 18.388 | 1.590 | 1,414 | 1,368 | ${ }_{1}, 616$ | 1,752 | 1.509 | 1.556 |
| 13 Credit unions. | ${ }^{18,539}$ | 17.397 | 15.294 | 1.402 | ${ }_{2}^{1,538}$ | $1.592{ }^{\text {c }}$ | 1,613 | 1.586 |  | 1,608 |
| 14 Finance companies | 16,473 | 22,950 | 27.051 | 2.163 | 2,425 | 3,047 | 3,160 | 2,997 | 2.178 | 2,085 |
| 15 Revolving. . 16 Commercial bank | 105,125 | 120,174 | 129,580 | 10,953 | 11,614 | 11,483 | 11,867 | 12,071 | 12,352 | 11,904 |
| 16 Commercial banks | 51,333 <br> 37775 | ${ }_{41}^{61,048}$ | 61.847 4531 | 5.155 3.774 2 |  | ${ }_{4}^{5,185}$ | 5,602 3 3 | 5,695 4 4 2 196 | 5.561 | 5,613 |
| 18 Gasoline companies | 16,017 | 18,005 | 22.402 | 2.024 | 2,061 | 2.130 | 2,284 | 2,180 | 2,272 | 2,243 |
| 19 Mobile home | 5.412 | 6.471 | 5,098 | 424 | 479 | 383 | 409 | 641 | 551 | 609 |
| 20 Commercial banks | 3,697 | 4.542 | 2,942 | 243 93 | $\begin{array}{r}254 \\ 89 \\ \hline\end{array}$ | ${ }_{81}^{171}$ | 185 | $\begin{array}{r}259 \\ 88 \\ \hline\end{array}$ | 251 100 1 | 250 |
| ${ }_{22}^{21}$ Finance companies | 886 609 | 797 948 | 898 1,146 | 93 74 | 89 119 | 81 119 | 88 118 | 88 269 | 100 184 | 112 230 |
| 23 Credit unions. | 220 | 184 | 113 | 14 | 17 | 12 | 18 | 25 | 16 | 17 |
|  | 99.150 | 104,231 | 88.207 | 7.497 | 7.822 | 7.956 | 8.097 | 8.410 | 8,770 | 8.316 |
|  | 34,434 | 35,589 | 28.159 | 2,482 | 2,405 | 2,443 | 2,301 | 2.605 | 2,736 | 2,565 |
|  | 33,146 | 37.771 | 32.852 | ${ }^{2}, 596$ | 2,671 | $\stackrel{2}{2} 773$ | 2,945 | ${ }^{2} .8826$ | 2,940 | 2,740 |
|  | -19,392 | $\begin{array}{r}17.34 \\ 6.555 \\ \hline\end{array}$ | 14.187 5.628 5 | 1,379 | 1,480 | $\begin{array}{r}1,390 \\ \hline 505 \\ \hline\end{array}$ | 1,536 519 | 1,542 | 1,586 |  |
|  | 3,115 | 4,953 | 5.476 | 370 | 539 | 596 | 633 | 769 | 801 | 838 |
|  | 2,307 | 2,018 | 1.905 | 194 | 229 | 246 | 163 | 179 | 234 | 148 |
|  | Liquidations |  |  |  |  |  |  |  |  |  |
| 31 Total | 254,589 | 286,396 | 304,477 | 25,152 | 25,530 | 26,190 | 26,710 | 26,714 | 26,547 | 26,803 |
| By major holder 32 Commercial banks | 118,792 | 136,572 | 142,017 | 11.552 | 11,760 | 11,754 | 12,192 | 12,064 | 12,331 | 12,069 |
| 33 Finance companies | 41,075 | 47,498 | 52.363 | 4.258 | 4.325 | 4.791 | 4.663 | 4,372 | 3,965 | 4.528 |
| 34 Credit unions. | 31,382 | 32,741 | 32.069 | 2.577 | 2,657 | 2.706 | 2.723 | 2,866 | 2.909 | 2,821 |
| 35 Retailers ${ }^{1}$ | 42,074 | 45,544 | 49.668 | 4.198 | 4,181 | 4,264 | 4.397 | 4,432 | 4,471 | 4,489 |
| 36 Savings and loans | 3,717 | 4,574 | 5,136 | 458 | 468 | 483 | 497 | 620 | 564 | 549 |
| 37 Gasoline companies | 15,760 | 17,496 | 21.414 | 1,952 | 1,978 | 2,024 | 2,075 | 2,186 | 2,131 | 2,176 |
| 38 Mutual savings banks. | 1,789 | 1,971 | 1,810 | 157 | 161 | 168 | 163 | 174 | 176 | 171 |
| By major type of credit |  |  |  |  |  |  |  |  |  |  |
| 39 Automobile. | 69,245 | ${ }^{79,186}$ | ${ }^{83,037}$ | ${ }_{3}^{6,872}$ | ${ }^{6,932}$ | 7.300 3 3 | 7.354 | 7.018 | 6,777 | 7.515 |
| ${ }_{41}^{40}$ Commercial banks | - ${ }^{42.036}$ | ${ }_{2}^{25.135}$ | 25,750 <br> 1 | 3.87 <br> 2.006 <br> 1 | 3,038 | 7,851 2.069 | 2.173 2.980 | 3,088 2,097 | - 3,185 | 7, 2,154 2,154 |
| 42 Direct loans | 19.165 | 21,562 | 21,249 | 1.684 | 1.724 | 1,782 | 1.733 | 1,791 | 1,714 | 1,681 |
| 43 Credit unions. | 15,438 | 16.353 | 16.478 | 1.301 | 1,364 | 1.386 | 1.402 | 1,454 | 1,447 | 1,448 |
| 44 Finance companies | 11,771 | 16,136 | 19,560 | 1.881 | 1,806 | 2,063 | 2.046 | 1,676 | 1,431 | 2,232 |
| 45 Revolving......... | 96,090 | 111,546 | 126,655 | 10,688 | 10,998 | 10,926 | 11,426 | 11,484 | 11,514 | 11,554 |
| 46 Commercial banks | 45,366 | 55,527 | ${ }^{61.708}$ | 5, 303 | 5,343 | 5.1726 | 5.436 | 5.349 | 5.408 | 5.383 |
| 47 Retailers. | 34,964 | 38,523 | 43.533 | 3.702 | 3,677 | 3.776 | 3.915 | 3,949 | 3.975 | 3,995 |
| 48 Gasoline companies | 15.760 | 17,496 | 21.414 | 1.952 | 1,978 | 2,024 | 2,075 | 2,186 | 2,131 | 2,176 |
| 49 Mobile home | 5.126 | 4.868 | 4,610 | 400 | 413 | 407 | 456 | 553 | 406 |  |
| 50 Commercial banks | 3,278 | 3,440 | 3,213 | 276 | 288 | 256 | 287 | 294 | 266 | 243 |
| 51 Finance companies. | 812 | 559 | 543 | 49 | 41 | 66 | 70 | 63 | 42 |  |
| 52 Savings and loans. | 885 151 | 708 161 | 716 138 | 63 12 | 72 12 | 73 12 12 | 87 12 | 172 24 | 85 13 | 78 11 |
| 54 Other | 84,128 | 90,796 | 90,175 | 7,192 | 7.187 | 7.557 | 7,474 | 7,659 | 7,850 | 7,368 |
| 55 Commercial banks | 28,112 | 30,908 | 30,097 | 2.552 | 2,367 | 2,521 | 2,563 | 2,533 | 2,758 | 2,608 |
| 56 Finance companies | 28.492 | 30,803 | 32.260 | 2.328 | 2,478 | ${ }^{2} .662$ | 2,547 | 2,633 | 2,492 | 2,262 |
| 57 Credit unions..... | 15.793 | 16,227 | 15.453 | 1.264 | 1,281 | 1,308 | 1,309 | 1,388 | 1,449 | 1,362 |
| 58 Retailers | 7.110 | 7,021 | 6.135 | 496 | 504 | 488 | 482 | 483 | 496 | 494 |
| 59 Savings and loans | 2.832 1.789 | 3,866 1,971 | 4.420 | 395 157 | ${ }^{396}$ | 410 | 410 | 448 | 479 | ${ }_{171}$ |
| 60 Mutual savings banks . | 1,789 | 1,971 | 1,810 | 157 | 161 | 168 | 163 | 174 | 176 | 171 |

1. Includes auto dealers and excludes 30 -day charge credit held by travel and entertainment companies.
1.58 FUNDS RAISED IN U.S. CREDIT MARKETS

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


### 1.59 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 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1978 |  | 1979 |  | 1980 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |  | H1 | H2 | H1 | H2 | HI | H2 |
| 1 Total funds advanced in credit markets to nonfinancial sectors. | 200.7 | 261.0 | 335.3 | 398.3 | 390.6 | 349.8 | 387.4 | 409.2 | 377.7 | 402.3 | 318.0 | 389.7 |
| By public agencies and foreign |  |  |  |  |  |  |  |  |  |  |  |  |
| ${ }_{3}^{2}$ Total net advances .....i..... | ${ }_{22.5}^{44.6}$ | ${ }^{54.3}$ | 85.1 40.2 | 109.7 43.9 | 80.1 2.0 | 95.8 22.3 | 102.8 | ${ }_{44.0}^{16.6}$ | - 22.1 | 112.5 | 101.5 | ${ }_{21.3} 9$ |
| 4 Residential mortgages | 16.2 | 12.8 | 20.4 | 26.5 | 36.1 | 32.0 | 22.2 | 30.7 | 32.6 | 39.6 | 33.4 | 30.7 |
| 5 FHLB advances to savings and loans | -4.0 | -2.0 | 4.3 | 12.5 | 9.2 | 7.1 | 13.2 | 11.8 | 7.8 | 10.5 | 4.1 | 10.2 |
| 6 Other loans and securities... | 9.8 | 16.6 | 20.2 | 26.9 | 32.8 | 34.5 | 23.7 | 30.1 | 29.2 | 36.3 | 39.3 | 28.3 |
| Total advanced, by sector | 15.1 | 8.9 | 11.8 | 20.4 | 22.5 | 26.0 | 19.4 | 21.4 | 23.8 | 21.3 | 29.5 | 21.6 |
| 8 Sponsored credit agencie | 14.8 | 20.3 | 26.8 | 44.6 | 57.5 | 48.6 | 39.4 | 49.8 | 49.9 | 65.2 | 43.6 | 52.9 |
| 9 Monetary authorities | 8.5 | 9.8 | 7.1 | 7.0 | 7.7 | 4.5 | 13.4 |  | . 9 | 14.5 | 14.6 | -5.6 |
| 10 Foreign. | 6.1 | 15.2 | 39.4 | 37.7 | -7.7 | 16.7 | 30.6 | 44.9 | -27.0 | 11.7 | 13.8 | 21.5 |
| 11 Agency borrowing not included in line 1 | 13.5 | 18.6 | 26.3 | 41.4 | 52.4 | 47.5 | 38.5 | 44.3 | 45.8 | 59.0 | 45.8 | 48.9 |
| Private domestic funds advanced |  |  |  |  |  |  |  |  |  |  |  |  |
| 12 Total net advances | 169.7 | 225.4 | 276.5 | 330.0 | 362.9 | 301.5 | 323.2 | 336.9 | 375.9 | 348.8 | 262.4 | 348.2 |
| 13 U.S. govermment securities | 75.7 | 61.3 | 44.1 | 51.3 | 87.9 | 104.6 | 56.3 | 46.4 | 96.6 | 79.1 |  | 121.5 |
| 14 State and local obligations. | ${ }_{32}^{16.1}$ | 15.7 | 23.7 | 28.3 | ${ }^{18.9}$ | 22.22 | 27.8 | 28.7 | 16.0. | 21.8 | 18.5 | 31.6 |
| 15 Corporate and foreign bonds | 32.8 | ${ }_{5}^{30.5}$ | 22.5 | 22.5 | ${ }^{25.6}$ | ${ }_{58}^{25.5}$ | 24.1 | 20.9 | $\stackrel{26.9}{ }$ | 24.3 | 32.6 | 19.5 |
| 16 Residential mortgages | 23.2 | 52.6 | 83.3 | 88.2 | 81.8 | 58.1 | 87.1 | 89.5 | 85.1 | 78.5 | 45.2 | 71.0 |
| 17 Other mortgages and loans. | 17.9 | 63.3 | 107.3 | 152.2 | 157.9 | 98.2 | 141.1 | 163.3 | 159.1 | 155.6 | 84.2 | 114.7 |
| 18 Less: Federal Home Loan Bank | -4.0 | -2.0 | 4.3 | 12.5 | 9.2 | 7.1 | 13.2 | 11.8 | 7.8 | 10.5 | 4.1 | 10.2 |
| Private financial intermediation <br> 19 Credit market funds advanced by private financial |  |  |  |  |  |  |  |  |  |  |  |  |
| 20 Commercial banking. | 29.4 | 59.6 | 87.6 | 128.7 | 121.1 | 103.5 | 132.5 | 125.0 | 124.6 | 117.6 | 57.0 | 142.4 |
| 21 Savings institutions. | 53.5 | 70.8 | 82.0 | 75.9 | 56.3 | 57.6 | 75.8 | 75.9 | 57.7 | 54.9 | 32.1 | 81.1 |
| 22 Insurance and pension funds. | 40.6 | 49.9 | 67.9 | 73.5 | 70.4 | 76.4 | 76.9 | 70.2 | 75.4 | 65.5 | 86.4 | 68.0 |
| 23 Other finance. | -1.0 | 9.8 | 19.6 | 18.7 | 44.7 | 28.1 | 16.6 | 20.9 | 49.8 | 39.6 | 55.2 | 1.5 |
| 24 Sources of funds | 122.5 | 190.1 | 257.0 | 296.9 | 292.5 | 265.6 | 301.7 | 292.0 | 307.5 | 277.4 | 230.7 | 293.0 |
| 25 Private domestic deposits | 92.0 | 124.6 | 141.2 | 142.5 | 136.7 | 163.9 | 138.3 | 146.7 | 121.7 | 151.6 | 148.3 | 183.0 |
| 26 Credit market bortowing | -1.4 | 4.4 | 26.9 | 38.3 | 33.8 | 19.8 | 40.0 | 36.7 | 38.4 | 29.2 | 5.3 | 31.0 |
| 27 Other sources. | 32.0 | 61.0 | 89.0 | 116.0 | 122.0 | 81.9 | 123.5 | 108.6 | 147.3 | 96.6 | 77.2 | 79.0 |
| ${ }_{29}^{28}$ Foreign funds. | -8.7 | -4.6 | 1.2 | 6.3 | 26.3 | -20.0 | 5.7 | 6.9 | 49.4 | 3.2 | -18.1 | -28.1 |
| 29 Treasury balances | $-1.7$ | -. 1 | 4.3 | 6.8 |  | $-2.0$ | 1.9 | 11.6 | 5.1 | -4.3 | -2.5 | -2.6 |
| 30 Insurance and pension reserves | 29.7 | 34.5 | 49.4 | 62.7 | 49.0 | 58.5 | 66.2 | 59.2 | 53.9 | 44.0 | 62.4 | 55.6 |
| 31 Other, net. | 12.7 | 31.2 | 34.1 | 40.3 | 46.3 | 45.4 | 49.6 | 31.0 | 38.9 | 53.7 | 35.4 | 54.1 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| $\begin{array}{ll}33 & \text { U.S. government securities } \\ 34 & \text { State and local obligations. }\end{array}$ | 24.1 8.4 | $\begin{array}{r}16.1 \\ 3.8 \\ \hline\end{array}$ | 23.0 2.6 | $\begin{array}{r}33.2 \\ 4.5 \\ \hline\end{array}$ | 57.8 -2.5 | $\begin{array}{r}30.7 \\ -1.8 \\ \hline\end{array}$ | $\begin{array}{r}32.1 \\ 7.0 \\ \hline\end{array}$ | 34.4 2.0 | 64.1 -2.3 | -21.5 | 15.5 -1.6 | 48.8 7.9 |
| 35 Corporate and foreign bonds | 8.4 | 5.8 | -3.3 | -1.4 | 11.1 | 5.4 | -3.7 | 1.0 | 7.8 | 14.2 | 5.2 | 5.3 |
| 36 Commercial paper | -1.3 | 1.9 | 9.5 | 16.3 | 10.7 | -2.4 | 8.2 | 24.4 | 12.5 | 9.0 | -5.7 | -2.9 |
| 37 Other | 6.2 | 12.0 | 14.5 | 18.8 | 27.1 | 23.9 | 17.8 | 19.8 | 24.7 | 28.5 | 23.6 | 27.0 |
| 38 Deposits and currency | 98.1 | 131.9 | 149.5 | 151.8 | 144.7 | 173.5 | 148.7 | 154.8 | 131.1 | 158.1 | 157.3 | 194.6 |
| 39 Security RPs. |  | 2.3 | 2.2 |  |  |  | 9.8 |  |  |  |  |  |
| 40 Money market fund shares | 1.3 |  |  | 6.9 | 34.4 | 29.2 | 6.1 |  | 30.2 | 38.6 | 61.9 | -3.4 |
| 41 Time and savings accounts | 84.0 | 113.5 | 121.0 | 115.2 | 84.7 | 131.8 | 110.7 | 119.8 | 71.4 | 97.9 | 92.3 | 178.9 |
| 42 Large at commercial banks | -15.8 | -13.2 | 23.0 | 45.9 |  | 12.7 | 33.9 | 57.9 | -25.3 | 26.0 | -12.0 | 72.6 |
| 43 Other at commercial banks | 40.3 | 57.6 | 29.0 | 8.2 | 39.3 | 62.9 | 18.4 | -1.9 | 41.3 | 37.3 | 60.8 | 37.7 |
| 44 At savings institutions | 59.4 | 69.1 | 69.0 | ${ }^{61.1}$ | 45.1 | 56.2 | 58.5 | 63.8 | 55.4 | 34.7 | 43.5 | 68.7 |
| 45 Money......... | 12.6 6.4 | $\begin{array}{r}16.1 \\ 8.8 \\ \hline\end{array}$ | 26.1 | -22.22 | 18.9 110 | $\begin{array}{r}7.8 \\ -18 \\ \hline\end{array}$ | 22.1 | ${ }_{14}^{22.3}$ | 10.9 |  | -2.2 | 11.8 |
| 47 Currency...... | 6.2 | ${ }_{7.3}^{8.8}$ | 17.8 8.3 | $\underline{9.3}$ | 7.9 | - 9.6 | 10.5 | 14.2 8.1 | 9.3 | 6.5 | 9.0 | 11.6 |
| 48 Total of credit market instruments, deposits and currency | 143.9 | 171.6 | 195.8 | 223.3 | 248 | 229.1 | 210 | 236.4 | 237.9 | 258 | 194 | 280.8 |
| 49 Public support rate (in percent) | 22.2 | 20.8 | 25.4 | 27.5 | 20.5 | 27.4 | 26.5 | 28.5 | 12.6 | 28.0 | 31.9 | 23.2 |
| 50 Private financial intermediation (in percent) | 72.2 | 84.3 | 93.0 | 90.0 | 80.6 | 88.1 | 93.4 | 86.7 | 81.8 | 79.5 | 87.9 | 84.2 |
| 51 Total foreign funds.. | -2.6 | 10.6 | 40.5 | 44.0 | 18.6 | -3.3 | 36.3 | 51.8 | 22.4 | 14.9 | -4.3 | -6.6 |
| 52 Memo: Corporate equitie |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 10.7 -.1 1 | 11.9 -1.0 | 4.0 -.9 | $\begin{array}{r}3.7 \\ -1.0 \\ \hline\end{array}$ | - 6.6 | 17.0 -2.0 | -. 4 | 7.9 -1.5 | $\begin{array}{r}4.8 \\ -1.0 \\ \hline\end{array}$ | 8.4 -.9 | 10.4 .9 | $\underline{2} 17.6$ |
| 54 Other equities | 10.8 | 12.9 | 4.9 | 4.7 | 7.6 | 15.0 | , | 9.4 | 5.8 | 9.3 | 9.5 |  |
| 55 Acquisitions by financial in | 1.1 | $\begin{array}{r} 12.3 \\ -.4 \end{array}$ | $\begin{array}{r} 7.4 \\ -3.4 \end{array}$ | $\begin{array}{r} 7.6 \\ -3.8 \end{array}$ | $\begin{array}{r} 15.7 \\ -9.1 \end{array}$ | $\begin{gathered} 18.7 \\ -1.7 \end{gathered}$ | $\begin{array}{r} .4 \\ -.8 \end{array}$ | 14.7-6.8 | 12.5-7.7 | $\begin{array}{r} 18.9 \\ -10.5 \end{array}$ | 10.5 | $\begin{array}{r} 25.1 \\ -5.5 \end{array}$ |
| 56 Other net purchases. |  |  |  |  |  |  |  |  |  |  |  |  |

[^33]30. Excludes net investment of these reserves in corporate equities.
31. Mainly retained earnings and net miscellaneous liabilities.
32. Line 12 less line 19 plus line 26

33-37. Lines 13-17 less amounts acquired by private finance. Line 37 includes mortgages.
7. Mainly an offset to line 9
48. Lines 32 plus 38 , or line 12 less line 27 plus 45 .
49. Line $2 /$ line 1.
50. Line 19/line 12
51. Sum of lines 10 and 28.

52,54 . Includes issues by financial institutions.
NOTE. Full statements for sectors and transaction types quarterly, and annually for flows and for amounts outstanding, may be obtained from Flow of Funds Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

### 2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

$1967=100$; monthly and quarterly data are seasonally adjusted. Exceptions noted.

| Measure | 1978 | 1979 | 1980 | 1980 |  |  | 1981 |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. ${ }^{\text {r }}$ | Apr, ${ }^{r}$ | May | June |
| 1 Industrial production ${ }^{1}$ | 146.1 | 152.5 | 147.1 | 146.9 | 149.4 | 151.0 | 151.7 | 152.2 | 152.2 | 152.2 | 152.8 | 152.7 |
| 2 Market groupings | 144.8 | 150.0 | 146.8 | 147.2 | 148.7 | 149.9 | 150.3 | 149.8 | 150.7 | 151.5 |  |  |
| 3 Final, total.. | 135.9 | 147.2 | 145.4 | 145.8 | 147.5 | 148.3 | 148.3 | 1474.9 | 149.2 | 150.3 | 151.9 | 150.7 |
| 4 Consumer goods | 149.1 | 150.8 | 145.5 | 146.6 | 148.0 | 147.7 | 147.2 | 146.9 | 148.2 | 149.2 | 149.8 | 149.4 |
| 5 Equipment | 132.8 | 142.2 | 145.1 | 144.8 | 146.7 | 149.1 | 149.8 | 149.1 | 150.7 | 151.7 | 152.5 | 152.4 |
| 6 Intermediate. | 154.1 | 160.5 | 151.9 | 152.4 | 153.5 | 156.1 | 157.7 | 156.9 | 156.3 | 155.9 | 155.3 | 154.3 |
| 7 Materials. | 148.3 | 156.4 | 147.7 | 146.4 | 150.5 | 152.6 | 153.8 | 154.2 | 154.4 | 153.2 | 154.3 | 154.7 |
| Industry groupings 8 Manufacturing ... | 146.8 | 153.6 | 146.6 | 146.4 | 149.1 | 150.6 | 151.1 | 151.0 | 151.7 | 152.3 | 152.9 | 152.2 |
| Capacity utilization (percent) ${ }^{1.2}$ 9 Manufacturing | 84.4 | 85.7 | 79.0 | 78.2 | 79.4 | 79.9 | 80.0 | 79.8 | 79.9 | 80.0 | 80.1 | 79.6 |
| 10 Industrial materials industries. | 85.6 | 87.4 | 79.8 | 78.4 | 80.4 | 81.3 | 81.7 | 81.7 | 81.7 | 80.9 | 81.3 | 81.3 |
| 11 Construction contracts (1972 $=100)^{3}$. | 174.1 | 185.6 | 161.8 | 167.0 | 210.0 | 193.0 | 185.0 | 177.0 | 183.0 | 172.0 | 160.0 |  |
| 12 Nonagricultural employment, total ${ }^{4}$ | 131.8 | $136.5 r$ | $137.6^{r}$ | 137.8r | $138.1^{r}$ | $138.2{ }^{\text {r }}$ | $138.4{ }^{r}$ | $138.7{ }^{\text {r }}$ | 138.8 | 139.0 | 139.1 | 139.1 |
| 13 Goods-producing, total . . . . . . . | 109.8 | $113.5 r$ | $110.3 r$ | $109.5 r$ | $110.0{ }^{r}$ | $110.0 r$ | $110.0^{r}$ | $110.1{ }^{r}$ | 110.3 | 110.3 | 110.2 | 110.6 |
| 14 Manufacturing, total. | 105.4 | $108.2{ }^{\text {r }}$ | $104.4{ }^{\text {r }}$ | $103.4{ }^{\prime}$ | $103.8{ }^{r}$ | 103.7 r | $103.7{ }^{r}$ | $103.8{ }^{r}$ | 103.8 | 104.6 | 105.0 | 104.9 |
| 15 Manufacturing, production-worker | 103.0 | $105.3{ }^{r}$ | $99.4{ }^{\text {r }}$ | $98.0{ }^{\prime}$ | $98.4{ }^{r}$ | $98.3{ }^{r}$ | $98.2{ }^{r}$ | $98.2{ }^{r}$ | 98.4 | 99.2 | 99.6 | 99.7 |
| 16 Service-producing. | 143.8 | $149.1{ }^{r}$ | $152.6^{7}$ | 153.3' | $153.5^{r}$ | 153.7 r | $154.0{ }^{\text {r }}$ | $154.4{ }^{r}$ | 154.5 | 154.7 | 154.9 | 154.8 |
| 17 Personal income, total | 273.3 | 308.5 | 342.9 | 354.7 | 358.3 | 361.4 | 365.2 | $368.0{ }^{\text {r }}$ | 371.5 | 373.6 | 275.7 | n.a. |
| 18 Wages and salary disbursements | 258.8 | 289.5 | 314.7 | 323.6 | 328.0 | 330.5 | 335.6 | 337.9 | 340.2 | 341.4 | 242.9 | n.a. |
| 19 Manufacturing. | 223.1 | 248.6 | 261.5 | 267.6 | 273.1 | 275.8 | 280.1 | 281.3 | 382.9 | 285.8 | 288.4 |  |
| 20 Disposable personal income ${ }^{5}$ | 267.0 | 299.6 | 332.5 | 339.3 | 343.2 | 346.4 | 349.2 | 352.5 | 355.3 | 358.7 | 360.5 | 362.4 |
| 21 Retail sales ${ }^{6}$. | 253.8 | 281.6 | 300.0 | 308.0 | 313.8 | 315.8 | 326.6 | 331.7 | 3.348 | 3.281 | 3.260 | 3.300 |
| 2 Prices $^{7}$ |  |  |  |  |  |  |  |  |  |  |  |  |
| 22 Consumer............. | 195.4 | 217.4 | 246.8 | 253.9 | 256.2 | 258.4 | 260.5 | 263.2 | 265.1 | 226.8 | 269.0 | n.a. |
| 23 Producer finished goods. | 194.6 | 216.1 | 246.9 | 255.4 | 256.2 | 257.2 | 260.4 | 262.4 | 265.3 | 267.7 | 268.9 | 269.9 |

1. The industrial production and capacity utilization series have been revised back to January 1979.
2. Ratios of indexes of production to indexes of capacity. Based on data from Federal Reserve, McGraw-Hill Economics Department, and Department of Commerce.
3. Index of dollar value of total construction contracts. including residential. nonresidential, and heavy engineering, from McGraw-Hill 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. 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 | 1980 |  | 1981 |  | 1980 |  | 1981 |  | 1980 |  | 1981 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
|  | Output (1967 = 100) |  |  |  | Capacity (percent of 1967 output) |  |  |  | Utilization rate (percent) |  |  |  |
| 1 Manufacturing . | 141.0 | 148.7 | 151.3 | 152.5 | 186.3 | 187.8 | 189.3 | 190.8 | 75.7 | 79.2 | 79.9 | 79.9 |
| 2 Primary processing | 139.6 | 153.1 | 157.3 | 157.2 | 191.5 | 193.0 | 194.3 | 195.4 | 72.9 | 79.4 | 81.0 | 80.5 |
| 3 Advanced processing | 141.8 | 146.4 | 148.2 | 149.7 | 183.5 | 185.0 | 186.6 | 188.3 | 77.3 | 79.1 | 79.4 | 79.5 |
| 4 Materials. | 139.2 | 149.8 | 154.1 | 154.1 | 185.8 | 187.2 | 188.7 | 189.8 | 74.9 | 80.0 | 81.7 | 81.1 |
| 5 Durable goods. | 131.5 | 145.1 | 151.1 | 152.9 | 190.0 | 191.5 | 192.8 | 194.0 | 69.2 | 75.8 | 78.4 | 78.8 |
| 6 Metal materials | 86.6 | 109.9 | 117.2 | n.a. | 140.9 | 141.0 | 141.1 | n.a. | 61.5 | 78.0 | 83.1 | п.a. |
| 7 Nondurable goods. | 161.9 | 175.5 | 179.1 | 179.7 | 204.3 | 206.5 | 208.5 | 210.1 | 79.2 | 85.0 | 85.9 | 85.5 |
| 8 Textile, paper, and chemic | 165.6 | 182.7 | 186.8 | 188.6 | 213.7 | 216.2 | 218.5 | 220.4 | 77.5 | 84.5 | 85.5 | 85.6 |
| 9 Textile.............. | 113.4 | 113.2 | 111.0 | n.a. | 139.6 | 140.0 | 140.3 | п.a. | 81.2 | 80.9 | 79.1 | п.a. |
| 10 Paper. | 142.9 | 148.9 | 151.2 | n.à. | 157.4 | 158.8 | 160.0 | n.a. | 90.7 | 93.8 | 94.5 | п.a. |
| 11 Chemical. | 197.9 | 226.9 | 234.6 | n.a. | 268.7 | 272.9 | 276.4 | n.a. | 73.6 | 83.2 | 84.9 | п.a. |
| 12 Energy materials. | 129.6 | 129.5 | 130.8 | 125.0 | 152.6 | 153.1 | 154.1 | 155.0 | 85.0 | 84.6 | 84.9 | 80.7 |

2.11 Continued


1. Monthly high 1973; monthly low 1975.
2. Preliminary; monthly highs December 1978 through January 1980; monthly lows July 1980 through October 1980.

### 2.12 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

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

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value ${ }^{1}$

Monthly data are seasonally adjusted.

| Grouping | 1967 <br> pro- <br> por- <br> tion | $\begin{gathered} 1980 \\ \text { aver- } \\ \text { age } \end{gathered}$ | 1980 |  |  |  |  |  |  | 1981 |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. ${ }^{\text {r }}$ | Apr. | May $p$ | June ${ }^{\text {e }}$ |
|  |  |  | Index (1967 = 100) |  |  |  |  |  |  |  |  |  |  |  |  |
| Major Market |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1 Total index | 100.00 | 147.1 | 141.5 | 140.4 | 141.8 | 144.1 | 146.9 | 149.4 | 151.0 | 151.7 | 151.5 | 152.2 | 152.2 | 152.8 | 152.7 |
| 2 Products. | 60.71 | 146.8 | 142.5 | 142.8 | 143.8 | 145.3 | 147.2 | 148.7 | 149.9 | 150.3 | 149.8 | 150.7 | 151.5 | 151.9 | 151.4 |
| 3 Final products. | 47.82 | 145.4 | 142.3 | 142.4 | 142.8 | 143.9 | 145.8 | 147.5 | 148.3 | 148.3 | 147.9 | 149.2 | 150.3 | 150.9 | 150.7 |
| 4 Consumer goods | 27.68 | 145.5 | 142.1 | 142.0 | 142.7 | 144.3 | 146.6 | 148.0 | 147.7 | 147.2 | 146.9 | 148.2 | 149.2 | 149.8 | 149.4 |
| 5 Equipment | 20.14 | 145.1 | 142.6 | 142.9 | 142.9 | 143.2 | 144.8 | 146.7 | 149.1 | 149.8 | 149.1 | 150.7 | 151.7 | 152.5 | 152.4 |
| 6 Intermediate products. | 12.89 | 151.9 | 146.2 | 144.5 | 147.6 | 150.6 | 152.4 | 153.5 | 156.1 | 157.7 | 156.9 | 156.3 | 155.9 | 155.3 | 154.3 |
| 7 Materials | 39.29 | 147.7 | 140.0 | 136.5 | 138.6 | 142.4 | 146.4 | 150.5 | 152.6 | 153.8 | 154.2 | 154.4 | 153.2 | 154.3 | 154.7 |
| Consumer goods |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 8 Durable consumer goods | 7.89 | 136.5 | 128.2 | 128.3 | 128.6 | 132.7 | 139.6 | 142.9 | 141.3 | 138.8 | 138.9 | 143.3 | 144.0 | 146.5 | 145.8 |
| Automotive products | 2.83 | 132.7 | 121.6 | 129.2 | 121.5 | 130.6 | 141.8 | 145.3 | 139.1 | 127.1 | 129.0 | 139.4 | 143.6 | 151.3 | 152.4 |
| 10 Autos and utility vehicles | 2.03 | 109.9 | 97.1 | 106.4 | 94.1 | 105.5 | 120.2 | 124.3 | 115.9 | 99.8 | 103.7 | 116.7 | 120.1 | 129.9 | 131.6 |
| 11 Autos | 1.90 | 103.4 | 95.7 | 105.2 | 91.3 | 98.0 | 110.7 | 114.3 | 105.3 | 90.0 | 96.0 | 108.3 | 113.2 | 120.8 | 122.2 |
| 12 Auto parts and allied goods. . | 80 | 190.4 | 184.0 | 183.7 | 186.9 | 191.1 | 194.2 | 196.8 | 198.6 | 198.0 | 196.6 | 196.9 | 203.2 | 205.9 | 205.2 |
| 13 Home goods | 5.06 | 138.7 | 134.6 | 132.0 | 127.7 | 132.6 | 134.0 | 138.3 | 141.5 | 142.6 | 145.4 | 145.5 | 144.3 | 143.8 | 142.1 |
| 14 Appliances, A/C, and TV | 1.40 | 117.1 | 105.6 | 102.3 | 114.2 | 116.3 | 123.5 | 128.4 | 126.8 | 131.2 | 124.2 | 127.7 | 120.8 | 119.0 | 117.0 |
| 15 Appliances and TV | 1.33 | 119.5 | 108.5 | 103.4 | 114.2 | 117.6 | 125.6 | 131.0 | 129.2 | 132.7 | 126.7 | 129.7 | 122.3 | 120.1 |  |
| 16 Carpeting and furniture | 1.07 | 155.0 | 146.7 | 136.1 | 141.1 | 146.1 | 150.2 | 154.9 | 156.3 | 156.8 | 159.9 | 159.3 | 164.1 | 165.1 |  |
| 17 Miscellaneous home goods. | 2.59 | 143.6 | 140.2 | 138.1 | 139.1 | 138.6 | 141.5 | 143.0 | 145.4 | 148.4 | 149.0 | 149.4 | 148.9 | 148.4 | 146.6 |
| 18 Nondurable consumer goods | 19.79 | 149.1 | 147.6 | 147.4 | 148.3 | 148.9 | 149.4 | 150.1 | 150.2 | 150.5 | 150.1 | 150.1 | 151.3 | 151.1 | 150.8 |
| 19 Clothing. | 4.29 | 126.8 | 126.7 | 122.5 | 123.6 | 122.1 | 125.1 | 127.3 | 123.7 | 122.3 | 119.9 | 120.0 | 120.3 |  |  |
| 20 Consumer staples. | 15.50 | 155.3 | 153.4 | 154.3 | 155.1 | 156.3 | 156.1 | 156.4 | 157.5 | 158.3 | 158.5 | 158.5 | 159.9 | 159.4 | 159.3 |
| 21 Consumer foods and tobacco | 8.33 | 147.0 | 146.2 | 146.4 | 146.0 | 147.0 | 147.7 | 148.0 | 148.9 | 148.7 | 149.3 | 149.6 | 151.0 | 149.9 |  |
| 22 Nonfood staples ............ | 7.17 | 165.0 | 161.7 | 163.6 | 165.7 | 167.1 | 165.9 | 166.2 | 167.6 | 169.5 | 169.1 | 168.8 | 170.2 | 170.5 | 171.2 |
| 23 Consumer chemical | 2.63 | 208.7 | 202.6 | 204.3 | 209.3 | 213.0 | 210.2 | 210.0 | 212.5 | 214.7 | 217.6 | 220.0 | 222.9 | 223.6 |  |
| 24 Consumer paper products | 1.92 | 122.9 | 120.6 | 121.5 | 122.0 | 122.3 | 124.8 | 127.3 | 127.0 | 127.6 | 129.5 | 129.1 | 127.4 | 126.7 |  |
| 25 Consumer energy products | 2.62 | 151.9 | 150.9 | 153.5 | 153.9 | 154.0 | 151.5 | 150.8 | 152.3 | 154.8 | 149.4 | 146.5 | 148.8 | 149.3 | . . . $\cdot$ |
| 26 Residential utilities.... | 1.45 | 171.2 | 170.1 | 176.5 | 178.6 | 178.3 | 175.0 | 171.8 | 171.2 | 174.4 | 167.0 | 166.5 | 170.3 |  |  |
| Equipment |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 27 Business. | 12.63 | 173.3 | 169.8 | 170.1 | 170.3 | 170.5 | 172.3 | 174.5 | 177.8 | 178.9 | 178.3 | 180.5 | 182.1 | 183.2 | 183.0 |
| 28 Industrial. | 6.77 | 157.0 | 155.2 | 154.8 | 154.5 | 154.2 | 154.4 | 157.1 | 160.7 | 163.8 | 165.2 | 167.3 | 168.6 | 170.0 | 170.1 |
| 29 Building and mining | 1.44 | 241.3 | 241.0 | 244.4 | 243.6 | 243.4 | 244.3 | 250.1 | 255.7 | 265.9 | 272.2 | 279.6 | 285.4 | 289.2 | 289.4 |
| 30 Manufacturing | 3.85 | 128.5 | 126.1 | 126.0 | 124.4 | 123.9 | 123.9 | 126.4 | 130.6 | 131.1 | 131.0 | 132.0 | 131.9 | 133.1 | 133.3 |
| 31 Power....... | 1.47 | 149.0 | 147.1 | 142.0 | 145.9 | 146.1 | 146.1 | 146.0 | 146.1 | 149.1 | 149.9 | 149.3 | 149.9 | 149.7 | 149.4 |
| 32 Commercial transit, farm | 5.86 | 192.1 | 186.7 | 187.8 | 188.4 | 189.4 | 192.8 | 194.7 | 197.6 | 196.3 | 193.4 | 195.9 | 197.6 | 198.5 | 197.9 |
| 33 Commercial. | 3.26 | 237.5 | 228.8 | 229.0 | 233.6 | 237.2 | 242.0 | 244.0 | 248.3 | 249.6 | 250.9 | 253.4 | 254.4 | 256.0 | 255.7 |
| 34 Transit | 1.93 | 139.4 | 138.0 | 140.9 | 138.4 | 133.8 | 135.0 | 136.6 | 137.9 | 131.7 | 122.9 | 126.6 | 129.4 | 130.6 | 129.8 |
| 35 Farm. | 67 | 123.2 | 121.6 | 122.5 | 112.7 | 116.8 | 120.2 | 121.9 | 123.1 | 122.9 | 116.4 | 115.3 | 117.9 | 114.5 |  |
| 36 Defense and space. | 7.51 | 97.8 | 96.8 | 97.2 | 96.9 | 97.4 | 98.5 | 99.8 | 100.7 | 101.0 | 100.2 | 100.5 | 100.8 | 100.9 | 100.9 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 38 Business supplies. | 6.47 | 162.9 | 158.4 | 160.4 | 161.9 | 163.6 | 164.3 | 164.2 | 167.5 | 168.0 | 166.5 | 164.8 | 164.8 | 164.2 | 14 |
| 39 Commercial energy products. | 1.14 | 173.6 | 168.7 | 172.1 | 173.7 | 175.2 | 174.6 | 174.0 | 179.4 | 178.3 | 175.0 | 174.4 | 174.1 | 174.2 |  |
| Materials |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 40 Durable goods materials. | 20.35 | 143.1 | 133.8 | 129.0 | 131.3 | 134.2 | 140.4 | 146.6 | 148.4 | 150.2 | 150.7 | 152.4 | 152.4 | 153.7 | 152.7 |
| 41 Durable consumer parts. | 4.58 | 109.0 | 96.0 | 93.9 | 98.1 | 104.2 | 110.8 | 115.5 | 116.3 | 116.2 | 115.9 | 119.9 | 121.9 | 123.0 | 123.3 |
| 42 Equipment parts | 5.44 | 187.3 | 182.5 | 177.6 | 176.3 | 176.0 | 178.5 | 184.0 | 185.8 | 189.2 | 188.9 | 191.5 | 192.1 | 194.6 | 194.1 |
| 43 Durable materials n.e.c. | 10.34 | 135.0 | 125.0 | 118.9 | 122.4 | 125.4 | 133.4 | 140.6 | 142.9 | 144.6 | 146.0 | 146.2 | 144.9 | 145.8 | 143.9 |
| 44 Basic metal materials | 5.57 | 104.6 | 95.9 | 84.7 | 89.4 | 91.7 | 102.0 | 114.4 | 115.0 | 116.3 | 118.1 | 118.1 | 114.7 | 115.3 |  |
| 45 Nondurable goods materials | 10.47 | 170.7 | 159.6 | 156.2 | 159.8 | 169.7 | 173.7 | 174.1 | 178.8 | 180.2 | 179.6 | 177.7 | 179.1 | 180.3 | 179.8 |
| 46 Textile, paper, and chemical materials | 7.62 | 177.0 | 163.4 | 158.5 | 163.2 | 175.1 | 180.5 | 181.0 | 186.5 | 187.7 | 187.4 | 185.4 | 187.2 | 189.6 | 189.0 |
| 47 Textile materials ......... | 1.85 | 116.0 | 114.0 | 114.4 | 111.0 | 114.7 | 114.9 | 113.0 | 111.8 | 111.9 | 111.1 | 109.9 | 112.3 | 113.1 |  |
| 48 Paper materials | 1.62 | 145.1 | 143.4 | 138.4 | 142.0 | 148.2 | 147.3 | 149.5 | 150.0 | 149.6 | 151.7 | 152.2 | 150.9 | 151.3 |  |
| 49 Chemical materials | 4.15 | 216.7 | 193.3 | 186.1 | 194.9 | 212.6 | 22.9 | 223.8 | 234.1 | 236.4 | 235.5 | 232.1 | 235.0 | 238.7 |  |
| 50 Containers, nondurable | 1.70 | 165.1 | 157.7 | 159.0 | 158.8 | 167.2 | 168.6 | 166.6 | 169.7 | 172.1 | 171.0 | 168.8 | 170.1 | 167.6 |  |
| 51 Nondurable materials n.e.c. | 1.14 | 137.3 | 136.8 | 136.6 | 137.9 | 137.2 | 135.7 | 139.1 | 141.1 | 142.0 | 140.4 | 139.4 | 138.3 | 137.1 |  |
| 52 Energy materials | 8.48 | 130.0 | 130.4 | 130.4 | 130.0 | 128.4 | 127.2 | 130.9 | 130.5 | 130.2 | 131.3 | 130.7 | 123.3 | 123.4 | 128.4 |
| 53 Primary energy. | 4.65 | 115.1 | 117.3 | 115.6 | 114.0 | 114.3 | 113.7 | 114.5 | 115.0 | 114.4 | 117.5 | 116.2 | 103.9 | 104.0 |  |
| 54 Converted fuel materials | 3.82 | 148.2 | 146.4 | 148.4 | 149.4 | 145.4 | 143.6 | 150.9 | 149.4 | 149.4 | 148.0 | 148.3 | 146.8 | 146.9 |  |
| ${ }_{55} \begin{aligned} & \text { Supplementary groups } \\ & \text { Home goods and clothing }\end{aligned}$ |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 55 Home goods and clothing | 12.23 | 138.8 | 138.4 | 139.2 | 139.2 | 138.2 | 136.8 | 139.2 | 139.7 | 139.8 | 139.2 | 133.8 | 133.5 | 133.4 | 132.1 |
| 57 Products. | 3.76 | 158.5 | 156.3 | 159.1 | 159.9 | 160.5 | 158.5 | 157.9 | 160.5 | 161.9 | 157.1 | 155.0 | 156.5 | 156.8 |  |
| 58 Materials | 8.48 | 130.0 | 130.4 | 130.4 | 130.0 | 128.4 | 127.2 | 130.9 | 130.5 | 130.2 | 131.3 | 130.7 | 123.3 | 123.4 | 128.4 |


| Grouping | SIC <br> code | 1967 <br> pro- <br> por- <br> tion | $\begin{aligned} & 1980 \\ & \text { avg. } \end{aligned}$ | 1980 |  |  |  |  |  |  | 1981 |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. ${ }^{\text {r }}$ | Apr. | May $p$ | June ${ }^{\text {e }}$ |
|  |  |  |  | Index (1967 $=100$ ) |  |  |  |  |  |  |  |  |  |  |  |  |
| Major Industry |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1 Mining and utilities. |  | 12.05 | 150.4 | 150.1 | 150.1 | 150.5 | 150.5 | 150.2 | 152.8 | 154.0 | 155.2 | 155.2 | 155.8 | 151.7 | 152.2 | 156.1 |
| 2 Mining. . . . . . . . |  | 6.36 | 132.9 | 132.9 | 130.6 | 129.6 | 130.5 | 132.1 | 136.0 | 139.3 | 141.1 | 143.3 | 143.5 | 135.8 | 135.9 | 141.3 |
| 3 Utilities |  | 5.69 | 169.9 | 169.3 | 171.8 | 173.8 | 172.7 | 170.4 | 171.5 | 170.3 | 171.0 | 168.5 | 169.4 | 169.4 | 170.5 | 172.5 |
| 4 Electric |  | 3.88 | 189.7 | 188.7 | 192.4 | 195.4 | 193.9 | 190.3 | 191.5 | 190.3 | 191.1 | 187.4 | 188.7 | 188.5 | 190.0 | 192.9 |
| 5 Manufacturing |  | 87.95 | 146.6 | 140.3 | 139.1 | 140.6 | 143.4 | 146.4 | 149.1 | 150.6 | 151.1 | 151.0 | 151.7 | 152.3 | 152.9 | 152.2 |
| 6 Nondurable |  | 35.97 | 161.1 | 155.3 | 154.7 | 156.9 | 160.3 | 161.8 | 163.3 | 165.0 | 165.2 | 166.1 | 165.5 | 166.2 | 166.4 | 165.9 |
| 7 Durable. |  | 51.98 | 136.6 | 129.9 | 128.3 | 129.4 | 131.7 | 135.8 | 139.3 | 140.6 | 141.4 | 140.7 | 142.2 | 142.6 | 143.6 | 142.7 |
| 8 Mining |  |  |  | 120.0 | 83.1 |  |  | 90.8 | 107.2 | 122.2 |  |  |  |  | 121.6 |  |
| 8 Metal | 11.12 | . 61 | 146.7 | 120.0 150.0 | 83.1 149.8 | 154.2 | 73.1 148.9 | 90.8 145.7 | 151.6 | 122.2 | 126.3 150.3 | 133.7 158.9 | 131.1 | 123.6 75.8 | 121.6 76.9 | 124.1 |
| 10 Oil and gas extraction | 13 | 4.40 | 133.8 | 133.2 | 134.3 | 133.6 | 134.7 | 135.4 | 137.4 | 139.1 | 141.5 | 142.7 | 144.8 | 146.8 | 147.2 | 148.3 |
| 11 Stone and earth minerals. | 14 | . 75 | 131.7 | 123.9 | 123.7 | 123.5 | 128.2 | 129.0 | 133.0 | 137.8 | 140.0 | 138.9 | 137.4 | 134.8 | 133.1 |  |
| Nondurable manufactures 12 Foods. | 20 | 8.75 | 149.2 | 149.0 | 148.9 | 148.3 | 148.6 | 149.4 | 150.5 | 150.7 | 150.0 | 151.5 | 152.1 | 153.0 | 152.5 |  |
| 13 Tobacco products | 21 | . 67 | 119.8 | 113.9 | 119.6 | 117.4 | 119.1 | 123.1 | 125.1 | 118.8 | 122.9 | 123.1 | 115.8 | 120.7 |  |  |
| 14 Textile mill products. | 22 | 2.68 | 136.8 | 133.6 | 132.5 | 132.6 | 133.0 | 133.8 | 135.0 | 133.9 | 133.8 | 135.5 | 134.0 | 135.9 | 135.7 |  |
| 15 Apparel products | 23 | 3.31 | 128.6 | 127.2 | 121.5 | 123.8 | 126.7 | 127.5 | 128.0 | 125.1 | 125.9 | 124.0 | 123.6 | 124.0 |  |  |
| 16 Paper and products. | 26 | 3.21 | 151.0 | 146.2 | 143.6 | 147.1 | 152.3 | 153.0 | 154.4 | 156.8 | 157.2 | 156.7 | 156.9 | 156.7 | 155.6 | 153.6 |
| 17 Printing and publishing | 27 | 4.72 | 139.6 | 135.4 | 138.6 | 140.3 | 140.3 | 141.5 | 142.7 | 144.9 | 145.5 | 145.8 | 143.6 | 141.4 | 140.4 | 139.3 |
| 18 Chemicals and products | 28 | 7.74 | 206.7 | 191.1 | 190.3 | 197.8 | 206.8 | 209.1 | 212.0 | 218.8 | 219.2 | 220.9 | 219.5 | 220.7 | 222.4 |  |
| 19 Petroleum products. | 29 | 1.79 | 134.9 | 133.0 | 130.5 | 126.7 | 130.5 | 130.1 | 131.2 | 137.5 | 137.3 | 134.3 | 131.4 | 130.4 | 128.9 | 128.8 |
| 20 Rubber and plastic products | 30 | 2.24 | 255.8 | 242.9 | 242.5 | 245.9 | 253.1 | 259.2 | 259.6 | 259.2 | 258.2 | 264.0 | 267.9 | 273.8 | 276.0 |  |
| 21 Leather and products . . . . . | 31 | . 86 | 70.1 | 68.5 | 67.8 | 67.7 | 67.2 | 70.2 | 71.2 | 67.8 | 68.9 | 69.4 | 69.1 | 68.8 | 70.0 |  |
| Durable manufactures <br> 22 Ordnance, private and government | 19.91 | 3.64 | 77.9 | 77.5 | 77.1 | 77.2 | 77.1 | 79.1 | 79.6 | 79.5 | 78.9 | 78.6 | 78.3 | 78.4 | 78.9 | 79.2 |
| 23 Lumber and products | 24 | 1.64 | 119.3 | 109.7 | 112.8 | 121.7 | 122.6 | 122.2 | 124.9 | 122.0 | 126.3 | 126.3 | 125.4 | 126.2 | 126.2 |  |
| 24 Furniture and fixtures | 25 | 1.37 | 150.0 | 143.1 | 138.6 | 141.1 | 144.8 | 147.2 | 147.2 | 149.0 | 150.5 | 153.0 | 153.0 | 157.1 | 158.9 |  |
| 25 Clay, glass, stone products | 32 | 2.74 | 146.5 | 134.5 | 134.2 | 135.7 | 141.4 | 145.2 | 147.8 | 151.4 | 154.9 | 154.8 | 152.4 | 152.4 | 151.6 |  |
| 26 Primary metals. | 33 | 6.57 | 101.6 | 90.4 | 81.7 | 86.0 | 90.1 | 100.6 | 113.4 | 112.1 | 113.9 | 114.2 | 114.3 | 112.1 | 112.2 | 109.8 |
| 27 Iron and steel. | 331.2 | 4.21 | 91.7 | 75.4 | 68.1 | 75.3 | 79.8 | 93.3 | 107.4 | 103.5 | 108.0 | 107.8 | 107.3 | 105.5 | 105.9 |  |
| 28 Fabricated metal products | 34 | 5.93 | 135.0 | 126.1 | 123.8 | 125.8 | 129.0 | 132.8 | 134.1 | 137.4 | 137.6 | 139.1 | 141.3 | 141.0 | 141.0 | 140.4 |
| 29 Nonelectrical machinery . | 35 | 9.15 | 162.8 | 158.3 | 158.5 | 158.8 | 159.1 | 161.1 | 163.4 | 167.5 | 168.9 | 169.1 | 170.7 | 171.5 | 173.2 | 173.5 |
| 30 Electrical machinery.... | 36 | 8.05 | 172.7 | 166.6 | 165.0 | 166.7 | 167.5 | 170.0 | 173.0 | 174.9 | 177.9 | 174.6 | 177.1 | 178.4 | 179.2 | 177.4 |
| 31 Transportation equipment | 37 | 9.27 | 116.8 | 110.0 | 110.7 | 108.3 | 112.9 | 118.8 | 121.7 | 120.6 | 117.3 | 114.9 | 119.4 | 120.2 | 123.3 | 123.2 |
| 32 Motor vehicles and parts | 371 | 4.50 | 118.8 | 106.7 | 107.9 | 104.4 | 113.4 | 124.2 | 129.0 | 126.3 | 119.2 | 117.5 | 127.4 | 129.7 | 136.1 | 136.5 |
| 33 Aerospace and miscellaneous transportation equipment. . . . . . . . . | 372-9 | 4.77 | 114.9 | 113.1 | 113.4 | 111.9 | 112.3 | 113.6 | 114.8 | 115.2 | 115.5 | 112.5 | 111.9 | 111.2 | 111.2 | 110.5 |
| 34 Instruments . . . . . . . . . | 38 | 2.11 | 171.0 | 169.2 | 167.5 | 167.6 | 167.4 | 169.6 | 169.9 | 172.1 | 174.0 | 171.3 | 169.9 | 170.0 | 170.6 | 169.5 |
| 35 Miscellaneous manufactures | 39 | 1.51 | 147.8 | 43.7 | 144.7 | 144.2 | 142.8 | 145.0 | 147.5 | 149.5 | 151.8 | 153.6 | 154.9 | 156.0 | 153.5 | 152.5 |
|  | Gross value (billions of 1972 dollars, annual rates) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Major Market |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 36 Products, total. | $\ldots$ | 507.4 | 602.1 | 585.0 | 586.7 | 585.9 | 593.3 | 604.7 | 610.9 | 615.5 | 614.0 | 612.0 | 617.8 | 617.4 | 620.1 | 618.4 |
| 37 Final |  | 390.9 | 465.4 | 455.6 | 456.9 | 453.0 | 458.0 | 467.7 | 473.0 | 475.5 | 472.6 | 470.4 | 476.7 | 477.8 | 480.9 | 480.3 |
| 38 Consumer goods |  | 277.5 | 313.5 | 305.8 | 307.7 | 305.1 | 309.0 | 316.6 | 320.0 | 320.3 | 317.2 | 316.5 | 320.4 | 321.4 | 323.2 | 322.7 |
| 39 Equipment |  | 113.4 | 151.9 | 149.8 | 149.2 | 147.9 | 149.0 | 151.1 | 153.0 | 155.2 | 155.4 | 154.0 | 156.3 | 156.4 | 157.7 | 157.6 |
| 40 Intermediate. |  | 116.6 | 136.7 | 129.4 | 129.9 | 132.9 | 135.3 | 137.1 | 137.9 | 140.0 | 141.5 | 141.5 | 141.2 | 139.6 | 139.1 | 138.1 |

Note. Published groupings include some series and subtotals not shown separately. For description and historical data, see Industrial Production - 1976 Revision (Board of Governors of the Federal Reserve System: Washington, D.C.), December 1977.

### 2.14 HOUSING AND CONSTRUCTION

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


[^34]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 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 | 12 months to |  | 3 months (at annual rate) to |  |  |  | 1 month to |  |  |  |  | Index level May 1981$\begin{gathered} (1967 \\ =100)^{1} \end{gathered}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | $\begin{aligned} & 1980 \\ & \text { May } \end{aligned}$ | $\begin{aligned} & 1981 \\ & \text { May } \end{aligned}$ | 1980 |  |  | $1981$ <br> Mar. | 1981 |  |  |  |  |  |
|  |  |  | June | Sept. | Dec. |  | Jan. | Feb. | Mar. | Apr. | May |  |
| Consumer Prices ${ }^{2}$ |  |  |  |  |  |  |  |  |  |  |  |  |
| 1 All items. | 14.4 | 9.8 | 11.4 | 7.8 | 13.2 | 9.6 | . 7 | 1.0 | . 6 | . 4 | . 7 | 269.0 |
| 2 Commodities | 12.4 | 8.9 | 5.4 | 13.2 | 11.0 | $8.9 r$ | . 6 | 1.1 | . 5 | . 0 | . 2 | 251.9 |
| 3 Food | 6.9 | 8.8 | 5.8 | 19.7 | 13.1 | 2.1 | -. 1 | . 3 | . 4 | . 0 | -. 2 | 272.5 |
| 4 Commodities Iess food. | 14.9 | 8.8 | 5.2 | 10.6 | 9.9 | 12.3 | 1.0 | 1.4 | . 5 | . 0 | . 4 | 239.6 |
| 5 Durable. | 9.5 | 8.1 | 7.5 | 15.2 | 11.8 | $-.7$ | . 3 | -. 3 | -. 1 | . 3 | . 9 | 223.9 |
| 6 Nondurable | 21.9 | 9.6 | 3.8 | 5.0 | 6.2 | 29.8 | 2.1 | 3.2 | 1.3 | -. 2 | -. 2 | 258.2 |
| 7 Services. | 17.3 | 11.3 | 20.5 | . 7 | 16.8 | 10.3 | . 9 | . 8 | . 8 | 1.0 | 1.4 | 299.6 |
| 8 Rent. | 8.7 | 9.0 | 10.0 | 8.6 | 9.6 | 7.0 | 7 | . 5 | . 5 | . 6 | . 8 | 205.9 |
| 9 Services less rent. | 18.6 | 11.6 | 22.1 | -. 3 | 17.8 | 10.9 | . 9 | . 9 | . 8 | 1.0 | 1.5 | 317.4 |
| Other groupings <br> 10 All items less food | 16.1 | 10.1 | 12.7 | 5.7 | 13.2 | 11.7 | 1.0 | 1.1 | 7 | . 5 | . 9 |  |
| 11 All items less food and energy | 13.2 | 9.5 | 14.0 | 5.8 | 14.4 | 5.8 | . 6 | . 4 | 4 | 6 | 1.1 | 253.0 |
| 12 Homeownership ............ | 22.8 | 10.3 | 26.4 | -3.5 | 23.1 | 3.1 | . 5 | . 0 | . 3 | . 7 | 1.7 | 345.0 |
| Producer Prices |  |  |  |  |  |  |  |  |  |  |  |  |
| 13 Finished goods. | 13.5 | 10.5 | 8.4 | 13.5 | 8.3 | 12.0 | $1.2 r$ | . $8^{r}$ | . 9 r | . 8 | . 4 | 268.9 |
| 14 Consumer. | 14.5 | 10.4 | 7.6 | 14.5 | 7.4 | 12.1 | $1.2{ }^{r}$ | . $7^{r}$ | $1.0{ }^{\text {r }}$ | . 8 | . 2 | 270.6 |
| 15 Foods. | 2.5 | 8.7 | -1.4 | 31.0 | 4.3 | . 3 | . 1 | $-.6 r$ | . $6^{r}$ | . 0 | . 0 | 252.0 |
| 16 Excluding foods. | 20.9 | 10.9 | 12.2 | 7.5 | 8.9 | 17.4 | $1.6{ }^{r}$ | $1.3 r$ | $1.2{ }^{\text {r }}$ | 1.1 | . 3 | 276.1 |
| 17 Capital equipment... | 10.2 | 10.9 | 10.9 | 9.9 | 11.8 | 11.5 | $1.2 r$ | . 9 | . 6 r | . 9 | . 9 | 262.6 |
| 18 Intermediate materials ${ }^{3}$ Crude materials | 16.7 | 11.1 | 6.2 | 7.8 | 12.9 | 13.2 | 1.4 | . $6^{\prime}$ | $1.1^{+}$ | 1.1 | . 6 | 310.5 |
| 19 Nonfood..... | 20.6 | 26.1 | . 2 | 32.3 | 27.5 | 35.7 | 2.0 | $7.0{ }^{\text {r }}$ | -1.1r | 1.4 | 1.5 | 488.6 |
| 20 Food | -4.1 | 7.2 | -. 3 | 73.9 | -4.0 | -23.1 | -1.1 | -3.3 | $-2.0$ | 1.5 | -2.2 | 260.6 |

1. Not seasonally adjusted.
2. Figures for consumer prices are those for all urban consumers
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 | 1978 | 1979 | 1980 | 1980 |  |  |  | $\frac{1981}{\mathrm{Q}^{\prime}}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Q1 | Q2 | Q3 | Q4 |  |
| Gross National Product |  |  |  |  |  |  |  |  |
| 1 Total | 2,156.1 | 2,413.9 | 2,626.1 | 2,571.7 | 2,564.8 | 2,637.3 | 2,730.6 | 2,853.0 |
| By source |  |  |  |  |  |  |  |  |
| 2 Personal consumption expenditures | 1,348.7 | 1,510.9 | 1,672.8 | 1,631.0 | 1,626.8 | 1,682.2 | 1,751.0 | 1,810.0 |
| 4 Nondurable goods. | 529.8 | 602.2 | 675.7 | 661.1 | 664.0 | 674.2 | 703.5 | 726.0 |
| 5 Services........ | 619.6 | 696.3 | 785.2 | 749.0 | 768.4 | 799.2 | 824.2 | 845.8 |
| 6 Gross private domestic investment | 375.3 | 415.8 | 395.3 | 415.6 | 390.9 | 377.1 | 397.7 | 437.1 |
| 7 Fixed investment. | 353.2 | 398.3 | 401.2 | 413.1 | 383.5 | 393.2 | 415.1 | 432.7 |
| 8 Nonresidential | 242.0 | 279.7 | 296.0 | 297.8 | 289.8 | 294.0 | 302.1 | 315.9 |
| 9 Structures. | 78.7 | 96.3 | 108.8 | 108.2 | 108.4 | 107.3 | 111.5 | 117.2 |
| 10 Producers' durable equipment | 163.3 | 183.4 | 187.1 | 189.7 | 181.4 | 186.8 | 190.7 | 198.7 |
| 11 Residential structures. | 111.2 | 118.6 | 105.3 | 115.2 | 93.6 | 99.2 | 113.0 | 116.7 |
| 12 Nonfarm | 106.9 | 113.9 | 100.3 | 110.1 | 88.9 | 94.5 | 107.6 | 111.4 |
| 13 Change in business inventories. | 22.2 | 17.5 | -5.9 | 2.5 | 7.4 | -16.0 | -17.4 | 4.5 |
| 14 Nonfarm | 21.8 | 13.4 | -4.7 | 1.5 | 6.1 | -12.3 | -14.0 | 6.8 |
| 15 Net exports of goods and services | -0.6 | 13.4 | 23.3 | 8.2 | 17.1 | 44.5 | 23.3 | 29.2 |
| 16 Exports. | 219.8 | 281.3 | 339.8 | 337.3 | 333.3 | 342.4 | 346.1 | 367.4 |
| 17 Imports. | 220.4 | 267.9 | 316.5 | 329.1 | 316.2 | 297.9 | 322.7 | 338.2 |
| 18 Government purchases of goods and services. | 432.6 | 473.8 | 534.7 | 516.8 | 530.0 | 533.5 | 558.6 | 576.5 |
| 19 Federal ..... | 153.4 | 167.9 | 198.9 | 190.0 | 198.7 | 194.9 | 212.0 | 221.6 |
| 20 State and local | 279.2 | 305.9 | 335.8 | 326.8 | 331.3 | 338.6 | 346.6 | 354.9 |
|  |  |  |  |  |  |  |  |  |
| 22 Goods....... | -946.6 | 1,055.9 | 1,130.4 | 1,116.9 | 1,106.4 | 1,129.4 | 1,169.0 | 1,247.5 |
| 23 Durable. | 409.8 | 451.2 | 458.6 | 456.4 | 444.6 | 456.5 | 476.7 | 501.4 |
| 24 Nondurable | 536.8 | 604.7 | 671.9 | 660.5 | 661.8 | 672.9 | 692.2 | 746.1 |
| 25 Services.. | 976.3 | 1,097.2 | 1,229.6 | 1,178.6 | 1,205.6 | 1,249.0 | 1,285.3 | 1,317.1 |
| 26 Structures | 233.2 | 260.8 | 266.0 | 276.2 | 252.8 | 258.9 | 276.4 | 288.4 |
| 27 Change in business inventories. | 22.2 | 17.5 | -5.9 | 2.5 | 7.4 | -16.0 | -17.4 | 4.5 |
| 28 Durable goods. | 17.8 | 11.5 | -4.0 | -11.8 | 3.3 | -8.4 |  | -4.2 |
| 29 Nondurable goods. | 4.4 | 6.0 | -1.8 | 14.3 | 4.1 | -7.7 | -18.1 | 8.6 |
| 30 Memo: Total GNP in 1972 dollars | 1,436.9 | 1,483.0 | 1,480.7 | 1,501.9 | 1,463.3 | 1,471.9 | 1,485.6 | 1,516.0 |
| National Income |  |  |  |  |  |  |  |  |
| 31 Total | 1,745.4 | 1,963.3 | 2,121.4 | 2,088.5 | 2,070.0 | 2,122.4 | 2,204.8 | 2,291.1 |
| 32 Compensation of employees | 1,299.7 | 1,460.9 | 1,596.5 | 1,558.0 | 1,569.0 | 1,597.4 | 1,661.8 | 1,722.4 |
| 33 Wages and salaries...... | 1,105.4 | 1,235.9 | 1,343.6 | 1,314.5 | 1,320.4 | 1,342.3 | 1,397.3 | 1,442.9 |
| 34 Government and government enterprises. | 219.6 | 235.9 | 253.6 | 243.3 | 250.5 | 253.9 | 263.3 | 267.1 |
| 35 Other. | 885.7 | 1,000.0 | 1,090.0 | 1,067.9 | 1,069.9 | 1,088.4 | 1,134.0 | 1,175.7 |
| 36 Supplement to wages and salaries | 194.3 | 225.0 | 252.9 | 243.5 | 248.6 | 255.0 | 264.5 | 279.5 |
| 37 Employer contributions for social insurance | 92.1 | 106.4 | 115.8 | 112.6 | 113.6 | 116.0 | 121.0 | 131.5 |
| 38 Other labor income ... | 102.2 | 118.6 | 137.1 | 130.9 | 135.1 | 139.1 | 143.5 | 148.0 |
| 39 Proprietors' income ${ }^{1}$. | 117.1 | 131.6 | 130.6 | 133.7 | 124.9 | 129.7 | 134.0 | 132.1 |
| 40 Business and professional ${ }^{1}$ | 91.0 | 100.7 | 107.2 | 107.9 | 101.6 | 107.6 | 111.6 | 113.2 |
| 41 Farm ${ }^{1}$............ | 26.1 | 30.8 | 23.4 | 25.7 | 23.3 | 22.1 | 22.5 | 18.9 |
| 42 Rental income of persons ${ }^{2}$ | 27.4 | 30.5 | 31.8 | 31.2 | 31.5 | 32.0 | 32.4 | 32.7 |
| 43 Corporate profits ${ }^{1}$. | 199.0 | 196.8 | 182.7 | 200.2 | 169.3 | 177.9 | 183.3 | 203.0 |
| 44 Profits before tax ${ }^{3}$. | 223.3 | 255.4 | 245.5 | 277.1 | 217.9 | 237.6 | 249.5 | 259.1 |
| 45 Inventory valuation adjustment | -24.3 | -42.6 | -45.7 | -61.4 | -31.1 | -41.7 | -48.4 | -39.2 |
| 6 Capital consumption adjustment | -13.5 | -15.9 | -17.2 | -15.4 | -17.6 | -17.9 | -17.8 | -16.9 |
| 47 Net interest | 115.8 | 143.4 | 179.8 | 165.4 | 175.3 | 185.3 | 193.3 | 200.8 |

[^35]3. For after-tax profits, dividends, and the like, see table 1.49.

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.


1. With inventory valuation and capital consumption adjustments

Source. Survey of Current Business (Department of Commerce)
2. With capital consumption adjustment.

### 3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data are seasonally adjusted except as noted. ${ }^{1}$

| Item credits or debits | 1978 | 1979 r | 1980 | 1980 r |  |  |  | $\frac{1981}{\text { Q1 } P}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Q1 | Q2 | Q3 | Q4 |  |
| 3 Merchandise trade balance ${ }^{2}$. | -33,759 | -27.346 | -25.342 | - 10,126 | -6,744 | -2,902 | -5,570 | -4,602 |
| 4 Merchandise exports. | 142,054 | 184,473 | 223.966 | 54.898 | 55,667 | 56,252 | 57,149 | 61,117 |
| 5 Merchandise imports. | -175.813 | -211,819 | -249.308 | -65.024 | $-62,411$ | -59,154 | -62,719 | -65,719 |
| 6 Military transactions, net | $738{ }^{\text {r }}$ | -1,947 | -2,515 | -918 | -427 | -455 | -715 | -701 |
| 7 Investment income, net ${ }^{3}$. | 21,400r | 33,462 | 32,762 | 9,836 | 6,518 | 8,154 | 8,257 | 8.869 |
| 8 Other service transactions, net | 2,613r | 2,839 | 5,874 | 991 | 1,440 | 1,681 | 1.762 | 1,033 |
| 9 Remittances, pensions, and other transfers | $-1.884$ | $-2,057$ | -2.397 | -542 | -545 | -591 | -720 | -562 |
| 10 U.S. government grants (excluding military) | $-3.183 r$ | -3,536 | -4,659 | -1,336 | -787 | -912 | -1,624 | -950 |
| 11 Change in U.S. government assets, other than official reserve assets, net (increase, -) | -4,644 | -3,767 | -5,165 | -1.456 | -1,187 | -1,427 | -1,094 | -1,358 |
| 12 Change in U.S. official reserve assets (increase, -) | 732 | -1,132 | -8,155 | -3,268 | -502 | -1,109 | -4,279 | -4,529 |
| 13 Gold. | -65 | -65 |  |  |  | 0 |  | 0 |
| 14 Special drawing rights (SDRs) | 1,249 | -1,136 | -16 | -1,152 | -112 | -261 | 1,285 | -1,441 |
| 15 Reserve position in International Monetary Fund. | 4,231 | -189 | -1,667 | --34 | -99 | -294 | -1,240 | -707 |
| 16 Foreign currencies | -4,683 | 257 | -6,472 | -2,082 | 489 | -554 | -4,324 | -2,381 |
| 17 Change in U.S. private assets abroad (increase, - ) ${ }^{3}$. | -57.158r | -57.739 | -71,456 | -7.915 | -24,152 | -16,766 | -22,622 | -12,633 |
| 18 Bank-reported claims | -33,667r | -26,213 | -46,947 | -1,203 | -20,165 | -12,440 | -13,139 | -11,163 |
| 19 Nonbank-reported claims. | $-3,853$ | -3,026 | $-2,653$ | -1,083 | 92 | 343 | -2,005 | n.a. |
| 20 U.S. purchase of foreign securities, net | -3,582r | -4.552 | $-3,310$ | -766 | -1,369 | -818 | -356 | -488 |
| 21 U.S. direct investments abroad, net ${ }^{3}$. | -16,056r | -23,948 | -18,546 | -4,863 | -2,710 | -3.851 | -7,122 | -982 |
| 22 Change in foreign official assets in the United States (increase, + ) | 33,561r | - 13,757 | 15,492 | -7,462 | -7,557 | 7,686 | 7,712 | 5,384 |
| 23 U.S. Treasury securities. | 23,555 $r$ | -22,435 | 9,683 | -5,357 | $-4,360$ | 3,769 | 6,911 | 7,055 |
| 24 Other U.S. government obligations | 666 | 463 | 2,187 | 801 | 250 | '549 | 587 | 454 |
| 25 Other U.S. government liabilities ${ }^{4}$. | 2,359r | -133 | 636 | -68 | 420 | 80 | 205 | 55 |
| 26 Other U.S. liabilities reported by U.S. banks | $5.551 r$ | 7.213 | -159 | -3.198 | -1,676 | 1,823 | -460 | -3,009 |
| 27 Other foreign official assets ${ }^{5}$..... | 1,4530r | 1,135 | 3.145 | 360 | 851 | 1,465 | 469 | 829 |
| 28 Change in foreign private assets in the United States (increase, +$)^{3}$ | 30,187r | 52,703 | 34,769 | 14,971 | -326 | 3,965 | 16,157 | 2,157 |
| 29 U.S. bank-reported liabilities ....................... | 16,141r | 32,607 | 10,743 | 6,599 | -4,509 | -916 | 7,737 | -3,662 |
| 30 U.S. nonbank-reported liabilities | 1.717 r | 2.065 | 5,109 | 416 | 1,092 | 373 | 3,228 | n.a. |
| 31 Foreign private purchases of U.S. Treasury securities, net | 2.178 r | 4,820 | 2,679 | 3,300 | -1,260 | -254 | 893 | 1,405 |
| 32 Foreign purchases of other U.S. securities, net..... | 2,254 r | 1,334 | 5,384 | 2,435 | 468 | 241 | 2,240 | 2,449 |
| 33 Foreign direct investments in the United States, net ${ }^{3}$ | 7,896 | 11,877 | 10,853 | 2,221 | 3,883 | 2,689 | 2,059 | 1,965 |
| ```Allocation of SDRs. Discrepancy Owing to seasol adjustments Statistical discrepancy in recorded data before seasonal adjustment``` | 0 | 1.139 | 1.152 | 1.152 | 0 | 0 | 0 | 1,093 |
|  | $11.398{ }^{r}$ | 21,140 | 29,640 | 6,073 | 18.151 | 2,676 | 2,736 | 6,799 |
|  |  |  |  | -206 | 1,355 | -3,291 | 2,139 | -344 |
|  | 11,398 | 21,140 | 29,640 | 6,279 | 16,796 | 5,967 | 597 | 7,143 |
| MEMO: ${ }^{\text {Changes in }}$ |  |  |  |  |  |  |  |  |
| $\begin{array}{cc}38 \\ 39 & \text { U.S.official reserve assets (increase, - ) } \\ \text { Foreign official assets in the United 'Stat } \\ \text { (increase, +) }\end{array}$ | 732 | - 1,132 | -8,155 | -3,268 | 502 | -1,109 | -4,279 | -4,529 |
|  | 31.202 | - 13,624 | 14,856 | -7,394 | 7,137 | 7,606 | 7,507 | 5,329 |
| 40 Change in Organization of Petroleum Exporting Countries official assets in the United States (part of line 22 above) | -1,137 | 5,543 | 12,744 | 2,988 | 4,617 | 4,115 | 1,024 | 5,188 |
| 41 Transfers under military grant programs (excluded from lines 4,6 , and 10 above) | 236 | 305 | 635 | 144 | 155 | 125 | 211 | 193 |

1. Seasonal factors are no longer calculated for lines 12 through 41.
2. Data are on an international accounts (1A) 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 (U.S. Department of Commerce).

### 3.11 U.S. FOREIGN TRADE

Millions of dollars; monthly data are seasonally adjusted.


Note. The data in this table are reported by the Bureau of Census data on 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. 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 U.S. International Transactions Summary, for reasons of coverage and timing. On
the export side, the largest adjustments are: (a) the addition of exports to Canada not covered in Census statistics, and (b) the exclusion of military 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" (U.S. Department of Commerce, Bureau of the Census).

### 3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

| Type | 1978 | 1979 | 1980 | 1980 |  | 1981 |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | May |
| 1 Total ${ }^{1}$ | 18,650 | 18,956 | 26,756 | 25,673 | 26,756 | 28,316 | 29,682 | 30,410 | 29,693 | 29,395 |
| 2 Gold stock, including Exchange Stabilization Fund ${ }^{1}$ | 11,671 | 11,172 | 11,160 | 11.162 | 11,160 | 11,159 | 11,156 | 11,154 | 11,154 | 11,154 |
| 3 Special drawing rights ${ }^{2},{ }^{3}$ | 1,558 | 2,724 | 2,610 | 3,954 | 2,610 | 3,628 | 3,633 | 3.913 | 3.712 | 3,652 |
| 4 Reserve position in International Monetary Fund ${ }^{2}$ | 1,047 | 1.253 | 2.852 | 1,822 | 2,852 | 2,867 | 3,110 | 3,448 | 3,576 | 3,690 |
| 5 Foreign currencies ${ }^{4}, 5 \ldots \ldots \ldots \ldots \ldots .$. | 4,374 | 3,807 | 10,134 | 8,735 | 10,134 | 10,662 | 11,783 | 11,895 | 11,251 | 10,899 |

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 3.22 .
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 net transactions in SDRs.
4. Beginning November 1978. valued at current market exchange rates.
5. Includes U.S. government securities held under repurchase agreement against receipt of foreign currencies, if any.
3.13 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data

Millions of dollars, end of period

| Asset account | 1977 | $1978{ }^{1}$ | 1979 | 1980 |  |  | 1981 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr ${ }^{p}$ |
|  | All foreign countries |  |  |  |  |  |  |  |  |  |
| 1 Total, all currencies | 258,897 | 306,795 | 364,233 | 383,356 | 389,184 | 397,233 | 397,167 ${ }^{\text {r }}$ | 401,050 | 409,891 | 409,275 |
| 2 Claims on United States | 11,623 | 17,340 | 32,302 | 30,476 | 30,617 | 28,459 | 29,522r | $32,008 \mathrm{r}$ | 30,256 | 34,514 |
| 3 Parent bank | 7,806 | 12,811 | 25.929 | 21,440 | 22,254 | 20,202 | 20,662r | 21,454r | 18,781 | 23,091 |
| 4 Other. | 3,817 | 4,529 | 6,373 | 9,036 | 8,363 | 8,257 | 8,860 | 10,554 | 11,475 | 11,423 |
| 5 Claims on foreigners. | 238,848 | 278,135 | 317,175 | 335,623 | 340,848 | 350,993 | 349,920r | 350,973 r | 361,229 | 356,365 |
| 6 Other branches of parent bank | 55,772 | 70,338 | 79,661 | 72,477 | 74,062 | 76,552 | 75,609r | 75,510r | 77,603 | 76,988 |
| 7 Banks | 91,883 | 103,111 | 123,413 | 138,296 | 139,977 | 144,627 | 144,753r | 146,152 ${ }^{\text {r }}$ | 150,596 | 146,800 |
| 8 Public borrowers ${ }^{2}$ | 14,634 | 23,737 | 26,072 | 26,548 | 26,935 | 27,626 | 27,729r | 28,068 ${ }^{+}$ | 28,727 | 28,090 |
| 9 Nonbank foreigners | 76,560 | 80,949 | 88,029 | 98,302 | 99,874 | 102,188 | 101,829 r | 101,243 ${ }^{\text {r }}$ | 104,303 | 104,487 |
| 10 Other assets | 8,425 | 11,320 | 14,756 | 17,257 | 17,719 | 17,781 | 17,725 | 18,069 r | 18,406 | 18,396 |
| 11 Total payable in U.S. dollars. | 193,764 | 224,940 | 267,711 | 279,827 | 284,401 | 289,860 | 292,524 r | 296,913 ${ }^{\text {r }}$ | 302,667 | 306,290 |
| 12 Claims on United States | 11,049 | 16,382 | 31,171 | 29.059 | 29,173 | 27,190 | 28,266 ${ }^{\prime}$ | 30,754 ${ }^{\text {r }}$ | 29,063 | 33,301 |
| 13 Parent bank | 7,692 | 12,625 | 25,632 | 21,043 | 21,853 | 19,896 | 20,370 | 21,201' | 18,566 | 22,844 |
| 14 Other. | 3,357 | 3,757 | 5,539 | 8,016 | 7,320 | 7,294 | 7,896 $\quad$ r | 9,553 ${ }^{\text {r }}$ | 10,497 | 10,457 |
| 15 Claims on foreigners. | 178,896 | 203,498 | 229,118 | 242,152 | 246,363 | 253,451 | 254,721r | 256,234 ${ }^{\text {r }}$ | 263,468 | 262,488 |
| 16 Other branches of parent bank | 44,256 | 55,408 | 61,525 | 55,249 | 57,238 | 58,273 | 58,836 ${ }^{\text {r }}$ | 57,922r | 59,850 | 59,618 |
| 17 Banks | 70,786 | 78,686 | 96,261 | 109,438 | 110,799 | 115,984 | 116,900 | 118,392 ${ }^{\text {r }}$ | 121,475 | 119,583 |
| 18 Public borrowers ${ }^{2}$ | 12,632 | 19,567 | 21,629 | 22,578 | 22,846 | 23,398 | 23,208 ${ }^{\text {r }}$ | 23,500 r | 24,004 | 23,739 |
| 19 Nonbank foreigners | 51,222 | 49,837 | 49,703 | 54,887 | 55,480 | 55,796 | 55,777r | 56,420 r | 58,139 | 59,548 |
| 20 Other assets . . . . . . . . . . . . . . . . . . | 3,820 | 5,060 | 7,422 | 8,616 | 8,865 | 9,219 | $9,537{ }^{r}$ | 9,925, | 10,136 | 10,501 |
|  | United Kingdom |  |  |  |  |  |  |  |  |  |
| 21 Total, all currencies | 90,933 | 106,593 | 130,873 | 138,158 | 140,715 | 142,781 | 143,609 | 144,793 | 145,459 | 142,599 |
| 22 Claims on United States | 4,341 | 5.370 | 11,117 | 8,216 | 8,771 | 7,508 | 7,727 | 9,211 | 9,413 | 8,518 |
| 23 Parent bank | 3,518 | 4,448 | 9,338 | 5,969 | 6,552 | 5,275 | 5,278 | 6,471 | 6,405 | 5,766 |
| 24 Other. | 823 | 922 | 1,779 | 2,247 | 2,219 | 2,233 | 2,449 | 2,740 | 3,008 | 2,752 |
| 25 Claims on foreigners. | 84,016 | 98,137 | 115,123 | 123,854 | 125,859 | 129.232 | 130,174 | 129,646 | 129,992 | 128,095 |
| 26 Other branches of parent bank | 22,017 | 27,830 | 34,291 | 31,431 | 32,267 | 34.538 | 35,136 | 35,406 | 34,583 | 34,614 |
| 27 Banks ...................... | 39,899 | 45,013 | 51,343 | 56,723 | 57,423 | 57,658 | 58,489 | 58,554 | 58,714 | 56,816 |
| 28 Public borrowers ${ }^{2}$ | 2,206 | 4,522 | 4,919 | 6,113 | 6,405 | 6,684 | 6,620 | 6,626 | 6,929 | 6,844 |
| 29 Nonbank foreigners | 19,895 | 20,772 | 24,570 | 29,587 | 29,764 | 30,352 | 29,929 | 29,060 | 29,766 | 29,821 |
| 30 Other assets | 2,576 | 3,086 | 4,633 | 6,088 | 6,085 | 6,041 | 5,708 | 5,936 | 6,054 | 5,986 |
| 31 Total payable in U.S. dollars. | 66,635 | 75,860 | $\mathbf{9 4 , 2 8 7}$ | 95,287 | 97,246 | 98,913 | 101,038 | 103,048 | 102,933 | 101,523 |
| 32 Claims on United States | 4,100 | 5,113 | 10,746 | 7,647 | 8,233 | 7,115 | 7,304 | 8,765 | 9,001 | 8,080 |
| 33 Parent bank | 3,431 | 4,386 | 9,297 | 5,817 | 6,410 | 5,229 | 5,221 | 6,418 | 6,381 | 5,715 |
| 34 Other. . | 669 | 727 | $1,449{ }^{\circ}$ | 1,830 | 1,823 | 1,886 | 2,083 | 2,347 | 2,620 | 2,365 |
| 35 Claims on foreigners. | 61,408 | 69,416 | 81,294 | 84,849 | 86,246 | 88,950 | 90,682 | 91,204 | 90,696 | 90,199 |
| 36 Other branches of parent bank | 18,947 | 22,838 | 28,928 | 25,593 | 26,710 | 28,231 | 28,768 | 28,946 | 28,132 | 28,393 |
| 37 Banks ........ | 28,530 | 31,482 | 36,760 | 40,312 | 40,542 | 41,373 | 42,887 | 42,751 | 42,609 | 41,767 |
| 38 Public borrowers ${ }^{2}$ | 1,669 | 3,317 | 3,319 | 4,551 | 4,706 | 4,909 | 4,816 | 4,930 | 5,168 | 5,093 |
| 39 Nonbank foreigners | 12,263 | 11,779 | 12,287 | 14,393 | 14,288 | 14,437 | 14,211 | 14,577 | 14,787 | 14,946 |
| 40 Other assets | 1,126 | 1,331 | 2,247 | 2,791 | 2,767 | 2,848 | 3,052 | 3,079 | 3,236 | 3,244 |
|  | Bahamas and Caymans |  |  |  |  |  |  |  |  |  |
| 41 Total, all currencies | 79,052 | 91,735 | 108,977 | 119,524 | 119,367 | 123,837 | 123,460 | 124,809 | 127,801 | 132,137 |
| 42 Claims on United States | 5,782 | 9,635 | 19,124 | 19,656 | 18,325 | 17,751 | 18,370 | 19,150 | 17,348 | 22,473 |
| 43 Parent bank | 3,051 | 6,429 | 15,196 | 13,837 | 13,071 | 12,631 | 12,842 | 12,417 | 10,017 | 14,913 |
| 44 Other. | 2,731 | 3,206 | 3,928 | 5,819 | 5,254 | 5,120 | 5,528 | 6,733 | 7,331 | 7,560 |
| 45 Claims on foreigners. | 71,671 | 79,774 | 86,718 | 95.959 | 96,800 | 101,926 | 100,792 | 101,199 | 105,970 | 105,075 |
| 46 Other branches of parent bank | 11,120 | 12,904 | 9,689 | 13,076 | 13,118 | 13,315 | 12,956 | 11,998 | 14,002 | 13,526 |
| 47 Banks ......... | 27,939 | 33,677 | 43,189 | 49,900 | 50,626 | 54,888 | 54,252 | 55,280 | 57,065 | 56,489 |
| 48 Public borrowers ${ }^{2}$. | 9,109 | 11,514 | 12,905 | 12,441 | 12,213 | 12,577 | 12,558 | 12,605 | 12,579 | 12,205 |
| 49 Nonbank foreigners | 23,503 | 21,679 | 20,935 | 20,542 | 20,843 | 21,146 | 21,026 | 21,316 | 22,324 | 22,855 |
| 50 Other assets | 1,599 | 2,326 | 3,135 | 3,909 | 4,242 | 4,160 | 4,298 | 4,460 | 4,483 | 4,589 |
| 51 Total payable in U.S. dollars. . | 73,987 | 85,417 | 102,368 | 113,683 | 113,560 | 117,654 | 117,549 | 119,007 | 121,900 | 126,503 |

For notes see opposite page.

| Liability account | 1977 | $1978{ }^{1}$ | 1979 | 1980 |  |  | 1981 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr.p |
|  | All foreign countries |  |  |  |  |  |  |  |  |  |
| 52 Total, all currencies | 285,897 | 306,795 | 364,233 | 383,356 | 389,184 | 397,233 | 397,167 r | 401,050 r | 409,891 | 409,275 |
| 53 To United States | 44,154 | 58,012 | 66,686 | 84.161 | 86.589 | 90,942 | 92,362 | 90,685 r | 97,674 | 105,761 |
| 54 Parent bank | 24,542 | 28,654 | 24.530 | 37.184 | 36.956 | 39,135 | 38,653 ${ }^{\text {r }}$ | 36,373 ${ }^{\text {r }}$ | 43,023 | 45,335 |
| 55 Other banks in United States |  | $\begin{array}{r}12,169 \\ \hline 17\end{array}$ | 13,968 | 12,872 | 13,420 | 14,473 | 13,591 ${ }^{\text {r }}$ | 13,988 | 14,372 | 15,471 |
| 56 Nonbanks................. | 19,613 | 17,189 | 28,188 | 34,105 | 36,213 | 37,289 | 40,118 | 40,324 | 40,279 | 44,955 |
| 57 To foreigners. | 206,579 | 238,912 | 283,344 | 285,366 | 288,385 | 291,780 | 290.527 r | 296,445r | 297.801 | 288,733 |
| 58 Other branches of parent bank | 53,244 | 67,496 | 77,601 | 69,776 c | 71,554 | 73,938 | 73,003 $r$ | 73,710 $r$ | 75,138 | 74,416 |
| 59 Banks | 94,140 | 97,711 | 122,849 | 132.195 | 132,281 | 130,654 | 132,859r | 134,835 r | 133,715 | 127,551 |
| 60 Official institutions | 28,110 | 31,936 | 35,664 | 30,722 | 31,145 | 32,440 | 28,938 ${ }^{\text {r }}$ | 28,609r | 29.871 | 28,026 |
| 61 Nonbank foreigners | 31,085 | 41,769 | 47,230 | 52,673 | 53,405 | 54,748 | 55,727r | 58,291 ${ }^{\text {r }}$ | 59,077 | 58,740 |
| 62 Other liabilities | 8,163 | 9,871 | 14,203 | 13,829 | 14,210 | 14,556 | 14,278 ${ }$ | 13,920r | 14,416 | 14,781 |
| 63 Total payable in U.S. dollars. | 198,572 | 230,810 | 273,819 | 287,318 | 292,549 | 300,988 | 303,223 r | 307,530 ${ }^{\text {r }}$ | 313,427 | 317,651 |
| 64 To United States | 42,881 | 55.811 | 64,530 | 81,255 | 83,764 | 88,123 | 89,756 r | 88,267, | 95,263 | 103,329 |
| 65 Parent bank | 24,213 | 27.519 | 23,403 | 35,419 | 35,233 | 37,496 | 37,018 ${ }^{\text {r }}$ | 34,897r | 41,512 | 43,876 |
| 66 Other banks in United States | 18,669 | 11.915 | 13,771 | 12,593 | 13,124 | 14,203 | 13,417r | 13,757 | 14,235 | 15,298 |
| 67 Nonbanks.. | 18,669 | 16,377 | 27,356 | 33,243 | 35,407 | 36,424 | 39.321 | 39.613 | 39.516 | 44,155 |
| 68 To foreigners . | 151,363 | 169.927 | 201.476 | 198.682 | 200,937 | 204,697 | 205,200 ${ }^{\prime}$ | 210,690 | 209,280 | 204,789 |
| 69 Other branches of parent bank | 43,268 | 53,396 | 60,513 | 53,780 | 55,599 | 56,965 | 56,894 r | 56,895r | 58,328 | 58,044 |
| 70 Banks | 64,872 | 63,000 | 80,691 | 86,994 | 86,556 | 86,596 | $89,405 r$ | 91,654r | 87,521 | 85,278 |
| 71 Official institutions | 23,972 | 26,404 | 29,048 | 23,373 | 23,870 | 24,691 | 21,861r | 21,911r | 23,102 | 21,444 |
| 72 Nonbank foreigners | 19,251 | 27.127 | 31,224 | 34,535 | 34.912 | 36.445 | $37.040 r$ | 40,230 $r$ | 40,329 | 40,023 |
| 73 Other liabilities . . . . . . . . . . . . . | 4,328 | 5,072 | 7,813 | 7,381 | 7,848 | 8,168 | 8,267 $\quad$ r | 8,573r | 8,884 | 9,533 |
|  | United Kingdom |  |  |  |  |  |  |  |  |  |
| 74 Total, all currencies | 90,933 | 106,593 | 130,873 | 138,158 | 140,715 | 142,781 | 143,609 | 144,793 | 145,459 | 142,599 |
| 75 To United States . | 7,753 | 9,730 | 20,986 | 19,157 | 20.594 | 21,735 | 23,226 | 22,783 | 24,374 | 26,006 |
| 76 Parent bank | 1,451 | 1,887 | 3.104 | 2,712 | 3,198 | 4,176 | 4,228 | 3.190 | 4,242 | 4,540 |
| 77 Other banks in United States. | 6,302 | 4,189 | 7,693 10,189 | 5,800 | 5,732 | 5,716 | 5,436 | 5,869 | 5.519 | 5,915 |
| 78 Nonbanks | 6,302 | 3,654 | 10,189 | 10,645 | 11.664 | 11,843 | 13,562 | 13,724 | 14,613 | 15,551 |
| 79 To foreigners | 80,736 | 93,202 | 104,032 | 113,539 | 114,813 | 115,582 | 115,236 | 116,927 | 115,816 | 111,486 |
| 80 Other branches of parent bank | 9,376 | 12,786 | 12,567 | 13,940 | 13,951 | 13,933 | 13,734 | 13,422 | 13,913 | 13,491 |
| 81 Banks | 37,893 | 39,917 | 47,620 | 56,772 | 58,127 | 55,928 | 57,371 | 57,505 | 56,110 | 53,563 |
| 82 Official institutions | 18,318 | 20,963 | 24,202 | 19,807 | 20,437 | 21,412 | 19.199 | 19,607 | 19,743 | 18,385 |
| 83 Nonbank foreigners | 15,149 | 19,536 | 19,643 | 23.020 | 22,298 | 24,309 | 24,932 | 26,393 | 26,050 | 26,047 |
| 84 Other liabilities | 2,445 | 3,661 | 5,855 | 5,462 | 5,308 | 5,464 | 5,147 | 5,083 | 5,269 | 5,107 |
| 85 Total payable in U.S. dollars. | 67,573 | 77,030 | 95,449 | 97,055 | 99,135 | 102,300 | 104,123 | 106,448 | 106,637 | 105,864 |
| 86 To United States. | 7.480 | 9,328 | 20,552 | 18.551 | 19,978 | 21,080 | 22,597 | 22,245 | 23,927 | 25,497 |
| 87 Parent bank.... | 1,416 | 1.836 | 3,054 | 2.634 | 3,101 | 4,078 | 4,126 | 3,132 | 4,160 | 4,445 |
| 88 Other banks in United States | 6,064 | 4,101 | 7.651 9,847 | 5.714 10,203 | r $\begin{array}{r}5,616 \\ 11,261\end{array}$ | 5,626 11,376 | 5,343 13,128 | 5,757 $\mathbf{1 3 , 3 5 6}$ | 5,487 14,280 | 5,841 15,211 |
|  |  |  |  |  |  |  |  |  |  |  |
| 90 To foreigners .... . . . . . . . . . . | 58,977 | 66,216 | 72,397 | 76,114 | 76,696 | 78,512 | 78,768 | 81,100 | 79,501 | 77,212 |
| 91 Other branches of parent bank | 7.505 | 9,635 | 8.446 | 9,891 | 9,770 | 9,600 | 9,591 | 9,184 | 9,297 | 9,168 |
| 92 Banks .......... | 25,608 | 25,287 | 29,424 | 35,495 15 | 35,998 <br> 15 | 35,177 | 36,463 | $37.014{ }^{16}$ | 34,553 | 34,117 |
| 93 Official institutions | 15.482 | 17,091 | 20,192 | 15,338 | 15,989 | 17,024 | 14,941 | 15,420 | 15,718 | 14,473 |
| 94 Nonbank foreigners | 10,382 | 14,203 | 14,335 | 15,390 | 14,939 | 16,711 | 17,773 | 19,482 | 19,933 | 19,454 |
| 95 Other liabilities | 1.116 | 1,486 | 2,500 | 2.390 | 2.461 | 2,708 | 2,758 | 3,103 | 3,209 | 3,155 |
|  | Bahamas and Caymans |  |  |  |  |  |  |  |  |  |
| 96 Total, all currencies | 79,052 | 91,735 | 108,977 | 119,524 | 119,367 | 123,837 | 123,460 | 124,809 | 127,801 | 132,137 |
| 97 To United States | 32,176 | 39,431 | 37,719 | 56.123 | 56,860 | 59,666 | 58,928 | 58,607 | 64,031 | 69,576 |
| 98 Parent bank | 20,956 | 20,482 | 15,267 | 27.666 | 26,861 | 28,181 | 26,563 | 26,222 | 31,746 | 33,034 |
| 99 Other banks in United States. | 11,220 | 6,073 | 5,204 | 5,957 | 6,528 | 7,379 | 7.126 | 7,165 | 7,883 | 8,618 |
| 100 Nonbanks | 11,220 | 12,876 | 17,248 | 22,500 | 23.471 | 24,106 | 25.239 | 25,220 | 24,402 | 27,924 |
| 101 To foreigners . | 45,292 | 50,447 | 68,598 | 60.593 | 59,492 | 61,218 | 61,597 | 63,323 | 60,875 | 59,326 |
| 102 Other branches of parent bank | 12,816 | 16,094 | 20,875 | 16.720 | 15,878 | 17,040 | 17,819 | 18.781 | 17,436 | 18,150 |
| 103 Banks ...... | 24,717 | 23,104 | 33,631 | 29.202 | 28.933 | 29,895 | 30,050 | 30,289 | 28,671 | 26,753 |
| 104 Official institutions | 3,000 | 4,208 | 4,866 | 4,610 | 4.368 | 4.361 | 4,204 | 3,663 | 4,403 | 4,079 |
| 105 Nonbank foreigners | 4,759 | 7,041 | 9,226 | 10,061 | 10,313 | 9,922 | 9,524 | 10,590 | 10,365 | 10,344 |
| 106 Other liabilities | 1,584 | 1,857 | 2,660 | 2,808 | 3,015 | 2,953 | 2.935 | 2,879 | 2,895 | 3,235 |
| 107. Total payable in U.S. dollars. | 74,463 | 87,014 | 103,460 | 115,166 | 115,121 | 119,657 | 119,214 | 120,714 | 123,785 | 128,309 |

1. In May 1978 the exemption level for branches required to report was increased,
which reduced the number of reporting branches.
2. In May 1978 a broader category of claims on foreign public borrowers, in-
cluding corporations that are majority owned by foreign governments, replaced the previous, more narrowly defined claims on foreign official institutions.

### 3.14 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

| Item | 1978 | 1979 | 1980 | 1980 | 1981 |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Dec. | Jan. | Feb. | Mar. ${ }^{\text {A }}$ |  | Apr. ${ }^{p}$ | Mayp |
| 1 Total ${ }^{\text {a }}$ | 162,625 | 149,546 | 164,402 | 164,402 | 162,778 | 162,384 | 169,726 | 169,746 | 170,351 | 165,075 |
| 2 By type | 23,326 | 30,540 | 30.381 | 30,381 | 27,008 | 24.864 | 27,366 | 27.386 | 25.729 | 23.657 |
| 3 U.S. Treasury bills and certificates ${ }^{3}$................ <br> U.S. Treasury bonds and notes | 67,671 | 47,666 | 56.243 | 56,243 | 56,522 | 56,829 | 60,306 | 60.306 | 61,431 | 57,612 |
| 4 Marketable............... | 35,894 | 37.590 | 41.431 | 41.431 | 42.295 | 43,699 | 44,783 | 44.783 | 45,278 | 45,599 |
| 5 Nonmarketable ${ }^{4}$ | 20,970 | 17.387 | 14.654 | 14,654 | 14,654 | 14,494 | 14,294 | 14.294 | 14,294 | 14,294 |
| 6 U.S. securities other than U.S. Treasury securities ${ }^{5}$ | 14,764 | 16,363 | 21.693 | 21,693 | 22,299 | 22,498 | 22,977 | 22,977 | 23,619 | 23,913 |
| By area |  |  |  |  |  |  |  |  |  |  |
| 7 Western Europe ${ }^{1}$. | 93.089 | 85.633 | 81.592 | 81.592 | 80.434 | 78,334 | 79.981 | 79.999 | 78.423 | 71,602 |
| 8 Canada | 2.486 | 1,898 | 1.562 | 1.562 | 1.174 | 1,089 | 1.437 | 1.437 | 1,177 | 1,365 |
| 9 Latin America and Caribbean | 5.046 | 6,291 | 5.688 | 5,688 | 5.456 | 5,241 | 6.365 | 6,365 | 5,919 | 5,496 |
| 10 Asia ........................ | 58,854 | 52,827 | 70.608 | 70,608 | 70.557 | 72,667 | 76,702 | 76,705 | 78,806 | 80,559 |
| 11 Africa | 2,408 | 2,412 | 4.123 | 4,123 | 3,973 | 3.948 | 4.089 | 4,088 | 4.188 | 3.928 |
| 12 Other countries ${ }^{6}$ | 742 | 485 | 829 | 829 | 1,184 | 1.105 | 1,152 | 1,152 | 1,838 | 2,125 |

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
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.

A Data in the two columns for this date differ because of changes in reporting coverage. Figures in the first column are comparable in coverage with those shown for the preceding month; figures in the second column are comparable with those for the following month.

Note. Based on Treasury Department data and on data reported to the Treasury Department by banks (including Federal Reserve Banks) and securities dealers in the United States.
3.15 LIABILITIES TO AND CLAIMS ON FOREIGNERS Reported by Banks in the United States Payable in Foreign Currencies
Millions of dollars, end of period

| Item |  | 1977 | 1978 | 1979 | 1980 |  |  | 1981 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | June |  |  | Sept. | Dec. | Mar. $\boldsymbol{\triangle}$ |  |
|  | Banks' own liabilities |  | 925 | 2.406 | 1.918 | 2.739 | 2,754 | 3.748 | 3,268 |  |
| 2 | Banks' own claims ${ }^{1}$.. | 2,356 | 3,671 | 2,419 | 2.874 | 3,203 | 4,206 | 4,238 | 4,245 |
| 3 | Deposits ........ | 941 | 1,795 | 994 | 1,090 | 1,169 | 2,507 | 1,697 | 1,758 |
| 4 | Other claims. | 1.415 | 1,876 | 1,425 | 1,784 | 2,035 | 1,699 | 2,542 | 2,488 |
| 5 | Claims of banks' domestic customers ${ }^{2}$ |  | 358 | 580 | 798 | 595 | 962 | 444 | 444 |

1. Includes claims of banks’ domestic customers through March 1978
2. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the accounts of their domestic customers.

Data in the two columns for this date differ because of changes in reporting coverage. Figures in the first column are comparable in coverage with those shown for the preceding quarter; figures in the second column are comparable with those for the following quarter.

Note. Data on claims exclude foreign currencies held by U.S. monetary authorities.
3.16 LIABILITIES TO FOREIGNERS Reported by Banks in the United States

Payable in U.S. dollars
Millions of dollars, end of period

| Holder and type of liability | 1977 | 1978 | 1979 | 1980 | 1981 |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  | Jan. | Feb. | Mar. |  | Apr. | Mayp |
| 1 All foreigners | 126,168 | 166,842 | 187,521 | 205,295 | 202,359 | 201,195 | 203,359 r | 204,993 | 213,025 | 213,255 |
| 2 Banks' own liabilities |  | 78,661 | 117,196 | 124.789 | 122,857 | 121,528 | 120,217r | 120,425 | 128,046 | 132,014 |
| 3 Demand deposits. | 18,996 | 19,218 | 23,303 | 23.462 | 22.149 | 23.300 | 21,308 $r$ | 21.216 | 22,644 | 22,257 |
| 4 Time deposits ${ }^{1}$. | 11,521 | 12,427 | 13.623 | 15,076 | 15.898 | 15.778 | 16,272 | 16.304 | 15.970 | 16,026 |
| 5 Other ${ }^{2} \ldots . \ldots \ldots . .$. |  | 9,705 | 16.453 | 17.581 | 14.685 | 13.476 | 15,947r | 16.199 | 14.532 | 12,347 |
| 6 Own foreign offices ${ }^{3}$ |  | 37.311 | 63.817 | 68,670 | 70.125 | 68.973 | $66,690 r$ | 66,707 | 74,901 | 81,384 |
| 7 Banks' custody liabilities ${ }^{4}$ |  | 88.181 | 70.325 | 80.506 | 79,501 | 79.668 | $83,142^{r}$ | 84,568 | 84,979 | 81,241 |
| 8 U.S. Treasury bills and certificates ${ }^{5}$ | 48,906 | 68,202 | 48.573 | 57,595 | 57.673 | 58,360 | 62,073 | 62,156 | 63,034 | 59,336 |
| 9 Other negotiable and readily transferable instruments ${ }^{6}$. |  | 17.472 | $\begin{array}{r}19.396 \\ \hline\end{array}$ | 20.079 | 19.050 | 18.350 | $18.226{ }^{r}$ | 18,207 | 18.127 3 | 17.604 |
| 10 Other. |  | 2,507 | 2.356 | 2,832 | 2.778 | 2,959 | 2.843 | 4.205 | 3,818 | 4,301 |
| 11 Nonmonetary international and regional organizations ${ }^{7}$. | 3,274 | 2,607 | 2,356 | 2,342 | 1,961 | 2,003 | 1,854 ${ }^{\text {r }}$ | 1,854 | 1,804 | 1,803 |
| 12 Banks' own liabilities |  | 906 | 714 | 442 | 419 | 317 | 293 | 293 | 655 | 498 |
| 13 Demand deposits. | 231 | 330 | 260 | 146 | 212 | 186 | 126 | 126 | 178 | 149 |
| 14 Time deposits ${ }^{1}$. | 139 | 84 | 151 | 85 | 71 | 76 | 67 | 67 | 81 | 78 |
| 15 Other ${ }^{2}$. |  | 492 | 303 | 211 | 137 | 54 | 100 | 100 | 396 | 271 |
| 16 Banks' custody liabilities ${ }^{4}$ |  | 1,701 | 1,643 | 1.900 | 1,542 | 1,687 | $1.561{ }^{r}$ | 1,561 | 1,149 | 1,304 |
| 17 U.S. Treasury bills and certificates | 706 | 201 | 102 | 254 | 88 | 368 | 333 | 333 | 63 | 213 |
| 18 Other negotiable and readily transferable instruments ${ }^{6}$. |  | 1,499 | 1.538 | 1,646 | 1,453 | 1,319 | 1,228 ${ }^{\text {r }}$ | 1,228 | 1,086 | 1,091 |
| 19 Other. |  | 1 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20 Official institutions ${ }^{8}$ | 65,822 | 90,742 | 78,206 | 86,624 | 83,530 | 81,693 | 87,672 r | 87,692 | 87,160 | 81,269 |
| 21 Banks' own liabilities |  | 12.165 | 18.292 | 17,826 | 15,222 | 13.938 | 16,200 ${ }^{r}$ | 16,220 | 14,678 | 13,412 |
| 22 Demand deposits. | 3.528 | 3.390 | 4.671 | 3,771 | 3.869 | 3,580 | 3,338 | 3,232 | 3,768 | 3,444 |
| 23 Time deposits ${ }^{1}$. | 1.797 | 2,560 | 3.050 | 3,612 | 3.343 | 2,997 | 2.920 | 2.938 | 2,660 | 2,642 |
| 24 Other ${ }^{2}$........ |  | 6,215 | 10.571 | 10.443 | 8.010 | 7,361 | 9,941 ${ }$ | 10,050 | 8,250 | 7,326 |
| 25 Banks' custody liabilities ${ }^{4}$ |  | 78.577 | 59.914 | 68.798 | 68.308 | 67.755 | $71.472^{r}$ | 71.472 | 72.482 | 67.857 |
| 26 U.S. Treasury bills and certificates ${ }^{5}$ | 47.820 | 67.415 | 47.666 | 56,243 | 56.522 | 56,829 | 60,306 | 60,306 | 61,431 | 57,612 |
| 27 Other negotiable and readily transferable instruments ${ }^{6}$ |  | 10,992 | 12.196 | 12,501 | 11,756 | 10,894 | $11.080{ }^{\text {r }}$ | 11,080 | 11,026 | 10,223 |
| 28 Other. |  | 170 | 52 | 54 | 30 | 32 | 86 | 86 | 25 | 22 |
| 29 Banks ${ }^{9}$ | 42,335 | 57,423 | 88,316 | 96,415 | 96,659 | 96,608 | 93,018 r | 94,338 | 102,493 | 108,454 |
| 30 Banks' own liabilities |  | 52,626 | 83.299 | 90,456 | 90.594 | 90,319 | 86,649 r | 86,620 | 95,046 | 100,327 |
| 31 Unaffiliated foreign banks. |  | 15.315 | 19.482 | 21.786 | 20.469 | 21,346 | $19.958{ }^{\text {r }}$ | 19,914 | 20.145 | 18,943 |
| 32 Demand deposits. | 10,933 | 11,257 | 13.285 | 14,188 | 12,889 | 14,287 | 12.585 r | 12,588 | 13.493 | 13,394 |
| 33 Time deposits | 2,040 | 1.429 | 1.667 | ${ }_{5}^{1,703}$ | 1.857 5 | 1,813 | ${ }_{5}^{2} .324$ | 2.305 | ${ }_{5}^{1.551}$ | 1.687 |
| 34 Other ${ }^{2}$. |  | 2,629 | 4.530 | 5.895 | 5.723 | 5.245 | 5.049 r | 5,021 | 5,101 | 3,862 |
| 35 Own foreign offices ${ }^{3}$. |  | 37.311 | 63.817 | 68,670 | 70,125 | 68,973 | $66,690{ }^{-}$ | 66,707 | 74,901 | 81,384 |
| 36 Banks' custody liabilities ${ }^{4}$ |  | 4,797 | 5.017 | 5,959 | 6,065 | 6,289 | 6,369 r | 7.717 | 7.446 | 8,127 |
| 37 U.S. Treasury bills and certificates...... | 141 | 300 | 422 | 623 | 631 | 714 | 826 | 827 | 839 | 940 |
| 38 Other negotiable and readily transferable instruments ${ }^{6}$ | ..... | 2,425 | 2.415 | 2,748 | 2.856 | 2,850 | $2.928{ }^{\text {r }}$ | 2.913 | 2.932 | 3.053 |
| 39 Other. |  | 2.072 | 2.179 | 2.588 | 2,578 | 2.726 | 2.615 | 3,977 | 3,675 | 4,134 |
| 40 Other foreigners | 14,736 | 16,070 | 18,642 | 19,914 | 20,209 | 20,891 | 20,816 ${ }^{\text {r }}$ | 21,109 | 21,569 | 21,730 |
| 41 Banks' own liabilities |  | 12,964 | 14.891 | 16,065 | 16.623 | 16,955 | 17,076 ${ }^{\text {r }}$ | 17,291 | 17,667 | 17,777 |
| 42 Demand deposits. | 4.304 | 4,242 | 5,087 | 5,356 | 5.179 | 5,246 | 5.259 | 5,270 | 5,205 | 5,270 |
| 43 Time deposits. | 7,546 | 8.353 | 8.755 | 9,676 | 10,628 | 10,892 | 10,961 | 10.995 | 11,678 | 11,620 |
| 44 Other ${ }^{2}$..... |  | 368 | 1.048 | 1.033 | 815 | 816 | $856^{r}$ | 1.027 | 784 | 888 |
| 45 Banks' custody liabilities ${ }^{4}$ |  | 3,106 | 3.751 | 3,849 | 3.586 | 3.937 | 3,740 ${ }^{\text {r }}$ | 3,817 | 3,902 | 3,952 |
| 46 U.S. Treasury bills and certificates | 240 | 285 | 382 | 474 | 432 | 449 | 607 | 690 | 701 | 571 |
| 47 Other negotiable and readily transferable instruments ${ }^{6}$ |  | 2,557 | 3,247 | 3,185 | 2,985 | 3,287 | 2,991 ${ }^{\text {r }}$ | 2,986 | 3,083 | 3,237 |
| 48 Other. |  | 264 | 123 | 190 | 170 | 201 | 141 | 141 | 119 | 145 |
| 49 Memo: Negotiable time certificates of deposi in custody for foreigners |  | 11.007 | 10.984 | 10.745 | 10,267 | 9,868 | 9,893 r | 9,887 | 9,777 | 9,620 |

1. Excludes negotiable time certificates of deposit, which are included in "Other negotiable and readily transferable instruments." Data for time deposits before April 1978 represent short-term only.
2. Includes borrowing under repurchase agreements
3. U.S. banks: includes amounts due to own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. Agencies, branches, and majority-owned subsidiaries of foreign banks: principally amounts due to head office or parent foreign bank, and foreign 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 branch
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."
$\Delta$ Data in the two columns for this date differ because of changes in reporting coverage. Figures in the first column are comparable in coverage with those shown for the preceding month; figures in the second column are comparable with those for the following month.

3.17 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States Payable in U.S. Dollars
Millions of dollars, end of period

| Area and country | 1977 | 1978 | 1979 | 1980 | 1981 |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  | Jan. | Feb. | Mar. |  | Apr. | Mayp |
| 1 Total | 90,206 | 115,545 | 133,943 | 172,702 | 167,338 | 167,687r | 179,535r | 181,551 | 184,451 | 185,827 |
| 2 Foreign countries. | 90,163 | 115,488 | 133,906 | 172,624 | 167,266 | 167,608 r | 179,461 ${ }^{\prime}$ | 181,477 | 184,382 | 185,751 |
| 3 Europe . ${ }_{4}$ Austria | 18,114 | 24,201 140 | $\begin{array}{r}28,388 \\ 284 \\ \hline\end{array}$ | 32.155 236 | 30,657 249 | 30,768 191 | 34,174 ${ }^{17}$ | 35,098 174 | 34,176 | 34,230 149 |
| ${ }_{5}^{4}$ Austria Belgium-Luxembourg | 65 561 | 1,200 | 284 1,339 | 236 1,621 | 30,69 1,739 | 2,140 | 2,568 | 2,573 | 2,155 | 149 2,023 |
| 6 Denmark. ........... | 173 | 254 | 147 | 127 | 129 | 172 | 119 | 119 | 141 | 162 |
| 7 Finland | 172 | 305 | 202 | 460 | 322 | 337 | $319 r$ | 326 | 324 | 299 |
| 8 France. | 2,082 | 3,735 | 3,322 | 2,958 | 2,716 | 3,067 | 3,838 ${ }^{\text {r }}$ | 3,911 | 3,696 | 3,166 |
| 9 Germany. | 644 | 845 | 1,179 | 948 | 993 r | 1,028 | 1,074 | 1,122 | 1,038 | 1,140 |
| 10 Greece. | 206 | 164 | 154 | 256 | 264 | 244 | 210 | 210 | 334 | 242 |
| 11 Italy | 1,334 | 1,523 | 1,631 | 3,364 | 3,168 | 3,105 | 3,052r | 3,055 | 2,926 | 2,976 |
| 12 Netherlands | 338 | 677 | 514 | 575 | 642 | 523 | 548 | 560 | 530 | 584 |
| 13 Norway | 162 | 299 | 276 | 227 | 294 | 224 | 223 | 223 | 180 | 173 |
| 14 Portugal | 175 | 171 | 330 | 331 | 299 | 240 | 247 | 247 | 242 | 263 |
| 15 Spain... | 722 | 1,120 | 1,051 | 993 | 1,131 | 1.152 | 1,494 | 1,497 | 1,601 | 1,715 |
| 16 Sweden | 218 | 537 | 542 | 783 | 688 | 733 | 868 | 884 | 975 | 988 |
| 17 Switzerland. | 564 | 1,283 | 1,165 | 1,446 | 1,753 | 1,729 | 1,313 ${ }^{\text {r }}$ | 1,375 | 1,263 | 1,693 |
| 18 Turkey. | 360 | 300 | 149 | 145 | 146 | 155 | $136 r$ | 136 | 132 | 172 |
| 19 United Kingdom | 8,964 | 10,147 | 13,795 | 14,917 | 13,175 | 12,949 | 15,093 r | 15,827 | 15,565 | 15,643 |
| 20 Yugoslavia ........... | 311 | 363 | 611 | 853 | 863 | 859 | 871 | 872 | 878 | 904 |
| 21 Other Western Europe ${ }^{\text {1 }}$. | 86 | 122 | 175 | 179 | 347 | 177 | 176 | 176 | 211 | 147 |
| 22 U.S.S.R. | 413 | 360 | 268 | 281 | 249 | 249 | 265 | 265 | 266 | 254 |
| 23 Other Eastern Europe ${ }^{2}$ | 566 | 657 | 1,254 | 1,457 | 1,490 | 1.494 | 1,548 | 1,548 | 1,569 | 1,538 |
| 24 Canada | 3,355 | 5,152 | 4,143 | 4.810 | 4,221 | 4,872 | 5,017r | 5,297 | 6,147 | 5,837 |
| 25 Latin America and Caribbean | 45,850 | 57,565 | 67.993 4989 | 92,992 | 90,792 <br> 5064 |  | $\xrightarrow{96,364}$ ¢ 67 | 96,829 5 | 98,334 | 99,158 |
| 26 Argentina | 1,478 19 | 21,281 | 4,389 18.918 | 5.689 20.419 | 5,642 28 | 5,636 | 5,672 | 5,672 | 5,881 | 5,635 |
| 27 Bahamas. | 19,858 | 21.555 | 18.918 | 29.419 | 28,358 | 28,642' | 34,139 r | 34,285 | 33,873 | 32,894 |
| 28 Bermuda. | 232 | 184 | 496 | 218 | 267 | 364 | $324 r$ | 324 | 389 | 481 |
| 29 Brazil. | 4,629 | 6,251 | 7,713 | 10,496 | 10,260 | 9,801 | 10,213 $r$ | 10,269 | 9,924 | 9,916 |
| 30 British West Indies | 6,481 | 9,694 | 9.818 | 15,663 | 14.546 | 14,338 | 14,236 ${ }^{\text {r }}$ | 14,320 | 15,937 | 16,892 |
| 31 Chile | 675 | 970 | 1,441 | 1,951 | 1.862 | 1,843 | 1,876 ${ }^{\text {r }}$ | 1,876 | 2,028 | 2,019 |
| 32 Colombia | 671 | 1,012 | 1,614 | 1,752 | 1,665 | 1,435 | 1,467 | 1,467 | 1,457 | 1,580 |
| 33 Cuba | 10 | 0 | 4 | 3 | 4 | 3 | 3 | 3 | 4 | 3 |
| 34 Ecuador | 517 | 705 | 1.025 | 1,190 | 1,222 | 1,179 | 1,257 | 1,257 | 1,229 | 1,237 |
| 35 Guatemala ${ }^{3}$ |  | 94 | 134 | 137 | 114 | 113 | 208 | 208 | 98 | 106 |
| 36 Jamaica ${ }^{3}$ |  | 40 | 47 | 36 | 33 | 41 | 77 | 77 | 34 | 35 |
| 37 Mexico | 4,909 | 5,479 | 9,099 | 12,595 | 12,687 | 12.460 | 12,407r | 12,447 | 13,242 | 13,409 |
| 38 Netherlands Antilles. | 224 | 273 | 248 | 821 | 835 | 655 | 807 | 921 | -809 | ,956 |
| 39 Panama | 1,410 | 3,098 | 6,041 | 4,974 | 5,033 | 4,964 | 5,640 | 5,643 | 5,489 | 5,848 |
| 40 Peru. | 962 | 918 | 652 | 890 | 912 | 877 | 794 r | 794 | 853 | 871 |
| 41 Uruguay | 80 | 52 | 105 | 137 | 111 | 107 | 103 | 103 | 105 | 100 |
| 42 Venezuela. | 2.318 | 3,474 | 4.657 | 5.438 | 5.515 | 5.514 | 5,441 | 5,458 | 5,325 | 5,433 |
| 43 Other Latin America and Caribbean | 1,394 | 1,485 | 1,593 | 1,583 | 1,728 | 1,653 | 1.702 | 1,705 | 1,658 | 1,742 |
| 44 Asia | 19,236 | 25,362 | 30,730 | 39,140 | 38,564 r | 39,113 $r$ | 40,636 ${ }^{r}$ | 40,941 | 42,415 | 42,950 |
| China |  |  |  |  |  |  |  |  |  |  |
| 45 Mainland. | 10 | 4 | 35 | 195 | 225 | 186 | 201 | 201 | 202 | 204 |
| 46 Taiwan | 1,719 | 1,499 | 1,821 | 2.469 | 2.415 | 2.270 | 2,413 ${ }^{\text {r }}$ | 2,413 | 2,568 | 2,413 |
| 47 Hong Kong. | 543 | 1,479 | 1,804 | 2,247 | 2,250 | 2,212 | 2,330 | 2,330 | 2,476 | 2,896 |
| 48 India ...... | 53 | 54 | 92 | 142 | 110 | 142 | 127 | 127 | 134 | 170 |
| 49 Indonesia | 232 | 143 | 131 | 245 | 280 | 306 | 288 | 288 | 299 | 268 |
| 50 Israel. | 584 | 888 | 990 | 1,172 | 1,081 | 829 | 944 | 981 | 1,014 | 1,185 |
| 51 Japan. | 9.839 | 12,646 | 16.911 | 21,361 | 21,187 | 22,314 ${ }^{\text {r }}$ | 23,710 | 23,977 | 23,850 | 24,225 |
| 52 Korea | 2,336 | 2,282 | 3,793 | 5,697 | 5,904 | 5,936 | 5,823r | 5,823 | 6,024 | 6,014 |
| 53 Philippines | 594 | ${ }^{680}$ | 737 | 989 | 840 | 745 | ${ }_{605}$ | ${ }_{8}^{605}$ | 992 | 1,024 |
| 54 Thailand | 633 | 758 | 933 | 876 | 810 | 808 | 835 | 835 | 829 | 698 |
| 55 Middle East oileexporting countries ${ }^{4}$ | 1,746 | 3.125 | 1.548 | 1.494 | 1,435 | 1,443 | 1,486 | 1,486 | 1,909 | 1,458 |
| 56 Other Asia . . . . . . . . . . . . . . . . . . . | 947 | 1,804 | 1.934 | 2.252 | 2.026 | 1,922 | 1,874 | 1,874 | 2,120 | 2,396 |
| 57 Africa | 2,518 | 2.221 | 1,797 | 2,377 | 1,910 | 1,981 | 2,271 | 2,271 | 2,272 | 2,536 |
| 58 Egypt. | 119 | 107 | 114 | 151 | 175 | 152 | 137 | 137 | 124 | 126 |
| 59 Morocco | 43 | 82 | 103 | 223 | 186 | 115 | 153 | 153 | 118 | 87 |
| 60 South Africa. | 1,066 | 860 | 445 | 370 | 337 | 421 | 534 | 534 | 562 | 668 |
| 61 Zaire | 98 | 164 | 144 | 94 | 96 | 94 | 111 | 111 | 108 | 98 |
| 62 Oil-exporting countries 5 . | 510 | 452 | 391 | 805 | 410 | 425 | 589 | 589 | 650 | 805 |
| 63 Other. . | 682 | 556 | 600 | 734 | 707 | 773 | 746 | 746 | 710 | 751 |
| 64 Other countries | 1,090 | 988 | 855 | 1,150 | 1,122 | 1,250 | 1,038 $r$ | 1,041 | 1,038 | 1,040 |
| 65 Australia.. | 905 | 877 | 673 | 859 | 827 | 868 | 870 | 874 | 922 | 898 |
| 66 All other. | 186 | 111 | 182 | 290 | 295 | 381 | 167 r | 167 | 116 | 142 |
| 67 Nonmonetary international and regional organizations ${ }^{6}$ | 43 | 56 | 36 | 78 | 72 | 79 | 74 | 74 | 69 | 76 |

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."

Data in the two columns shown for this date differ because of changes in reporting coverage. Figures in the first column are comparable in coverage with those for the preceding month; figures in the second column are comparable with those for the following month.
hose for the following month.
Note. Data for period prior to April 1978 include claims of banks' domestic customers on foreigners.

### 3.18 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States Payable in U.S. Dollars <br> Millions of dollars, end of period



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 regulatory agencies. Agencies, branches, and majortyy-owned subsidiaries of foreign banks: principally amounts due from head office or parent foreign bank, and foreign
branches, agencies, or wholly owned subsidiaries of head office or parent foreign bank.
2. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the account of their domestic customers.
3. Principally negotiable time certificates of deposit and bankers acceptances.
4. Data for March 1978 and for period prior to that are outstanding collections only. 5. Inctudes 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.
$\Delta$ Data in the two columns for this month differ because of changes in reporting coverage. Figures in the first column are comparable in coverage with those shown for the preceding month; figures in the second column are comparable with those shown for the following month.
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.

### 3.19 BANKS' OWN CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Banks in the United States Payable in U.S. Dollars

Millions of dollars, end of period

| Maturity; by borrower and area | 1978 | 1979 | 1980 |  |  | 1981 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Dec. | Dec. | June | Sept. | Dec. | Mar. $\mathbf{A}$ |  |
| 1 Total | 73,635 | 86,181 | 93,260 | 99,022 | 106,857 | 104,789 | 106,513 |
| 2 By borrower ${ }^{\text {Maturity of } 1 \text { year or less } 1 .}$ | 58,345 | 65.152 | 71.938 | 76,231 | 82.665 | 80.855 | 82.636 |
| 3 Foreign public borrowers. | 4,633 | 7,233 | 7,227 | 8,935 | 10,036 | 10,519 | 10,630 |
| 4 All other foreigners..... | 53,712 | 57,919 | 64,711 | 67,296 | 72,628 | 70,336 | 72,005 |
| 5 Maturity of over 1 year ${ }^{1}$ | 15,289 | 21,030 | 21,322 | 22,791 | 24,193 | 23,934 | 23,877 |
| 6 Foreign public borrowers. | 5,395 | 8,371 | 8,673 | 9,722 | 10,152 | 10,158 | 10,244 |
| 7 All other foreigners | 9,894 | 12,659 | 12,649 | 13,069 | 14,041 | 13,775 | 13,634 |
| By area |  |  |  |  |  |  |  |
| Maturity of 1 year or less ${ }^{1}$ |  |  |  |  |  |  |  |
| 8 Europe | 15,169 | 15,235 | 17,215 | 16,940 | 18,762 | 17,306 | 18,261 |
| 9 Canada | 2,670 | 1,777 | 2,047 | 2,166 | 2,723 | 2,358 | 2,621 |
| 10 Latin America and Caribbean | 20,895 | 24,928 | 24,460 | 28,097 | 32,034 | 30,844 | 31,096 |
| 11 Asia.. | 17,545 | 21,641 | 26,162 | 26,876 | 26,748 | 28,001 | 28,305 |
| 12 Africa | 1,496 | 1,077 | 1,330 | 1,401 | 1,757 | 1,624 | 1,624 |
| 13 All other ${ }^{2}$. | 569 | 493 | 724 | 751 | 640 | 722 | 729 |
| Maturity of over 1 year ${ }^{1}$ |  |  |  |  |  |  |  |
| 14 Europe | 3,142 | 4.160 | 4,033 | 4,705 | 5,118 | 5,698 | 5,578 |
| 15 Canada | 1,426 | 1,317 | 1,199 | 1,188 | 1,448 | 1,184 | 1,200 |
| 16 Latin America and Caribbean | 8,464 | 12,814 | 13,887 | 14,187 | 15,075 | 14,768 | 14,870 |
| 17 Asia. | 1,407 | 1,911 | 1,477 | 2,014 | 1,865 | 1,585 | 1,530 |
| 18 Africa | 637 | 655 | 576 | 567 | 507 | 531 | 531 |
| 19 All other ${ }^{2}$ | 214 | 173 | 150 | 130 | 179 | 168 | 167 |

[^36]
### 3.20 CLAIMS ON FOREIGN COUNTRIES Held by U.S. Offices and Foreign Branches of U.S.-Chartered Banks ${ }^{1}$ <br> Billions of dollars, end of period



[^37]the claims of the U.S. offices also include customer claims and foreign currency claims (amounting in June 1978 to $\$ 10$ billion).
3. In addition to 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)
4. Foreign branch claims only through December 1976.
4. Foreign branch cla
5. Excludes Liberia.
7. Foreign branch claims only.
8. Includes New Zealand, Liberia, and international and regional organizations.
3.21 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Holdings and Transactions Millions of dollars

| Country or area | 1979 | 1980 | 1981 | 1980 |  | 1981 |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | $\begin{aligned} & \text { Jan.- } \\ & \text { Mayp } \end{aligned}$ | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | May ${ }^{\text {p }}$ |
|  | Holdings (end of period) ${ }^{1}$ |  |  |  |  |  |  |  |  |  |
| 1 Estimated total ${ }^{2}$. | 51,344 | 57,418 | ....... | 57,222 | 57,418 | 58,453 | 60,277 | 61,760 r | 62,124r | 62,837 |
| 2 Foreign countries ${ }^{2}$. | 45,915 | 52,831 | ...... | 52,872 | 52,831 | 53,919 | 55.655 | 56,840 | 57.352r | 58,039 |
| ${ }_{4} 3$ Europe ${ }^{2}$. ${ }^{\text {Belgium-Luxembourg }}$ | 24,824 60 | 24,337 77 |  | 24,711 | 24,337 | 25,176 80 | 25,466 88 | 25,235 106 | 24,883 123 | 24,511 |
| 5 Germany ${ }^{2}$........... | 14,056 | 12,335 | . . . ${ }^{\text {a }}$. | 12,758 | 12,335 | 12,791 | 12.915 | 12.340 | 11,925 | 11,949 |
| 6 Netherlands | 1,466 | 1,884 | , | 1.777 | 1,884 | 1,954 | 1.944 | 1,965 | 1,950 | 1,813 |
| 7 Sweden. | 647 | 595 |  | 614 | 595 | 555 | 535 | 566 | 567 | 572 |
| 8 Switzerland ${ }^{2}$ | 1,868 | 1,485 | ..... | 1,489 | 1,485 | 1,561 | 1,524 | 1,527 | 1,526 | 1,535 |
| 9 United Kingdom. | 6,236 | 7.183 |  | 7.414 | 7,183 | 7,438 | 7,745 | 7,892 | 7,862 | 7,274 |
| 10 Other Western Europe | 491 | 777 |  | 584 | 777 | 796 | 714 | 839 | 930 | 1,236 |
| 11 Eastern Europe...... | 0 | 0 |  | 0 | 0 | 458 | 0 | 0 | 0 | 0 |
| 12 Canada ...... | 232 | 449 |  | 532 | 449 | 458 | 490 | 478 | 464 | 486 |
| 13 Latin America and Caribbean | 466 | 999 | ....... | 942 | 999 | 998 | 1,074 | 1,151 | 939 | 849 |
| 14 Venezuela. | 103 | 292 |  | 292 | 292 | 292 | 292 | 292 | 292 | 287 |
| 15 Other Latin America and Caribbean | 200 | 285 |  | 278 | 285 | 281 | 341 | 339 | 389 | 430 |
| 16 Netherlands Antilles. | 163 | 421 |  | 372 | 421 | 425 | 441 | 519 | 258 | 132 |
| 17 Asia. | 19,805 | 26,112 |  | 25,968 | 26.112 | 26,303 | 27,467 | 28,827 | 29,920 ${ }^{\text {r }}$ | 31,047 |
| 18 Japan. | 11,175 | 9,479 | - ....... | 9,547 | 9,479 | 9,519 | 9,543 | 9,543 | 9,566 | 9,606 |
| 19 Africa | 591 | 920 |  | 715 | 920 | 970 | 1.139 | 1,140 | 1,140 | 1,140 |
| 20 All other | -3 | 14 |  | 4 | 14 | 14 | 18 | 9 | 7 | 6 |
| 21 Nonmonetary international and regional organizations | 5,429 | 4,587 |  | 4.350 | 4,587 | 4,534 | 4.622 | 4,920 ${ }^{\text {r }}$ | 4,772 ${ }^{\text {r }}$ | 4,798 |
| 22 International ........... | $\begin{array}{r}5,388 \\ \hline\end{array}$ | $\begin{array}{r} 4,548 \\ 36 \end{array}$ |  | 4,302 44 | $\begin{array}{r}4,548 \\ \hline 36\end{array}$ | 4,505 26 | $\begin{array}{r}4,586 \\ \hline 36\end{array}$ | $\begin{gathered} 4,878 r \\ 36 \end{gathered}$ | 4,759 6 | 4,791 1 |
|  | Transactions (net purchases, or sales ( - ) during period) |  |  |  |  |  |  |  |  |  |
| 24 Total ${ }^{2}$. | 6,397 | 6,075 | 5,418 | 664 | 196 | 1,035 | 1,827 | 1,480 r | $364 r$ | 713 |
| 25 Foreign countries ${ }^{2}$. . | 6,099 | 6.916 | 5,208 | 791 | -41 | 1,088 | 1,736 | 1,185 | 512 r | 686 |
| 26 Official institutions | 1.697 | 3.840 | 4.169 | 301 | -336 | 865 | 1,404 | 1,084 | $495 r$ | 321 |
| 27 Other foreign ${ }^{2}$ | 4.403 | 3,076 | 1,038 | 490 | 295 | 223 | 332 | 101 | $17{ }^{\text {r }}$ | 365 |
| 28 Nonmonetary international and regional organizations . | 301 | -843 | 211 | -126 | 237 | -53 | 91 | 295 r | -148 | 26 |
| Memo: Oil-exporting countries <br> 29 Middle East ${ }^{3}$ <br> 30 Africa ${ }^{4}$ | -1.014 -100 | $\begin{array}{r}7.672 r \\ \hline 28\end{array}$ | 4.665 220 | 561 29 | 358 <br> 205 | 300 51 | 1.139 169 | 1,322 0 | 1,062 0 | 841 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.

### 3.22 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS

Millions of dollars, end of period

| Assets | 1978 | 1979 | 1980 | 1980 | 1981 |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Dec. | Jan. | Feb. | Mar. | Apr. | May | June $P$ |
| 1 Deposits | 367 | 429 | 411 | 411 | 573 | 422 | 474 | 475 | 346 | 338 |
| $2 \begin{aligned} & \text { Assets held in custody } \\ & \\ & 3\end{aligned}$ | 117.126 | 95.075 | 102.417 | 102,417 | 104,490 | 106,389 | 111,859 | 113,746 | 109,742 | 107,884 |
| 3 Earmarked gold ${ }^{2}$...... | 15,463 | 15,169 | 14,965 | 14,965 | 14,893 | 14,892 | 14,883 | 14,886 | 14,875 | 14,871 |

1. Marketable U.S. Treasury bills, notes, and bonds; and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies.
2. The value of earmarked gold increased because of the changes in par value of the U.S. dollar in May 1972 and in October 1973.

Note. Excludes deposits and U.S. Treasury securities held for international and regional organizations. Earmarked gold is gold held for foreign and international accounts and is not included in the gold stock of the United States.

### 3.23 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars


1. Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
2. Includes state and local government securities, and securities of U.S. government agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

### 3.24 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States ${ }^{1}$ <br> Millions of dollars, end of period



[^38]3. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States)
4. Comprises Algeria, Gabon, Libya, and Nigeria.
5. Includes nonmonetary international and regional organizations.

### 3.25 CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States ${ }^{1}$ <br> Millions of dollars, end of period

| Type, and area or country | 1978 | 1979 | 1979 |  | 1980 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Sept. ${ }^{\text {r }}$ | Dec. ${ }^{\text {r }}$ | Mar. ${ }^{\text {r }}$ | June ${ }^{r}$ | Sept. | Dec. $P$ |
| 1 Total | 27,892r | 31,023 | 31,022 | 31,023 | 32,077 | 32,024 | 31,579r | 33,560 |
| 2 Payable in dollars. | 24,905 $r$ | 27,850 | 28,345 | 27,850 | 29,069 | 28,962 | 28,322r | 30,719 |
| 3 Payable in foreign currencies ${ }^{2}$ | 2,988 $r$ | 3,173 | 2,677 | 3,173 | 3,008 | 3,062 | 3,257 $r$ | 2,841 |
| By type |  |  |  |  |  |  |  |  |
| 4 Fínancial claims | 16,570r | 18,222 | 19,251 | 18,222 | 19,332 | 18,630 | 18,285 $r$ | 18.979 |
| 5 Deposits... | 11,111 ${ }^{\text {r }}$ | 12,579 | 13,808 | 12,579 | 13,657 | 12,786 | 12,218r | 13,223 |
| 6 Payable in dollars. | 10,043 ${ }^{\text {r }}$ | 11,663 | 12,900 | 11,663 | 12,681 | 11,907 | 11,056r | 12,499 |
| 7 Payable in foreign currencies | 1,068 | . 916 | 908 | 516 | . 977 | 879 | 1,162r | 724 |
| 8 Other financial claims..... | 5,459 | 5,643 | 5,443 | 5,643 | 5,675 | 5,844 | 6,067 $r$ | 5,756 |
| 9 Payable in dollars. | 3,874 | 3,803 | 4,030 | 3,803 | 4,055 | 4,103 | 4,399r | 4,063 |
| 10 Payable in foreign currencies | 1,584 | 1,840 | 1,413 | 1,840 | 1,620 | 1,740 | 1,668r | 1,693 |
| 11 Commercial claims. | 11,323r | 12,801 | 11,770 | 12.801 | 12,745 | 13,394 | 13,294 | 14,581 |
| 12 Trade receivables | 10,764r | 12,112 | 11,058 | 12,112 | 12,095 | 12,685 | 12,605 | 13,873 |
| 13 Advance payments and other claims | 559 | 688 | 712 | 688 | 649 | 710 | 688 | 709 |
| 14 Payable in dollars. | 10,988r | 12,384 | 11,415 | 12,384 | 12,333 | 12,952 | 12,867 | 14,157 |
| 15 Payable in foreign currencies . | $335 r$ | 416 | 355 | 416 | 411 | 443 | 427 | 424 |
| By area or country Financial claims |  |  |  |  |  |  |  |  |
| 16 Europe . . . . | 5,215 | 6,146 | 6,581 | 6,146 | 5,843 | 5,843 | 5,605r | 5,974 |
| 17 Belgium-Luxembourg | 48 | , 32 | , 33 | 32 | 21 | ${ }^{5} 23$ | , 17r | 193 |
| 18 France... | 178 | 177 | 191 | 177 | 290 | 307 | 409 r | 334 |
| 19 Germany | 510 | 409 | 393 | 409 | 300 | 190 | 168 | 224 |
| 20 Netherlands | 103 | 53 | 51 | 53 | 39 | 37 | 30 | 32 |
| 21 Switzerland | 98 | 73 | 85 | 73 | 89 | 96 | 41 | 57 |
| 22 United Kingdom. | 4,021r | 5,081 | 5,540 | 5,081 | 4,790 | 4,863 | 4,545r | 4,865 |
| 23 Canada. | 4,484 $r$ | 4,813 | 4,767 | 4,813 | 4,885 | 4,783 | 4,804, | 4,698 |
| 24 Latin America and Caribbean | 5,714r | 6,261 | 6,736 | 6.261 | 7.583 | 6,924 | 6,757r | 7,353 |
| 25 Bahamas. | 3,001 ${ }^{\text {r }}$ | 2.741 | 3,338 | 2,741 | 3,516 | 3,080 | 2,831' | 3,233 |
| 26 Bermuda | 80 | 30 | 31 | 30 | 34 | 25 | 65 | 135 |
| 27 Brazil | 151 | 163 | 133 | 163 | 128 | 120 | 116 | 96 |
| 28 British West Indies. | 1,291r | 2,001 | 1,838 | 2,001 | 2,591 | 2,393 | 2,301 ${ }^{\text {r }}$ | 2,577 |
| 29 Mexico | 163 | 158 | 156 | 158 | 169 | 178 | 192 | 208 |
| 30 Venezuela | 157 | 143 | 139 | 143 | 134 | 139 | 128 | 114 |
| 31 Asia. | 920 | 706 | 821 | 706 | 713 | 758 | 791 ' | 685 |
| 32 Japan | 305 | 199 | 225 | 199 | 226 | 253 | 269 | 158 |
| 33 Middle East oil-exporting countries ${ }^{3}$ | 18 | 16 | 21 | 16 | 18 | 16 | 20 | 19 |
| 34 Africa. | 181 | 253 | 277 | 253 | 265 | 256 | 260 | 237 |
| 35 Oil-exporting countries ${ }^{4}$ | 10 | 49 | 41 | 49 | 40 | 35 | 29 | 26 |
| 36 All other ${ }^{5}$. | 55 | 44 | 69 | 44 | 43 | 65 | 68 | 32 |
| Commercial claims |  |  |  |  |  |  |  |  |
| 37 Europe........ | $3.980{ }^{r}$ | 4,897 | 4,121 | 4,897 | 4,759 | 4,830 | 4,655 | 5,450 |
| 38 Belgium-Luxembourg | 144 | 202 | 179 | 202 | 208 | 258 | 230 | 232 |
| 39 France. | 609 | 726 | 517 | 726 | 702 | 662 | 707 | 1,124 |
| 40 Germany | $398{ }^{r}$ | 589 | 450 | 589 | 515 | 510 | 569 | - 571 |
| 41 Netherlands | 267 | 298 | 261 | 298 | 347 | 297 | 289 | 318 |
| 42 Switzerland | 198 | 269 | 224 | 269 | 349 | 429 | 333 | 345 |
| 43 United Kingdom. | $824 r$ | 901 | 814 | 901 | 926 | 903 | 988 | 929 |
| 44 Canada. | 1,094r | 846 | 1,165 | 846 | 861 | 896 | 929 | 919 |
| 45 Latin America and Caribbean . | 2,544r | 2,850 | 2,602 | 2,850 | 2,986 | 3,277 | 3,375 | 3,796 |
| 46 Bahamas. | 109 | 21 | 26 | 21 | 19 | 3,29 | 3,37 | 21 |
| 47 Bermuda | 215 | 197 | 154 | 197 | 135 | 133 | 81 | 148 |
| 48 Brazil | 628 r | 645 | 567 | 645 | 654 | 695 | 710 | 858 |
| 49 British West Indies. | 9 | 16 | 13 | 16 | 11 | 9 | 17 | 34 |
| 50 Mexico | $505 r$ | 698 | 650 | 698 | 832 | 921 | 981 | 1,088 |
| 51 Venezuela | $291 r$ | 343 | 345 | 343 | 350 | 395 | 388 | 411 |
| 52 Asia.. | 3,080r | 3,413 | 3,113 | 3,413 | 3,395 | 3,576 | 3,395 | 3,449 |
| 53 Japan | 976 | 1,140 | 1,128 | 1,140 | 1,213 | 1,143 | 1,094 | -989 |
| 54 Middle East oil-exporting countries ${ }^{3}$ | $716^{r}$ | 766 | 700 | 766 | 719 | 830 | 837 | 821 |
| 55 Africa. | 447 | 554 | 549 | 554 | 517 | 566 | 669 | 651 |
| 56 Oil-exporting countries ${ }^{4}$ | 136 | 133 | 140 | 133 | 114 | 115 | 135 | 151 |
| 57 All other ${ }^{\text {s. }}$. | $178{ }^{\text {r }}$ | 240 | 220 | 240 | 225 | 249 | 270 | 316 |

1. For a description of the changes in the International Statistics tables, see July

179 Bulletin, p. 550.
2. Prior to December 1978, foreign currency data include only liabilities denominated in foreign currencies with an original maturity of less than one year.
3. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
4. Comprises Algeria, Gabon, Libya, and Nigeria.
5. Includes nonmonetary international and regional organizations.

### 3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Percent per annum

| Country | Rate on June 30, 1981 |  | Country | Rate on June 30, 1981 |  | Country | Rate on June 30, 1981 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Percent | Month effective |  | Percent | Month effective |  | Percent | Month effective |
| Argentina | 311.15 | June 1981 | France ${ }^{1} . . . . .$. | 22.0 | May 1981 | Sweden .... | 12.0 | Jan. 1981 |
| Austria . | 6.75 | Mar. 1980 | Germany, Fed. Rep of. | 7.5 | May 1980 | Switzerland. | 5.0 | May 1981 |
| Belgium. | 13.0 | May 1981 | Italy.. | 19.0 | Mar. 1981 | United Kingdom | 12.0 | Mar. 1981 |
| Brazil. | 40.0 | June 1980 | Japan..... | 6.25 | Mar. 1981 | Venezuela. | 10.0 | July 1980 |
| Canada | 19.08 | June 1981 | Netherlands | 9.0 | Mar. 1981 |  |  | July 198 |
| Denmark. | 11.00 | Oct. 1980 | Norway . | 9.0 | Nov. 1979 |  |  |  |
| 1. As from February 1981, the rate at which the Bank of France discounts Treasury bills for 7 to 10 days. <br> Note. Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or |  |  |  | government securities for commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rat 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 | 1978 | 1979 | 1980 | 1980 | 1981 |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Dec. | Jan. | Feb. | Mar. | Apr. | May | June |
| 1 Eurodollars. | 8.74 | 11.96 | 14.00 | 19.47 | 18.07 | 17.18 | 15.36 | 15.95 | 19.06 | 17.86 |
| 2 United Kingdom | 9.18 | 13.60 | 16.59 | 14.64 | 14.20 | 13.12 | 12.58 | 12.26 | 12.34 | 12.61 |
| 3 Canada | 8.52 | 11.91 | 13.12 | 16.83 | 16.98 | 17.28 | 16.85 | 17.35 | 18.96 | 19.28 |
| ${ }_{5} 4$ Germany. | 3.67 | 6.64 | 9.45 | 10.11 | 9.41 | 10.74 | 13.44 | 13.12 | 13.06 | 13.05 |
| 5 Switzerland. | 0.74 | 2.04 | 5.79 | 6.61 | 5.68 | 7.09 | 8.33 | 8.67 | 9.87 | 10.02 |
| 6 Netherlands | 6.53 | 9.33 | 10.60 | 9.69 | 9.36 | 9.78 | 10.61 | 10.41 | 11.76 | 11.81 |
| 7 France. | 8.10 | 9.44 | 12.18 | 11.52 | 11.38 | 11.87 | 12.56 | 13.00 | 15.75 | 18.84 |
| 8 Italy... | 11.40 | 11.85 | 17.50 | 17.47 | 17.34 | 17.50 | 18.22 | 19.92 | 19.92 | 20.49 |
| 9 Belgium. | 7.14 | 10.48 | 14.06 | 12.75 | 12.41 | 12.52 | 13.93 | 17.16 | 16.90 | 15.58 |
| 10 Japan... | 4.75 | 6.10 | 11.45 | 9.60 | 9.00 | 8.52 | 7.87 | 6.83 | 7.22 | 7.41 |

Note. Rates are for 3 -month interbank loans except for the following:
Canada, finance company paper; Belgium, 3-month Treasury bills; and Japan,
Gensaki rate.

### 3.28 FOREIGN EXCHANGE RATES

Cents per unit of foreign currency

| Country/currency | 1978 | 1979 | 1980 | 1980 | 1981 |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Dec. | Jan. | Feb. | Mar. | Apr. | May | June |
| 1 Australia/dollar | 114.41 | 111.77 | 114.00 | 116.86 | 118.19 | 116.26 | 116.29 | 115.32 | 114.06 | 114.07 |
| 2 Austria/schilling. | 6.8958 | 7.4799 | 7.7349 | 7.1549 | 7.0297 | 6.6033 | 6.6959 | 6.5355 | 6.1722 | 5.9502 |
| 3 Belgium/franc. | 3.1809 | 3.4098 | 3.4247 | 3.1543 | 3.0962 | 2.8972 | 2.8966 | 2.8220 | 2.6742 | 2.5734 |
| ${ }_{5}$ Canada/dollar. | 87.729 | 85.386 | 85.530 | 83.560 | 83.974 | 83.442 | 83.936 | 83.966 | 83.265 | 83.050 |
| 5 Denmark/krone | 18.156 | 19.010 | 17.766 | 16.573 | 16.181 | 15.152 | 15.109 | 14.683 | 13.864 | 13.384 |
| 6 Finland/markka | 24.337 | 27.732 | 26.892 | 25.903 | 25.752 | 24.656 | 24.612 | 23.059 | 23.207 | 22.511 |
| 7 France/franc. | 22.218 | 23.504 | 23.694 | 21.925 | 21.539 | 20.142 | 20.147 | 19.548 | 18.225 | 17.679 |
| 8 Germany/deutsche mark | 49.867 | 54.561 | 55.089 | 50.769 | 49.771 | 46.757 | 47.498 | 46.219 | 43.601 | 42.054 |
| 9 India/rupee.. | 12.207 | 12.265 | 12.686 | 12.608 | 12.567 | 12.164 | 12.131 | 12.060 | 11.900 | 11.688 |
| 10 Ireland/pound | 191.84 | 204.65 | 205.77 | 189.01 | 185.54 | 173.31 | 173.25 | 168.46 | 159.49 | 153.61 |
| 11 Italy/lira | . 11782 | . 12035 | . 11694 | . 10704 | . 10478 | . 09807 | . 09699 | . 09280 | . 08766 | . 08436 |
| $12 \mathrm{Japan} / \mathrm{yen}$ | . 47981 | 45834 | . 44311 | . 47747 | .49419 | . 48615 | . 47897 | 46520 | . 45332 | . 44621 |
| 13 Malaysia/ringgit | 43.210 | 45.720 | 45.967 | 45.406 | 44.994 | 44.196 | 43.830 | 43.182 | 42.752 | 42.720 |
| 14 Mexico/peso. | 4.3896 | 4.3826 | 4.3535 | 4.3071 | 4.2792 | 4.2544 | 4.2238 | 4.1880 | 4.1500 | 4.1066 |
| 15 Netherlands/guilder. | 46.284 | 49.843 | 50.369 | 46.730 | 45.810 | 42.870 | 42.912 | 41.660 | 39.224 | 37.816 |
| 16 New Zealand/dollar | 103.64 | 102.23 | 97.337 | 95.404 | 96.137 | 93.414 | 91.999 | 90.273 | 88.150 | 85.823 |
| 17 Norway/krone | 19.079 | 19.747 | 20.261 | 19.370 | 19.087 | 18.485 | 18.540 | 18.271 | 17.652 | 16.907 |
| 18 Portugal/escudo | 2.2782 | 2.0437 | 1.9980 | 1.8773 | 1.8591 | 1.7722 | 1.7621 | 1.7178 | 1.6449 | 1.5899 |
| 19 South Africa/rand | 115.01 | 118.72 | 128.54 | 132.83 | 133.69 | 129.27 | 126.50 | 123.32 | 119.35 | 115.18 |
| 20 Spain/peseta | 1.3073 | 1.4896 | 1.3958 | 1.2653 | 1.2409 | 1.1686 | 1.1672 | 1.1395 | 1.0953 | 1.0565 |
| 21 Sri Lanka/rupee. . | 6.3834 | 6.4226 | 6.1947 | 5.7379 | 5.9525 | 5.5975 | 5.5527 | 5.4185 | 5.4422 | 5.3970 |
| 22 Sweden/krona | 22.139 | 23.323 | 23.647 | 22.722 | 22.490 | 21.734 | 21.704 | 21.309 | 20.450 | 19.802 |
| 23 Switzerland/franc. | 56.283 | 60.121 | 59.697 | 56.022 | 54.907 | 51.502 | 52.043 | 50.664 | 48.400 | 48.226 |
| 24 United Kingdom/pound. | 191.84 | 212.24 | 232.58 | 234.59 | 240.29 | 229.41 | 223.19 | 217.53 | 208.84 | 197.38 |
| ${ }_{25}$ Memoi $_{\text {United }}$ States/dollar ${ }^{1}$ | 92.39 | 88.09 | 87.39 | 90.99 | 91.38 | 96.02 | 96.22 | 98.80 | 103.59 | 106.86 |

1. Index of weighted-average exchange value of U.S. dollar against currencies of other $G-10$ countries plus Switzerland. March $1973=100$.
Weights are $1972-76$ global trade of each of the 10 countries. Series Digitized for FRrevisedas of August 1978. For description and back data, see "Index of
the Weighted-Average Exchange Value of the U.S. Doliar: Revision" on page 700 of the August 1978 Bulletin.

# 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 more than half of figures in that column |
| are changed.) |  |
|  | Amounts insignificant in terms of the last decimal |
| place shown in the table (for example, less than |  |
|  | 500,000 when the smallest unit given is <br> millions) |

$0 \quad$ 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 incidate (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 fiow 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

## List Published Semiannually, with Latest Bulletin Reference

Anticipated schedule of release dates for periodic releases
Issue Page
December 1980
A80

## Special Tables

Published Irregularly, with Latest Bulletin Reference

| Commercial bank assets and liabilities, call dates, December 31,1978, to March $31,1980 \ldots \ldots .$. | October 1980 |
| :--- | :--- |
| A |  |

Special tables begin on following page.
4.10 TIME AND SAVINGS DEPOSITS Held by Insured Commercial Banks on Recent Survey Dates


1. Excludes all money market certificates, all $21 / 2$-year and over variable-rate ceiling certificates, IRAs, and Keogh Plan accounts. Such accounts are included in the items below.
2. Excludes accounts held in IRA and Keogh Plans. Such accounts are included in item above.
3. Effective Jan. 1, 1980, commercial banks, savings and loan associations, and mutual savings banks are authorized to offer variable ceiling accounts with no required minimum denomination and with maturities of $21 / 2$ years or more. The maximum rate for commercial banks is $3 / 4$ percentage point below the yield on $21 / 2$ year U.S. Treasury securities: the ceiling rate for thrift institutions is $1 / 4$ percentage point higher than that for commercial banks.
4.11 SMALL-DENOMINATION TIME AND SAVINGS DEPOSITS Held by Insured Commercial Banks on Jan. 28, 1981, and Apr. 29, 1981, Compared with Previous Survey, by Type of Deposit, by Most Common Rate Paid on New Deposits in Each Category, and by Size of Bank

| Deposit group, original maturity, and distribution of deposits by most common rate | All banks |  | Size of bank (total deposits in millions of dollars) |  |  |  | All banks |  | Size of bank (total deposits in millions of dollars) |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Less than 100 |  | 100 and over |  |  |  | Less than 100 |  | 100 and over |  |
|  | $\begin{gathered} \text { Apr. 29, } \\ 1981 \end{gathered}$ | $\begin{gathered} \text { Jan. } 28, \\ 1981 \end{gathered}$ | $\begin{gathered} \text { Apr. } 29, \\ 1981 \end{gathered}$ | $\begin{gathered} \text { Jan. 28, } \\ 1981 \end{gathered}$ | $\begin{gathered} \text { Apr. } 29, \\ 1981 \end{gathered}$ | $\begin{gathered} \text { Jan. 28, } \\ 1981 \end{gathered}$ | $\begin{gathered} \text { Apr. 29, } \\ 1981 \end{gathered}$ | $\begin{gathered} \text { Jan. } 28, \\ 1981 \end{gathered}$ | $\begin{gathered} \text { Apr. } 29, \\ 1981 \end{gathered}$ | $\begin{gathered} \text { Jan. } 28, \\ 1981 \end{gathered}$ | $\begin{gathered} \text { Apr. } 29, \\ 1981 \end{gathered}$ | $\begin{gathered} \text { Jan. } 28, \\ 1981 \end{gathered}$ |
|  | Number of banks, or percentage distribution |  |  |  |  |  | Amount of deposits (in millions of dollars) or percentage distribution |  |  |  |  |  |
| Savings deposits Individuals and nonprofit organizations |  |  |  |  |  |  |  |  |  |  |  |  |
| Issuing banks ..... | 14,377 | 14,346 | 12,954 | 12,997 | 1,423 | 1,349 | 191,371 | 194,430 | 61,236 | 66,869 | 130,135 | 127,561 |
| Distribution, total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 4.50 or less. . | 2.7 | 2.9 | 2.7 | 2.9 | 2.8 | 3.0 | 4.15 | 3.7 | 5.2 | 4.6 | 3.5 | 3.1 |
| 4.51-5.00. | 3.5 93.8 | 93.1 | $\begin{array}{r}3.4 \\ 93.9 \\ \hline\end{array}$ | 3.9 93.3 | $\begin{array}{r}3.9 \\ 93.4 \\ \hline\end{array}$ | 6.0 91.0 | 92.5 | $\begin{array}{r}4.5 \\ 91.8 \\ \hline\end{array}$ | 4.4 90.3 | 5.3 90.1 | 3.0 93.5 | 94.1 |
| Мемо: Paying ceiling rate ${ }^{1}$ | 93.8 | 93.1 | 93.9 | 93.3 | 93.4 | 91.0 | 92.5 | 91.8 | 90.3 | 90.1 | 93.5 | 92.7 |
| Partnerships and corporations Issuing banks | 10,762 | 11,031 | 9,361 | 9,709 | 1,400 | 1,322 | 8,987 | 9,714 | 2,742 | 3,132 | 6,245 | 6,581 |
| Distribution, total............ | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 4.50 or less ... | . 9 | . 8 | . 9 | 8 | . 9 | 1.0 | . 8 | . 8 | 1.0 | . 9 | . 7 | . 8 |
| 4.51-5.00. | 3.2 | 4.0 | 3.2 | 4.0 | 3.9 | 4.4 | 4.7 | 5.6 | 8.9 | 11.6 | 2.8 | 2.7 |
| 5.01-5.25. | 95.8 | 95.1 | 95.9 | 95.2 | 95.2 | 94.6 | 94.5 | 93.6 | 90.1 | 87.5 | 96.4 | 96.5 |
| Memo: Paying ceiling rate ${ }^{1}$ | 95.8 | 95.1 | 95.9 | 95.2 | 95.2 | 94.6 | 94.5 | 93.6 | 90.1 | 87.5 | 96.4 | 96.5 |
| Domestic governmental units Issuing banks . $\qquad$ | 9,264 | 9,343 | 8,252 | 8,381 | 1,012 | 962 | 3,123 | 3,239 | 1,650 | 1,682 | 1,473 | 1,556 |
| Distribution, total. | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 4.50 or less. . | 1.1 | . 9 | 1.1 | 1.0 | . 6 | . 5 | . 3 | . 2 | . 4 | . 3 | . 3 | . 2 |
| 4.51-5.00. | 1.6 | 2.2 | 1.2 | 2.0 | 4.8 | 4.6 | 3.7 | 3.7 | . 2 | 1.8 | 7.6 | 5.7 |
| 5.01-5.25. | 97.3 | 96.8 | 97.6 | 97.0 | 94.6 | 95.0 | 96.0 | 96.1 | 99.5 | 97.9 | 92.0 | 94.2 |
| Мемо: Paying ceiling rate ${ }^{1}$ | 97.3 | 96.8 | 97.6 | 97.0 | 94.6 | 95.0 | 96.0 | 96.1 | 99.5 | 97.9 | 92.0 | 94.2 |
| All other |  |  |  |  |  |  |  |  |  |  |  |  |
| Issuing banks .... | 1,898 100.0 | 1,693 100.0 | 1,621 100.0 | 1,454 100.0 | 1077 | 239 100.0 | 998 100.0 | 859 100.0 | 790 100.0 | 607 100.0 | 208 100.0 | 252 100.0 |
| 4.50 or less.... | 3.6 | 3.7 | 3.3 | 3.3 | 5.1 | 5.6 | 4 | . 5 | (2) | (2) | 1.7 | 1.6 |
| 4.51-5.00.. | . 1 | 1.9 | (2) | 2.0 | . 7 | 1.0 | (2) | 2.7 | (2) | 3.8 | ${ }^{2}$ 2) | (2) |
| 5.01-5.25.. | 96.3 | 94.5 | 96.7 | 94.6 | 94.2 | 93.4 | 99.6 | 96.8 | 100.0 | 96.2 | 98.3 | 98.4 |
| Memo: Paying ceiling rate ${ }^{1}$ | 96.3 | 94.5 | 96.7 | 94.6 | 94.2 | 93.4 | 99.6 | 96.8 | 100.0 | 96.2 | 98.3 | 98.4 |
| Time deposits less than $\mathbf{\$ 1 0 0 , 0 0 0}$ Domestic governmental units 14 up to 90 days |  |  |  |  |  |  |  |  |  |  |  |  |
| Issuing banks ............. | 3,588 | 3,433 | 2,936 | 2,851 | 652 | 581 | 267 | 319 | 122 | 169 | 146 | 149 |
| Distribution, total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 5.00 or less | 18.2 | 23.5 | 20.1 | 26.2 | 10.0 | 10.5 | 7.7 | 10.0 | 15.9 | 16.9 | . 8 | 2.3 |
| 5.01-5.50. | 31.5 | 34.8 | 25.1 | 29.9 | 60.3 | 58.4 | 33.9 | 35.6 | 9.8 | 14.2 | 53.9 | 59.8 |
| $5.51-8.00$. | 50.3 | 41.7 | 54.8 | 43.9 | 29.7 | 31.1 | 58.5 | 54.4 50.5 | 74.2 | 68.9 | 45.3 | 37.9 |
| Memo: Paying ceiling rate ${ }^{1}$ | 42.8 | 35.9 | 46.3 | 37.6 | 27.5 | 27.9 | 51.9 | 50.5 | 65.1 | 64.5 | 40.9 | 34.6 |
|       <br> 90 up to 180 days 4809 5.217 4017 4.454 791 |  |  |  |  |  |  |  |  |  |  |  |  |
| Issuing banks... | 4.809 | 5.217 | 4,017 | 4,454 | 791 | 763 | 471 | 577 | 197 | 274 | 303 | 302 |
| Distribution, total 5.00 or less.... | 100.0 3.0 | 100.0 3.3 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 5.01-5.50. | 28.9 | 22.0 | 29.4 | 21.7 | 26.4 | 23.8 | 16.3 | 13.7 | 30.5 | 22.5 | 6.1 | 5.8 |
| 5.51-8.00. | 68.0 | 74.8 | 67.0 | 74.6 | 73.2 | 75.7 | 83.7 | 86.2 | 69.4 | 77.4 | 93.9 | 94.2 |
| Memo: Paying ceiling rate ${ }^{1}$. | 24.8 | 26.0 | 25.4 | 26.5 | 21.9 | 23.0 | 20.5 | 22.2 | 36.5 | 36.9 | 9.0 | 8.8 |
| 180 days up to 1 year |  |  |  |  |  |  |  |  |  |  |  |  |
| Issuing banks..... | 4.035 | 3,998 | 3,374 100.0 | 3,358 100 | 661 1000 | 640 1000 | 316 100 | 1000 | 136 100 | 104 100 | 180 100 | 173 100.0 |
| Distribution, total. 5.00 or less ..... | 100.0 4.2 | 100.0 | 100.0 5.1 | 100.0 .8 | 100.0 | 100.0 | 100.0 .8 | 100.0 | 100.0 2.0 | 100.0 | 100.0 | 100.0 |
| 5.00 or less. | 4.2 22.2 7 | 27.7 | 23.1 | $\begin{array}{r}\text { \% } \\ 29.2 \\ \hline 8\end{array}$ | $(2)$ 16.6 | (2) 18.8 | 12.89 | (2) 14.7 | 2.0 20.8 | $(2)$ 25.8 | ${ }^{(2)}$ | (2) |
| 5.51-8.00. . | 73.5 | 71.8 | 71.6 | 70.0 | 83.4 | 81.2 | 86.3 | 85.3 | 77.3 | 74.2 | 93.2 | 91.9 |
| Memo: Paying ceiling rate ${ }^{1}$ | 25.2 | 20.6 | 24.8 | 19.7 | 27.5 | 25.5 | 27.5 | 23.1 | 33.8 | 30.5 | 22.7 | 18.7 |
| 1 year and over |  |  |  |  |  |  |  |  |  |  |  |  |
| Issuing banks. | 6,869 | 6,751 | 5,990 | 5,939 | 879 | 812 | 392 | 767 | 227 | 605 | 165 | 162 |
| Distribution, total. | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 5.50 or less | 1.4 | 1.7 | 1.15 | 1.4 | 3.6 | 3.6 | 2.0 | 35.7 | 4.4 | 44.2 | 4.3 | 3.8 |
| 5.51-6.00. | 47.1 | 48.3 | 45.5 | 47.3 | 57.3 | 55.8 | 56.4 | 32.2 | 46.7 | 21.3 | 69.9 | 73.1 |
| 6.01-8.00. | 51.6 | 50.0 | 53.4 | 51.3 17 | 39.1 | 40.6 | 41.5 13.4 | 32.1 17.8 | 52.9 11.0 | 34.5 18.8 | 25.8 16.7 | 23.0 13.8 |
| Memo: Paying ceiling rate ${ }^{1}$.. | 19.1 | 17.4 | 18.9 | 17.0 | 20.1 | 20.2 | 13.4 | 17.8 | 11.0 | 18.8 | 16.7 | 13.8 |

For notes see end of table.
4.11 Continued

| Deposit group, original maturity, and distribution of deposits by most common rate | All banks |  | Size of bank <br> (total deposits in millions of dollars) |  |  |  | All banks |  | Size of bank(total deposits in millions of dollars) |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Less than 100 |  | 100 and over |  |  |  | Less than 100 |  | 100 and over |  |
|  | $\begin{aligned} & \text { Apr. 29, } \\ & \hline 1981 \end{aligned}$ | $\begin{aligned} & \text { Jan. } 28, \\ & 1981 \end{aligned}$ | $\begin{gathered} \text { Apr. 29, } \\ 1981 \end{gathered}$ | $\begin{gathered} \text { Jan. } 28, \\ 1981 \end{gathered}$ | $\begin{aligned} & \text { Apr. 29, } \\ & 1981 \end{aligned}$ | $\begin{aligned} & \text { Jan. 28, } \\ & 1981 \end{aligned}$ | $\begin{gathered} \text { Apr. } 29, \\ 1981 \end{gathered}$ | $\begin{aligned} & \text { Jan. 28, } \\ & 1981 \end{aligned}$ | $\begin{gathered} \text { Apr. 29, } \\ 1981 \end{gathered}$ | $\begin{gathered} \text { Jan. } 28, \\ 1981 \end{gathered}$ | $\begin{gathered} \text { Apr. 29, } \\ 1981 \end{gathered}$ | $\begin{gathered} \text { Jan. } 28, \\ 1981 \end{gathered}$ |
|  | Number of banks or percentage distribution |  |  |  |  |  | Amount of deposits (in millions of dollars) or percentage distribution |  |  |  |  |  |
| Time deposits less than $\$ 100,000$ (cont.) <br> Other than domestic governmental units <br> 14 up to 90 days |  |  |  |  |  |  |  |  |  |  |  |  |
| Issuing banks................. | 4,199 | 3,848 | 3,231 | 2,926 | 969 | 923 | 1,137 | 1,075 | 135 | 104 | 1,002 | 971 |
| Distribution, total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 5.00 or less.. | 18.6 | 20.6 | 20.6 | 23.3 | 12.0 | 11.9 | 9.9 | 14.2 | 29.9 | 37.9 | 7.3 | 11.6 |
| 5.01-5.25. | 81.4 | 79.4 | 79.4 | 76.7 | 88.0 | 88.1 | 90.1 | 85.8 | 70.1 | 62.1 | 92.7 | 88.4 |
| Memo: Paying ceiling rate ${ }^{1} \ldots \ldots$. | 81.4 | 79.4 | 79.4 | 76.7 | 88.0 | 88.1 | 90.1 | 85.8 | 70.1 | 62.1 | 92.7 | 88.4 |
| 90 up to 180 days |  |  |  |  |  |  |  |  |  |  |  |  |
| Issuing banks.. | 10,448 | 10,622 | 9,070 | 9,295 | 1,378 | 1,328 | 12,744 | 13,862 | 4,094 | 4,506 | 8,650 | 9,355 |
| Distribution, total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 4.99 or less $5.00-5.50$ | 31.3 | 32.8 | 32.0 | $3{ }^{(2)}$ | 26.7 | 23.9 | $(2)$ 30.2 | 31.7 | 24.0 | $\begin{array}{r}\text { (2) } \\ 26.6 \\ \hline\end{array}$ | 33.1 ${ }^{(2)}$ | (2) 34.2 |
| 5.51-5.75. | 68.7 | 67.2 | 68.0 | 65.9 | 73.3 | 76.1 | 69.8 | 68.3 | 76.0 | 73.4 | 66.9 | 65.8 |
| Memo: Paying ceiling rate ${ }^{1}$. | 68.7 | 67.2 | 68.0 | 65.9 | 73.3 | 76.1 | 69.8 | 68.3 | 76.0 | 73.4 | 66.9 | 65.8 |
| 180 days up to 1 year |  |  |  |  |  |  |  |  |  |  |  |  |
| Issuing banks .... | 8,024 100.0 | 7.557 100.0 | 7,060 100.0 | 6,634 100.0 | 964 100.0 | 923 100.0 | 2,499 100.0 | 2,329 100.0 | 1,245 100.0 | 913 100.0 | 1,254 100.0 | 1,416 100.0 |
| 4.99 or less.... | . 9 | . 8 | 1.0 | . 9 | (2) | ${ }^{(2)}$ | ${ }^{(2)}$ | (2) | ${ }^{(2)}$ | (2) | ${ }^{2}$ | ${ }^{2}$ ) |
| 5.00-5.50. | 44.1 | 49.5 | 47.0 | 53.1 | 22.3 | 23.7 | 46.1 | 57.8 | 71.6 | 76.7 | 20.9 | 45.6 |
| 5.51-5.75. | 55.1 | 49.7 | 52.0 | 46.0 | 77.7 | 76.3 | 53.8 | 42.2 | 28.4 | 23.2 | 79.1 | 54.4 |
| Memo: Paying ceiling rate ${ }^{1}$ | 55.1 | 49.7 | 52.0 | 46.0 | 77.7 | 76.3 | 53.8 | 42.2 | 28.4 | 23.2 | 79.1 | 54.4 |
| 1 up to $21 / 2$ years |  |  |  |  |  |  |  |  |  |  |  |  |
| Issuing banks. | 13,768 | 13,682 | 12,362 | 12,354 | 1,405 | 1,328 | 8,273 | 9,616 | 5,047 | 6,120 | 3,226 | 3,496 |
| Distribution, total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 5.50 or less | . 3 | . 7 | . 2 | . 6 | 1.4 | 1.4 | . 6 | 1.1 | . 2 | . 6 | 1.1 | 2.1 |
| 5.51-6.00. | 99.7 | 99.3 | 99.8 | 99.4 | 98.6 | 98.6 | 99.4 | 98.9 | 99.8 | 99.4 | 98.9 | 97.9 |
| Memo: Paying ceiling rate ${ }^{1}$. | 99.6 | 98.9 | 99.8 | 99.0 | 98.3 | 98.2 | 99.0 | 98.5 | 99.8 | 99.3 | 97.9 | 96.9 |
| 21/2 years up to 4 years |  |  |  |  |  |  |  |  |  |  |  |  |
| Issuing banks. | 12,152 | 12,228 | 10,806 | 10,946 | 1,347 | 1,282 | 5,463 | 6,568 | 3,022 | 3,698 | 2,440 | 2,871 |
| Distribution, total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 6.00 or less. | 2.1 | 2.5 | 2.0 | 2.4 | 2.6 | 3.4 | 1.2 | 1.6 | . 5 | 1.3 | 2.1 | 2.1 |
| 6.01-6.50.. | 97.9 | 97.5 | 98.0 | 97.6 | 97.4 | 96.6 | 98.8 | 98.4 | 99.5 | 98.7 | 97.9 | 97.9 |
| Memo: Paying ceiling rate ${ }^{1} \ldots \ldots$. | 97.5 | 97.5 | 97.6 | 97.6 | 97.0 | 96.3 | 97.3 | 98.2 | 97.2 | 98.7 | 97.5 | 97.5 |
| 4 up to 6 years |  |  |  |  |  |  |  |  |  |  |  |  |
| Issuing banks. | 13,465 | 13,248 | 12,059 | 11,915 | 1.406 | 1,333 | 22,156 | 24,573 | 11,557 | 12,955 | 10,599 | 11,619 |
| Distribution, total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 7.00 or less | 8.0 | 3.8 | 8.6 | 3.8 | 27.9 | 3.3 | 4.9 | 2.2 | 7.4 | 2.6 | 2.2 | 1.7 |
| 7.01-7.25... | 92.0 | 96.2 | 91.4 | 96.2 | 97.1 | 96.7 95.9 | 95.1 | 97.8 | 92.6 | 97.4 | 97.8 | 98.3 |
| Memo: Paying ceiling rate ${ }^{1,3} \ldots \ldots$. | 91.9 | 96.2 | 91.4 | 96.2 | 96.4 | 95.9 | 95.0 | 97.7 | 92.6 | 97.4 | 97.6 | 98.1 |
| 6 up to 8 years |  |  |  |  |  |  |  |  |  |  |  |  |
| Issuing banks. | 11,268 | 11,313 | 9,920 | 10,040 | 1,348 | 1,273 | 14,036 | 16,296 | 5,655 | 7,017 | 8,381 | 9,280 |
| Distribution, total.............. | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 7.25 or less. | 3.2 | 2.4 | 3.4 | 2.4 | 1.9 | 2.0 | 1.2 | 1.6 | 0.1 | 1.0 | 1.9 | 2.0 |
| 7.26-7.50.................. | 96.8 | 97.6 | 96.6 | 97.6 | 98.1 | 98.0 | 98.8 98 | 98.4 | 99.9 99.9 | 99.0 | 98.1 | 98.0 |
| Memo: Paying ceiling ratel ${ }^{1}, \ldots \ldots$. | 96.6 | 97.3 | 96.4 | 97.2 | 98.1 | 98.0 | 98.8 | 98.4 | 99.9 | 99.0 | 98.1 | 98.0 |
| 8 years and over |  |  |  |  |  |  |  |  |  |  |  |  |
| Issuing banks. | 8,085 | 8,198 | 6,890 | 7,075 | 1,194 | 1,123 | 2,196 | 2,297 | 770 | 781 | 1,427 | 1,516 |
| Distribution, total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 7.50 or less. | 2.4 | 3.1 | 2.2 | 2.6 | 3.9 | 6.0 | 4.7 | 6.4 | .3 | . 4 | 7.0 | 9.5 |
| 7.51-7.75.................. | 97.6 | 96.6 | 97.8 | 97.4 | 96.1 | 94.0 | 95.3 | 93.6 | 99.7 | 99.6 | 93.0 | 90.5 |
| Memo: Paying ceiling rate ${ }^{1,3}$ | 97.6 | 96.9 | 97.8 | 97.4 | 96.1 | 94.0 | 95.3 | 93.6 | 99.7 | 99.6 | 93.0 | 90.5 |
| IRA and Keogh Plan time deposits, with maturities of 3 years or more or variable ceiling rates |  |  |  |  |  |  |  |  |  |  |  |  |
| Issuing banks................... | 10,768 | 10,308 | 9,456 | 9,048 | 1,313 | 1,260 | 6,349 | 5,701 | 2,107 | 1,861 | 4,242 | 3,840 |
| Distribution, total | 100.0 | (3) | 100.0 | (3) | 100.0 | ${ }^{3}$ | 100.0 | (3) | 100.0 | ${ }^{3}$ | 100.0 | (3) |
| 7.50 or less. | 13.4 | (3) | 14.1 | (3) | 8.3 | (3) | 4.0 | (3) | 6.5 | (3) | 2.8 | (3) |
| 7.51-8.00.. | 34.8 |  | 33.1 | (3) | 46.9 | ${ }^{3}$ | 41.3 | (3) | 27.2 | (3) | 48.3 | ${ }^{3}$ |
| 8.01-14.29.................. Memo: Paying ceiling rate ${ }^{\text {a }} \ldots \ldots .$. | 51.8 | (3) | 52.8 3.0 | (3) | 44.8 1.2 | (3) | 54.7 2.6 | (3) | 66.3 | (3) | 48.9 | (3) |
| Memo: Paying ceiling rate ${ }^{1}$. | 2.8 | (3) | 3.0 | (3) | 1.2 | (3) | 2.6 | (3) | 4.1 | (3) | 1.8 | (3) |
| Money market cerificates, $\$ 10,000$ or more, 6 months |  |  |  |  |  |  |  |  |  |  |  |  |
| Issuing banks .... | 13,960 | 13,907 | 12,538 | 12,559 | 1,442 | 1,348 | 199,378 | 184,745 | 86,830 | 80,491 | 112,548 | 104,254 |
| Distribution, total | 100.0 | (3) | 100.0 | (3) | 100.0 | ${ }^{(3)}$ | 100.0 | ${ }^{3}$ | 100.0 | $(3)$ | 100.0 | ${ }^{3}$ |
| 14.00 or less. | 19.0 | ${ }^{3}$ | 20.0 | (3) | 10.1 | ${ }^{3}$ | 11.7 | ${ }^{3}$ | 17.6 | ${ }^{3}$ | 7.1 | ${ }^{3}$ |
| 14.01-14.29.. | 81.0 | (3) | 80.0 | (3) | 89.9 | ${ }^{3}$ | 88.3 | (3) | 82.4 | (3) | 92.9 | (3) |
| Memo: paying ceiling rate ${ }^{1}$ | 80.0 | (3) | 78.9 | (3) | 89.9 | (3) | 87.9 | (3) | 81.6 | (3) | 92.9 | (3) |

For notes see end of table.
4.11 Continued


1. See Bulletin table 1.16 for the ceiling rates that existed at the time of each survey.
2. Less than .05 percent.
3. See the April 1981 bulletin (table 4.11) for a distribution on Jan. 28, 1981, of these accounts by size of bank and by the interest rates paid.
Norte. All banks that either had discontinued offering or had never offered particular types of deposits as of the survey date are not counted as issuing banks.

Moreover, the small amounts of deposits held at banks that had discontinued issuing deposits are not included in the amounts outstanding. Therefore, the deposit amounts shown in table 4.10 may exceed the deposit amounts shown in this table.
The most common interest rate for each instrument refers to the stated rate per annum (before compounding) that banks paid on the largest dollar volume of deposit inflows during the 2 -week period immediately preceding the survey date. Details may not add to totals because of rounding.

### 4.12 AVERAGE OF MOST COMMON INTEREST RATES PAID on Various Categories of Time and Savings Deposits at Insured Commercial Banks, April 29, 1981

| Type of deposit, holder, and original maturity | Bank size (total deposit in millions of dollars) |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | All size groups | $\begin{gathered} \text { Less } \\ \text { than } 20 \end{gathered}$ | $\begin{aligned} & 20 \text { up } \\ & \text { to } 50 \end{aligned}$ | 50 up to 100 | $\begin{aligned} & 100 \mathrm{up} \\ & \text { to } 500 \end{aligned}$ | $\begin{gathered} 500 \mathrm{up}_{\text {to }} \\ \text { to }, 000 \end{gathered}$ | $\begin{aligned} & 1,000 \\ & \text { and over } \end{aligned}$ |
| Savings and small-denomination time deposits......................... | 9.40 | 10.18 | 9.89 | 9.61 | 9.33 | 8.86 | 8.99 |
| Savings, total | 5.20 | 5.23 | 5.18 | 5.16 | 5.22 | 5.19 | 5.21 |
| Individuals and nonprofit organizations | 5.20 | 5.23 | 5.18 | 5.16 | 5.22 | 5.19 | 5.21 |
| Partnerships and corporations ......... | 5.23 | 5.17 | 5.23 | 5.22 | 5.24 | 5.19 | 5.25 |
| Domestic governmental units. | 5.23 | 5.25 | 5.24 | 5.25 | 5.18 | 5.20 | 5.22 |
| All other.................... | 5.24 | 5.25 | 5.25 | 5.25 | 5.22 | 5.16 | 5.25 |
| Other time deposits in denominations of less than $\$ 100,000$, total . | 6.66 | 6.69 | 6.81 | 6.47 | 6.66 | 6.67 | 6.64 |
| Domestic governmental units, total. | 5.20 | 6.60 | 7.06 | 1.96 | 5.91 | 6.23 | 6.30 |
| 14 up to 90 days ................ | 6.45 | 6.85 | 7.52 | 6.17 | 4.98 | 6.03 | 6.57 |
| 90 up to 180 days ............................................... | 6.17 | 6.61 | 6.62 | 6.40 | 5.79 | 6.04 | 6.28 |
|  | 6.46 3.54 | 6.96 | ${ }_{7} 6.82$ | 6.03 | 6.14 | 6.47 | 6.73 5.95 |
| 1 year and over ............................................... | 3.54 | 6.36 | 7.16 | . 97 | 7.01 | 6.59 | 5.95 |
| Other than domestic government units, total | 6.70 | 6.69 | 6.80 | 6.68 | 6.68 | 6.68 | 6.64 |
| 14 up to 90 days . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 5.20 | 5.25 | 5.16 | 5.05 | 5.25 | 5.09 | 5.23 |
| 90 up to 180 days . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 5.67 | 5.73 | 5.70 | 5.65 | 5.67 | 5.62 | 5.68 |
|  | 5.58 | 5.57 | 5.37 | 5.51 | 5.66 | 5.71 | 5.71 |
| $\frac{1}{21 / 2}$ up to to $21 / 2$ years. | 5.98 6.46 | 6.00 6.50 | 6.00 6.45 | 5.93 6.50 | 5.95 6.41 | 5.99 6.49 | 6.00 6.46 |
| 4 up to 6 years. . | 7.22 | 7.24 | 7.21 | 7.24 | 7.21 | 7.24 | 7.20 |
| 6 up to 8 years. | 7.48 | 7.50 | 7.50 | 7.50 | 7.48 | 7.49 | 7.45 |
| 8 years or more ................................................. | 7.65 | 7.07 | 7.75 | 7.75 | 7.65 | 7.69 | 7.68 |
| IRA and Keogh Plan time deposits, with maturities of 3 years or more or variable ceiling rates. | 10.16 | 10.45 | 10.82 | 10.52 | 10.21 | 10.22 | 9.55 |
| Money market certificates, exactly 6 months ${ }^{1}$. | 14.24 | 14.19 | 14.20 | 14.24 | 14.25 | 14.25 | 14.26 |
| Variable interest rate ceiling time deposits of less than $\$ 100,000$ with maturities of $21 / 2$ years or more ${ }^{2}$ | 11.72 | 11.72 | 11.75 | 11.68 | 11.73 | 11.64 | 11.75 |
| Club accounts ${ }^{3}$. | 4.12 | 2.61 | 3.42 | 4.24 | 4.15 | 4.49 | 4.66 |

1. See note 2 in table 4.10.
2. See notes 2 and 3 in table 4.10.
3. Club accounts are excluded from all of the other categories.

Note. The average rates were calculated by weighting the most common rate
reported on each type of deposit at each bank by the amount of that type of deposit outstanding. All banks that had either discontinued offering or never offered particular types of deposit as of the survey date were excluded from the calculations for those specific types of deposits.
4.20 DOMESTIC AND FOREIGN OFFICES, Commercial Banks with Assets of $\$ 100$ Million or over ${ }^{1 p}$ Consolidated Report of Condition; March 31, 1981
Millions of dollars

| Item |  | Insured | Banks with foreign offices ${ }^{2}$ |  |  | Banks without foreign offices |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Total | Foreign offices ${ }^{3}$ | Domestic offices |  |
|  | Total assets. |  | 1,488,612 | 1,101,637 | 365,820 | 768,509 | 386,975 |
|  | Cash and due from depository institutions. | 295,239 | 250,495 | 134,900 | 115,595 | 44,744 |
| 3 | Currency and coin (U.S. and foreign) | 12,685 | 7,248 | 319 | 6,928 | 5,437 |
| 4 | Balances with Federal Reserve Banks | 24,570 | 18,274 | 475 | 17,799 | 6,296 |
| 5 | Balances with other central banks. | 2,906 | 2,906 | 2,802 | 104 | N/A |
| 6 | Demand balances with commercial banks in United States ........................... | 37,964 | 26,832 | 4,597 | 22,234 | 11,132 |
| 7 | All other balances with depository institutions in United States and with banks in foreign countries. | 139,156 | 129,454 | 124,421 | 5,033 | 9,703 |
| 8 | Time and savings balances with commercial banks in United States ... | 8,187 | 2,779 | 1,252 | 1,526 | 5,408 |
| 9 | Balances with other depository institutions in United States . . . . . . | -482 | 2,203 | , 112 | , 86 | 579 |
| 10 | Balances with banks in foreign countries . . . . . . . . . . . . . . . | 130,487 | 126,472 | 123,052 | 3,420 | 4,016 |
| 11 | Foreign branches of other U.S. banks | N/A | 26,595 | 25,396 | 1,199 | N/A |
| 12 | Other banks in foreign countries ..... | N/A | 99,877 | 97,656 | 2,221 | N/A |
| 13 | Cash items in process of collection.. | 77,957 | 65,781 | 2,284 | 63,497 | 12,176 |
|  | Total securities, loans, and lease financing receivables | 1,088,529 | 762,310 | 204,893 | 557,418 | 326,219 |
| 15 | Total securities, book value . . . . . . . . . . . . . . . . . . . . . | 225,674 | 126,113 | 9,878 | 116,235 | 99,560 |
| 16 | U.S. Treasury . . . . . . . | 65,946 | 32,770 | 392 | 32,378 | 33,176 |
| 17 | Obligations of other U.S. government agencies and corporations. | 34.409 | 16,193 | 42 | 16,151 | 18,216 |
| 18 | Obligations of states and political subdivisions in United States . | 100,630 | 55,350 | 682 | 54,668 | 45,281 |
| 19 | All other securities . . . . . . . . . . . . . . | 24,687 | 21,801 | 8,762 | 13,038 | 2,887 |
| 20 | Other bonds, notes, and debentures | 11,051 | 8,976 | 7.342 | 1,634 | 2,075 |
| 21 | Federal Reserve and corporate stock | 1,742 | 1,291 | 166 | 1,124 | 451 |
| 22 | Trading account securities. | 11,895 | 11,534 | 1,254 | 10,280 | 361 |
|  | Federal funds sold and securities purchased under agreements to resell | 51,902 | 28,677 | 356 | 28,321 | 23,226 |
|  | Total loans, gross | 818,121 | 608,000 | 194,017 | 413,983 | 210,122 |
| 25 | Less: Unearned income on loans | 13,035 | 6,888 | 1,597 | 5,292 | 6,147 |
| 26 | Allowance for possible loan loss | 8,386 | 6,057 | 240 | 5,817 | 2,329 |
| 27 | Equals: Loans, net. | 796,700 | 595,055 | 192,180 | 402,874 | 201,645 |
| 28 | Total loans, gross, by category Real estate loans. | 196,622 |  |  |  |  |
| 29 | Construction and land development | N.A. | N.A. | N.A. | 11,459 24,368 | 78,179 8,779 |
| 30 | Secured by farmland............... | N.A. | N.A. | N.A. | 842 | 1,260 |
| 31 | Secured by residential properties | N.A. | N.A. | N.A. | 64,019 | 44,046 |
| 32 | 1- to 4-family | N.A. | N.A. | N.A. | 60,642 | 41,933 |
| 33 | FHA-insured or VA-guaranteed | N.A. | N.A. | N.A. | 3,802 | 2,061 |
| 34 | Conventional | N.A. | N.A. | N.A. | 56,841 | 39,873 |
| 35 | Multifamily . . | N.A. | N.A. | N.A. | 3,376 | 2,113 |
| 36 | FHA-insured | N.A. | N.A. | N.A. | 219 | 114 |
| 37 | Conventional | N.A. | N.A. | N.A. | 3,157 | 1,999 |
| 38 | Secured by nonfarm nonresidential properties | N.A. | N.A. | N.A. | 22,229 | 24,094 |
| 39 | Loans to financial institutions. | 80,252 | 76,101 | 36,754 | 39,347 | 4,151 |
| 40 | REITs and mortgage companies in United States | 5,262 | 4,558 | 152 | 4,406 | 704 |
| 41 | Commercial banks in United States .......... | 7,674 | 5,983 | 563 | 5,420 | 1,690 |
| 42 | U.S. branches and agencies of foreign banks | N.A. | 2.540 | 270 | 2,271 | N.A. |
| 43 | Other commercial banks. | N.A. | 3.443 | 294 | 3,149 | N.A. |
| 45 |  | N.A. | 37.069 713 | 27,621 295 | 9,448 419 | N. 394 |
| 46 | Other............................... | N.A. | 36,356 | 27,326 | 9,029 | N.A. |
| 47 | Finance companies in United States | 10.332 | 9,878 | 515 | 9,363 | 454 |
| 48 | Other financial institutions | 19,522 | 18,613 | 7,902 | 10,711 | 909 |
| 49 | Loans for purchasing or carrying securities | 11,699 | 10,008 | 1,498 | 8,510 | 1,691 |
| 50 | Brokers and dealers in securities | 7,446 | 7,200 | 1,120 | 6,080 | 245 |
| 51 | Other. | 4,253 | 2.808 | 378 | 2,430 | 1,445 |
| 52 | Loans to finance agricultural production and other loans to farmers | 10.012 | 5.918 | 675 | 5,243 | 4,094 |
| 53 | Commercial and industrial loans . . . . . . . . . . . . . . . . . . . . . . . . . . | 346,080 | 284,684 | 114,057 | 170,627 | 61,396 |
| 54 | U.S. addressees (domicile) | N.A. | 171,365 | 9,176 | 162,190 | N.A. |
| 55 | Non-U.S. addressees (domicile). | N.A. | 113,318 | 104,881 | 8,437 | N.A. |
|  | Loans to individuals for household, family, and other personal expenditures | 128,189 | 71,085 | 6,301 | 64,784 | 57,104 |
| 57 |  | N.A. | N.A. | N.A. | 54,341 | 47,687 |
| 58 | Passenger automobiles. | N.A. | N.A. | N.A. | 16,849 | 20,550 |
| 59 | Credit cards and related plans ....... | N.A. | N.A. | N.A. | 18,709 | 8,941 |
| 60 | Retail (charge account) credit card | N.A. | N.A. | N.A. | 15,142 | 7.637 |
| 61 | Check and revolving credit .... | N.A. | N.A. | N.A. | 3,567 | 1,305 |
| 62 | Mobile homes ............. | N.A. | N.A. | N.A. | 3,253 | 3,416 |
| 63 | Other installment loans. | N.A. | N.A. | N.A. | 15,530 | 14,780 |
| 64 | Other retail consumer goods. | N.A. | N.A. | N.A. | 4,244 | 3,299 |
| 65 | Residential property repair and modernization. . . . . . . . . . . . . . . . . . . . . . . . | N.A. | N.A. | N.A. | 3,701 | 3,703 |
| 66 | Other installment loans for household, family, and other personal expenditures. | N.A. | N.A. | N.A. | 7,584 | 7.778 |
| 67 | Single-payment loans. | N.A. | N.A. | N.A. | 10,443 | 9,417 |
| 68 | All other loans. . . . . . . | 45,268 | 41,761 | 27,748 | 14,013 | 3,507 |
| 69 | Loans to foreign governments and official institutions | N.A. | 27,528 | 25,003 | 2,526 | N.A. |
| 70 | Other. | N.A. | 14,233 | 2,746 | 11,487 | N.A. |
|  | Lease financing receivables.............................................. | 14,253 | 12,466 | 2,479 | 9,987 | 1,787 |
| 72 | Bank premises, furniture and fixtures, and other assets representing bank premises | 19,790 | 11,973 | 1.299 | 10,674 | 7,817 |
| 73 | Real estate owned other than bank premises ........................ | 1,618 | 1,076 | 122 | 954 | 542 |
| 74 | All other assets . . . . . . . . . . . . . . . . . . . . . . . . . . | 83,436 | 75,783 | 24,606 | 83,869 | 7,653 |
| 75 | Investment in unconsolidated subsidiaries and associated companies. | 1,355 | 1,312 | 820 | 491 | 43 |
| 76 | Customers' liability on acceptances outstanding .................... | 44,844 | 44.525 | 9,119 | 35,406 | 319 |
| 77 | U.S. addressees (domicile) .................. | N.A. | 15,048 | N.A. | N.A. | N.A. |
| 78 | Non-U.S. addressees (domicile). | N.A. | 29,478 | N.A. | N.A. | N.A. |
| 79 | Net due from foreign branches, foreign subsidiaries, Edge and agreement subsidiaries | N.A. | N.A. | 2,933 | 29,759 | N.A. |
| 80 | Other. | 37,238 | 29,946 | 11,733 | 18,213 | 7.292 |


| Item | Insured | Banks with foreign offices ${ }^{2}$ |  |  | Banks without foreign offices |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Total | Forcign offices ${ }^{3}$ | Domestic offices |  |
| 81 Total liabilities and equity capital4 | 1,448,612 | 1,101,637 | N.A. | N.A. | 386,975 |
| 82 Total liabilities excluding subordinated debt. | 1,404,988 | 1,047,339 | 365,521 | 714,510 | 357,649 |
| 83 Total deposits | 1,141,388 | 821.465 | 300.458 | 521,006 | 319.924 |
| 84 Individuals, partnerships, and corporations | 815.787 | 535,130 | 116,319 | 418,811 | 280,657 |
| 85 U.S. government. | 2.428 | 1,607 | 198 | 1,409 | 821 |
| 86 States and political subdivisions in United States | 51.420 | 25,056 | 530 | 24.526 | 26,364 |
| 87 All other. | 258,348 | 249,569 | 181,373 | 68,195 | 8,779 |
| 88 Foreign governments and official institutions | 38,680 | 38,521 | 31,374 | 7,147 | 159 |
| 89 Commercial banks in United States | 76,617 | 68,267 | 17.528 | 50.740 | 8,350 |
| 90 U.S. branches and agencies of foreign banks | N.A. | 11,059 | 3.387 | 7.672 | N.A. |
| 91 Other commercial banks in United States | N.A. | 57,208 | 14,140 | 43,068 | N.A. |
| 92 Banks in foreign countries. | 143,054 | 142,780 | 132,472 | 10,308 | 271 |
| 93 Foreign branches of other U.S. banks | N.A. | 28,251 | 28,189 | 62 | N.A. |
| 94 Other banks in foreign countries. | N.A. | 114,530 | 104,283 | 10,246 | N.A. |
| 95 Certified and officers' checks, travelers checks, and letters of credit sold for cash | 13,405 | 10,103 | 2,038 | 8.065 | 3,302 |
| 96 Federal funds purchased and securities sold under agreements to repurchase in domestic offices and Edge and agreement subsidjaries | 140.150 | 112.791 | 513 | 112,278 | 27,359 |
| 97 Interest-bearing demand notes issued to U.S. Treasury and other liabilities for borrowed money | 38,873 | 35,756 | 16,634 | 19.122 | 3,116 |
| 98 Interest-bearing demand notes (note balances) issued to U.S. Treasury | 7,659 | 5,908 | N.A. | 5,908 | 1,751 |
| 99 Other liabilities for borrowed money | 31,214 | 29,848 | 16,634 | 13,214 | 1.365 |
| 100 Mortgage indebtedness and liability for capitalized leases | 1.886 | 1.230 | 18 | 1,212 | 656 |
| 101 All other liabilities | 82,691 | 76,097 | 47.897 | 60,892 | 6.594 |
| 102 Acceptances executed and outstanding. | 45,015 | 44,697 | 7.812 | 36,885 | 319 |
| 103 Net due to foreign branches, foreign subsidiaries, Edge and agreement subsidiaries | N.A. | N.A. | 29,759 | 2,933 | N.A. |
| 104 Other. | 37,676 | 31,400 | 10.326 | 21,074 | 6,275 |
| 105 Subordinated notes and debentures. | 5,703 | 4.017 | 300 | 3.717 | 1.686 |
| 106 Total equity capita! ${ }^{4}$ | 77.921 | 50,281 | N. A. | N.A. | 27,640 |
| 107 Preferred stock | 103 | 10 | N. A . | N.A. | 93 |
| 108 Common stock. | 15,280 | 9.829 | N.A. | N.A. | 5.451 |
| 109 Surplus | 27,109 | 16.734 | N.A. | N.A. | 10,375 |
| 110 Undivided profits and reserve for contingencies and other capital reserves | 35,428 | 23,708 | N.A. | N.A. | 11,721 |
| 111 Undivided profits | 34.521 | 23.256 | N.A. | N.A. | 11,265 |
| 112 Reserve for contingencies and other capital reserves. | 907 | 452 | N.A. | N.A. | 456 |
| Memo <br> Deposits in domestic offices |  |  |  |  |  |
| 113 Total demand. ............ | 301.311 | 206.526 | 0 | 206.526 | 94.785 |
| 114 Total savings | 146.838 | 75.379 | 0 | 75.379 | 71.459 |
| 115 Total time. | 392,781 | 239,101 | 0 | 239,101 | 153,680 |
| 116 Time deposits of \$100,000 or more | 215,542 | 156,936 | 0 | 156,936 | 58,606 |
| 117 Certificates of deposit (CDs) in denominations of \$100,000 or more | 199,461 | 144,385 | 0 | 144,385 | 55,076 |
| 118 Other. | 16,081 | 12.551 | 0 | 12,551 | 3,530 |
| 119 Savings deposits authorized for automatic transfer and NOW accounts. | 31.706 | 16.397 | 0 | 16.397 | 15,309 |
| 120 Money market time certificates of $\$ 10,000$ and less than $\$ 100,000$ with original maturities of 26 weeks. | 114.538 | 54.661 | 0 | 54.661 | 59,877 |
| 121 Demand deposits adjusted ${ }^{5}$ | 174.823 | 99,519 | , | 99.519 | 75,304 |
| 122 Standby letters of credit, total | 48,210 | 44,765 | 10,117 | 34,648 | 3,444 |
| 123 U.S. addressees (domicile) | N. A. | 30,093 | N.A. | N.A. | N.A. |
| 124 Non-U.S. addressees (domicile) | N.A. | 14,672 | N.A. | N.A. | N.A. |
| 125 Standby letters of credit conveyed to others through participations (included in total standby letters of credit). | 2.075 | 1.959 | 276 | 1.683 | 116 |
| 126 Holdings of commercial paper included in total gross loans. | N.A. | N.A. | N.A. | 258 | 650 |
| Average for 30 calendar days (or calendar month) ending with report date 127 Total assets. | 1,461,056 | 1,080,076 | 327.528 | 752.548 | 380,980 |
| 128 Cash and due from depository institutions | 278,860 | 238,392 | 130,135 | 108,257 | 40,468 |
| 129 Federal funds sold and securities purchased under agreements to resell | 49,835 | 27.489 | . 549 | 26,940 | 22,346 |
| 130 Total loans | 796,810 | 593,647 | 188,797 | 404,850 | 203,163 |
| 131 Total deposits | 1.119,804 | 805.495 | 300.466 | 505.029 | 314.309 |
| 132 Time CDs in denominations of $\$ 100,000$ or more in domestic offices | 200.606 | N.A. | N.A. | 144.944 | 55,662 |
| 133 Federal funds purchased and securities sold under agreements to repurchase | 138.029 | 111,117 | 896 16.346 | 110.221 | 26,912 |
| 134 Other liabilities for borrowed money ............ | 32.338 | 30.890 | 16,346 | 14,544 | 1,448 |
| 135 Number of banks | 1,548 | 181 | 181 | 181 | 1,367 |

For notes see page A77.

### 4.21 DOMESTIC OFFICES, Insured Commercial Banks with Assets of $\$ 100$ Million or over ${ }^{1}, 6 p$ Consolidated Report of Condition; March 31, 1981 <br> Millions of dollars




For notes see page A77.

### 4.22 DOMESTIC OFFICES, Insured Commercial Bank Assets and Liabilities ${ }^{1 p}$ Consolidated Report of Condition; March 31, 1981 <br> Millions of dollars

| Item | Insured | Member banks |  |  | Nonmember insured |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Total | National | State |  |
| 1 Total assets. | 1,534,652 | $\mathbf{1 , 1 3 8 , 8 2 5}$ | 872,387 | 266,439 | 395,827 |
| 2 Cash and due from depository institutions | 192,691 | 159,083 | 110,017 | 49,066 | 33,608 |
| 3 Currency and coin (U.S. and foreign) | 17,283 | 12,804 | 10,243 | 2,561 | 4,480 |
| 4 Balances with Federal Reserve Banks | 27,449 | 27,152 | 20,331 | 6,821 | 298 |
| 5 Balances with other central banks.... | 104 | 104 | 104 |  | 0 |
| 6 Demand balances with commercial banks in United States ............................. | 47,843 | 31,016 | 18,535 | 12,481 | 16,827 |
| 7 All other balances with depository institutions in United States and banks in foreign countries | 21,605 78,406 | 12,888 75,119 | 10,632 50,172 | 2,256 | 8,717 $\mathbf{3 , 2 8 7}$ |
| 9 Total securities, loans, and lease financing receivables. | 1,215,904 | 871,700 | 682,595 | 189,105 | 344,204 |
| 10 Total securities, book value | 327,720 | 217,756 | 169,465 | 48,292 | 109,963 |
| 11 U.S. Treasury | 103,813 | 65,969 | 51,017 | 14,952 | 37,844 |
| 12 Obligations of other U.S. government agencies and corporations. | 61,062 | 36,380 | 29,780 | 6,600 | 24,682 |
| 13 Obligations of states and political subdivisions in United States | 144,906 | 100,351 | 78,350 | 22,001 | 44,556 |
| 14 All other securities . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 17,938 | 15,057 | 10,317 | 4,740 | 2,881 |
| 15 Federal funds sold and securities purchased under agreements to resell | 76,168 | 53,904 | 43,605 | 10,299 | 22,264 |
| 16 Total loans, gross | 828,215 | 608.439 | 476,586 | 131,852 | 219,776 |
| 17 Less: Unearned income on loans | 18,166 | 11,466 | 9,067 | 2,399 | 6,700 |
| 18 Allowance for possible loan loss | 10,130 | 7.941 | 6,032 | 1,909 | 2,189 |
| 19 Equals: Loans, net. | 799,919 | 589,032 | 461,487 | 127,545 | 210,887 |
| Total loans, gross, by category |  |  |  |  |  |
| 20 Real estate loans. | 265,231 | 182,254 | 149,758 | 32,496 | 82,977 |
| 21 Construction and land development | 38,177 | 29,746 | 23,366 | 6,380 | 8,431 |
| 22 Secured by farmland. | 8,467 | 3,709 | 3,131 | 578 | 4,758 |
| 23 Secured by residential properties | 153,761 | 106,560 | 88,801 | 17,759 | 47,201 |
| 24 1- to 4 -family | 147,054 | 101,725 | 84,993 | 16,733 | 45,329 |
| 25 Multifamily.. | 6,707 | 4,835 | 3,808 | 1,026 | 1,872 |
| 26 Secured by nonfarm nonresidential properties | 64,827 | 42,240 | 34,461 | 7,779 | 22,587 |
| 27 Loans to financial institutions. | 45,048 | 41.290 | 27,128 | 14,163 | 3,758 |
| 28 Loans for purchasing or carrying securities | 10.758 | 9,800 | 5,456 | 4,344 | 958 |
| 29 Loans to finance agricultural production and other loans to farmers | 31,336 | 16,797 | 14,607 | 2,191 | 14,538 |
| 30 Commercial and industrial loans | 279,195 | 221,739 | 169,190 | 52,549 | 57,455 |
| 31 Loans to individuals for household, family, and other personal expenditures | 175.883 | 119.311 | 98,274 | 21,037 | 56,572 |
| 32 Installment loans. | 143,412 | 98,234 | 81,365 | 16,869 | 45,177 |
| 33 Passenger automobiles | 59,915 | 37,546 | 31,142 | 6,404 | 22,370 |
| 34 Credit cards and related plans | 28,775 | 25,274 | 20,763 | 4,511 | 3,501 |
| 35 Mobile homes | 10,043 | 6.851 | 6,150 | 700 | 3,192 |
| 36 All other installment loans for household, family, and other personal expenditures. | 44,678 | 28,564 | 23,310 | 5,254 | 16,114 |
| 37 Single-payment loans | 32,471 | 21,077 | 16,909 | 4,168 | 11,395 |
| 38 All other loans. | 20.765 | 17,246 | 12,174 | 5,073 | 3,518 |
| 39 Lease financing receivables. | 12.098 | 11.008 | 8,038 | 2,970 | 1,090 |
| 40 Bank premises, furniture and fixtures, and other assets representing bank premises | 26,039 | 18,057 | 14,806 | 3,251 | 7,982 |
| 41 Real estate owned other than bank premises | 2.077 | 1,453 | 1,164 | 289 | 624 |
| 42 All other assets | 97,940 | 88,532 | 63,805 | 24,727 | 9,408 |


| Item | Insured | Member banks |  |  | Nonmember insured |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Total | National | State |  |
| 43 Total liabilities and equity capital ${ }^{7}$. | 1,534,652 | 1,138,825 | 872,387 | 266,439 | 395,827 |
| 44 Total liabilities excluding subordinated debt. | 1,417,908 | 1,054,678 | 807,381 | 247,297 | 363,231 |
| 45 Total deposits | 1,175,089 | 831,842 | 645,520 | 186,323 | 343,247 |
| 46 Individuals, partnerships, and corporations | 999,899 | 694,824 | 552,573 | 142,251 | 305,075 |
| 47 U.S. government. . . . . . . . . . . . ${ }^{\text {a }}$. | 3,008 | 2,168 | 1,763 | 405 | 841 |
| 48 States and political subdivisions in United States | 79,730 | 49,323 | 41,062 | 8,261 | 30,407 |
| 49 All other.............................................................. | 78,150 | 74,840 | 43,180 | 31,659 | 3,310 |
| 50 Certified and officers' checks, travelers checks, and letters of credit sold for cash | 14,301 | 10,687 | 6,941 | 3,746 | 3,614 |
| 51 Demand deposits. | 386,200 | 295,649 | 212,921 | 82,728 | 90,551 |
| 52 Individuals, partnerships, and corporations | 293,138 | 213,854 | 164,086 | 49,768 | 79,284 |
| 53 U.S. government. | 2,185 | 1,627 | 1,345 | 282 | 558 |
| 54 States and political subdivisions in United States | 15,491 | 10,262 | 8,426 | 1,836 | 5,229 |
| 55 All other........................................................... | 61,084 | 59,219 | 32,124 | 27,095 | 1,866 |
| 56 Certified and officers' checks, travelers checks, and letters of credit sold for cash | 14,301 | 10,687 | 6,941 | 3,746 | 3,614 |
| 57 Time deposits. | 569,154 | 389,441 | 313,216 | 76,226 | 179,712 |
| 58 Other individuals, partnerships, and corporations | 490,486 | 336,245 | 270,700 | 64,545 | 154,240 |
| 59 U.S. government. | 753 | 482 | 361 | 121 | 270 |
| 60 States and political subdivisions in United States | 60,918 | 37,143 | 31,147 | 5,997 | 23,775 |
| 61 All other. | 16,997 | 15,570 | 11,008 | 4,562 | 1,427 |
| 62 Savings deposits. | 219,735 | 146,752 | 119,383 | 27,369 | 72,983 |
| 63 Corporations and other profit organizations | 9,528 | 6,009 | 4,895 | 1,114 | 3,519 |
| 64 Other individuals, partnerships, and corporations | 206,747 | 138,716 | 112,892 | 25,824 | 68,031 |
| 65 U.S. government | 70 | 59 | 57 |  | 12 |
| 66 States and political subdivisions in United States | 3,321 | 1,918 | 1,490 | 428 | 1,403 |
| 67 All other. | 68 | 51 | 49 | 2 | 18 |
| 68 Federal funds purchased and securities sold under agreements to repurchase ............ | 144,621 | 133,682 | 98,300 | 35,382 | 10,939 |
| 69 Interest-bearing demand notes (note balances) issued to U.S. Treasury and other liabilities for borrowed money. | 23,139 | 21,412 | 13,077 | 8,335 | 1,727 |
| 70 Mortgage indebtedness and liability for capitalized leases | 2,231 | 1,663 | 1,369 | 294 | 568 |
| 71 All other liabilities | 72,828 | 66,079 | 49,115 | 16,964 | 6,750 |
| 72 Subordinated notes and debentures. | 6,117 | 4,573 | 3,350 | 1,224 | 1,544 |
| 73 Total equity capital ${ }^{7}$ | 110,627 | 79,574 | 61,656 | 17,918 | 31,053 |
| Memo |  |  |  |  |  |
| 74 Time deposits of $\$ 100,000$ or more | 255,861 | 197,636 | 153,415 | 44,221 | 58,226 |
| 75 Certificates of deposit (CDs) in denominations of $\$ 100,000$ or more | 236,550 | 181,790 | 141,116 | 40,675 | 54,759 |
| 76 Other. | 19,312 | 15,845 | 12,299 | 3,546 | 3.467 |
| 77 Savings deposits authorized for automatic transfer and now accounts........................ | 48,450 | 32,061 | 26,479 | 5,582 | 16,390 |
| 78 Money market time certificates of $\$ 10,000$ and less than $\$ 100,000$ with original maturities of 26 weeks. | 198,908 | 123,061 | 103,050 | 20,011 | 75,847 |
| 79 Demand deposits adjusted 5 | 255,592 | 170,459 | 133,789 | 36,670 | 85,133 |
| 80 Total standby letters of credit. | 39,318 | 36,706 | 25,345 | 11,361 | 2,612 |
| Average for 30 calendar days (or calendar month) ending with report date 81 Total deposits | 1,149,443 | 811,028 | 629,653 | 181,375 | 338,415 |
| 82 Number of banks | 14,433 | 5,445 | 4,444 | 1,001 | 8,988 |

1. Effective Dec. 31, 1978, the report of condition was substantially revised for commercial banks. Commercial banks with assets less than $\$ 100$ million and with domestic offices only were given the option to complete either the abbreviated or the standard set of reports. Banks with foreign offices began reporting in greater detail on a consolidated domestic and foreign basis. These tables reflect the varying levels of reporting detail.
2. All transactions between domestic and foreign offices of a bank are reported in "Net due from" and "Net due to" (lines 79 and 103). All other lines represent transactions with parties other than the domestic and foreign offices of each bank. Since these intra-office transactions are erased by consolidation, total assets and liabilities are the sum of all except intra-office balances
3. Foreign offices include branches in foreign countries and in U.S. territories and possessions, subsidiaries in foreign countries, and all offices of Edge Act and agreement corporations wherever located.
4. Equity capital is not allocated between the domestic and forcign offices of banks with foreign offices.
5. Demand deposits adjusted equal demand deposits other than domestic commercial interbank and U.S. government less cash items in process of collection.
6. Domestic offices exclude branches in foreign countries and in U.S. territories and possessions, subsidiaries in foreign countries, and all offices of Edge Act and agreement corporations wherever located.
7. This item contains the capital accounts of U.S. banks that have no Edge or foreign operations and reflects the difference between domestic office assets and liabilities of U.S. banks with Edge or foreign operations excluding the capital accounts of their Edge or foreign subsidiaries.
N.A. This item is unavailable for all or some of the banks because of the lesser detail available from banks without foreign offices, the inapplicability of certain items to banks that have only domestic offices, and the absence of detail on a fully consolidated basis for banks with foreign offices.

| Item | All states ${ }^{2}$ |  |  | New York |  | California, total ${ }^{3}$ | Illinois, branches | Other states ${ }^{2}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Total | Branches | Agencies | Branches | Agencies |  |  | Branches | Agencies |
| 1 Total assets ${ }^{4}$ | 152,909 | 94,311 | 58,598 | 82,284 | 23,492 | 32,414 | 6,584 | 5,412 | 2,723 |
| 2 Cash and due from depository institutions. | 20,247 | 17,064 | 3,184 | 16,233 | 2,881 | 238 | 701 | 126 | 68 |
| 3 Currency and coin (U.S. and foreign) | 18 | 15 | 2 | 13 | 1 | 1. | 1 | 1 | 0 |
| 4 Balances with Federal Reserve Banks | 472 | 384 | 88 | 340 | 55 | 24 | 20 | 24 | 8 |
| 5 Balances with other central banks. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 Demand balances with commercial banks in United | 10,115 | 8,176 | 1,939 | 8,108 | 1,849 | 83 | 36 | 32 | 8 |
| 7 All other balances with depository institutions in United States and with banks in foreign countries | 8,454 | 7,446 | 1,009 | 6,734 | 850 | 111 | 641 | 68 | 51 |
| 8 Time and savings balances with commercial banks in United States. | 4,992 | 4,480 | 511 | 4,239 | 457 | 44 | 170 | 68 | 14 |
| 9 Balances with other depository institutions in United States. | 386 | 386 | 0 | 386 | 0 | 0 | 0 | 0 | 0 |
| 10 Balances with banks in foreign countries. | 3,077 | 2,579 | 497 | 2,109 | 394 | 67 | 471 | 0 | 37 |
| 11 Foreign branches of U.S. banks. . | 835 | 533 | 302 | 409 | 284 | 0 | 125 | 0 | 18 |
| 12 Other banks in foreign countries ............. | 2,241 | 2,046 | 195 | 1,700 | 110 | 67 | 346 | 0 | 19 |
| 13 Cash items in process of collection ............... | 1,188 | 1,043 | 145 | 1,039 | 126 | 19 | 3 | 1 | 0 |
| 14 Total securities, loans, and lease financing receivables. . | 97,046 | 63,731 | 33,315 | 54,755 | 15,357 | 15,459 | 5,512 | 3,442 | 2,521 |
| 15 Total securities, book value | 3,494 | 2,096 | 1,399 | 1,835 | 1,279 | 121 | 176 | 84 | 0 |
| 16 U.S. Treasury . 17 ............................... | 2,158 | 1,256 | 902 | 1,119 | 852 | 50 | 58 | 79 | 0 |
| 17 Obligations of other U.S. government agencies and corporations | 340 | 82 | 258 | 75 | 237 | 20 | 5 | 2 | 0 |
| 18 Obligations of states and political subdivisions in United States. | 179 | 177 | 2 | 151 | 1 | 2 | 23 | 2 | 0 |
| 19 Other bonds, notes, debentures, and corporate stock | 817 | 580 | 237 | 489 | 189 | 49 | 90 | 0 | 0 |
| 20 Federal funds sold and securities purchased under agreements to resell | 5,513 | 3,435 | 2,078 | 3,289 | 1,614 | 457 | 114 | 31 | 7 |
| By holder <br> 21 Commercial banks in United States | 4,836 | 2,970 | 1,866 | 2,855 | 1,409 | 449 | 84 | 31 | 7 |
| 22 Others. | 677 | 464 | 212 | 434 | 205 | 7 | 30 | 0 | 0 |
| 23 By type |  |  |  |  |  |  |  |  |  |
| 23 One-day maturity or continuing contract ........... | 5,481 | $\begin{array}{r}3,423 \\ 51 \\ \hline 3,\end{array}$ | 2,058 23 | 3,279 34 | 1,593 | 457 22 | 113 | 31 | 7 |
| 25 Other....................................... | 5,406 | 3,372 | 2,034 | 3,245 | 1,592 | 435 | 113 | 14 | 7 |
| 26 Other securities purchased under agreements to resell | 32 | 11 | 21 | 10 | 21 | 0 | 1 | 0 | 0 |
| 27 Total loans, gross | 93,692 | 61,721 | 31,970 | 53,001 | 14,098 | 15,371 | 5,339 | 3,360 | 2,523 |
| 28 Less: Unearned income on loans | 141 | 87 | 54 | 82 | 20 |  |  | 2 | 2 |
| 29 Equals: Loans, net | 93,551 | 61,634 | 31,917 | 52,919 | 14,079 | 15,338 | 5,336 | 3,358 | 2,521 |
| Total loans, gross, by category |  |  |  |  |  |  |  |  |  |
| 30 Real estate loans. | 2,626 | 279 | 2,347 | 106 | 920 | 901 | 22 | 136 | 541 |
| 31 Loans to financial institutions. | 31,602 | 24,556 | 7,046 | 22,378 | 3,038 | 3,895 | 2,001 | 176 | 113 |
| 32 Commercial banks in United States | 19,718 | 15,365 | 4,353 | 13,807 | 1,536 | 2,814 | 1,391 | 166 | 4 |
| 33 U.S. branches and agencies of other foreign banks | 18,962 | 14,750 | 4,212 | 13,213 | 1,494 | 2,718 | 1,376 | 161 | 0 |
| 34 Other commercial banks ......................... | 756 | 615 | 141 | 593 | 42 | 96 | 15 | 5 | 4 |
| 35 Banks in foreign countries. . . . . . . | 11,000 | 8,536 | 2,464 | 8,073 | 1,340 | 1,037 | 461 | 3 | 87 |
| 36 Foreign branches of U.S. banks. | 972 | 753 | 219 | 692 | 121 | 98 | 60 | 0 | 0 |
| 37 Other................... | 10,028 | 7,784 | 2,245 | 7,380 | 1,218 | 939 | 401 | 3 | 87 |
| 38 Other financial institutions | 883 | 655 | 228 | 499 | 162 | 44 | 149 | 7 | 22 |
| 39 Loans for purchasing or carrying securities | 750 | 515 | 235 | 514 | 186 | 49 | 0 | 1 | 0 |
| 40 Commercial and industrial loans | 49,009 | 28,983 | 20,026 | 22,920 | 8,473 | 9,764 | 3,069 | 2,990 | 1,793 |
|  | 30,040 | 16,990 | 13,050 | 12,190 | 5,074 | 6,422 | 2,679 | 2,116 | 1,558 |
| 42 Non-U.S. addressees (domicile) . . . . . . . . . . . . . . . . . | 18,970 | 11,993 | 6,977 | 10,729 | 3,400 | 3,342 | 390 | 874 | 235 |
| 43 Loans to individuals for household, family, and other personal expenditures. |  | 83 7305 | ${ }_{2} 61$ | 53 7.029 | $\stackrel{29}{152}$ | 33 | 7 | 20 | 15 |
| 44 All other loans. . . . . . . . . . . . . . . | 9,562 | 7,305 | 2,256 | 7,029 | 1,452 | 730 | 239 | 37 | 75 |
| 45 Loans to foreign governments and official institutions | 7,898 | 5,775 | 2,123 | 5,539 | 1,350 | 709 | 217 | 19 | 65 |
| 46 Other. | 1,663 | 1,530 | 133 | 1,490 | 102 | 21 | 22 | 18 | 10 |
| 47 Lease financing receivables......................... . | 1 |  | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| 48 All other assets .......... | 30,102 | 10,082 | 20,020 | 8,007 | 3,640 | 16,260 | 256 | 1,812 | 126 |
| 49 Customers' liability on acceptances outstanding..... | 8,462 | 4,542 | 3,920 | 4,475 | 2,982 | 883 | 46 | 21 | 56 |
| 50 U.S. addressees (domicile) . ...................... | 4,257 | 2,639 | 1,619 | 2,601 | 860 | 728 | 33 | 4 | 32 |
| 51 Non-U.S. addressees (domicile). | 4,205 | 1,904 | 2,301 | 1,874 | 2,122 | 155 | 12 | 17 | 24 |
| 52 Net due from related banking institutions ${ }^{5}$......... | 16,893 | 2,282 | 14,612 | 569 | 0 658 | 14,605 | 0 | 1,713 | 6 |
| 53 Other............................................ | 4,747 | 3,258 | 1,489 | 2,963 | 658 | 772 | 210 | 78 | 65 |


| Item |  | All states ${ }^{2}$ |  |  | New York |  | Cali$\underset{\text { total }^{3}}{\text { formia }}$ total | Illinois, branches | Other states ${ }^{2}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Total | Branches | Agencies | Branches | Agencies |  |  | Branches | Agencies |
|  | Total liabilities ${ }^{4}$ | 152,909 | 94,311 | 58,598 | 82,284 | 23,492 | 32,414 | 6,584 | 5,412 | 2,723 |
|  | Total deposits and credit balances. | 44,611 | 40,366 | 4,245 | 35,790 | 3,323 | 771 | 1,239 | 3,328 | 160 |
| 56 | Individuals, partnerships, and corporations | 25,676 | 24,813 | 863 | 20,557 | 236 | 504 | 1,062 | 3,186 | 132 |
| 57 | U.S. addressees (domicile) . . . . . . . . . . | 22,670 | 22,486 | 184 | 18,405 | 106 | 61 | 949 | 3,125 | 23 |
| 58 | Non-U.S. addressees (domicile). | 3,007 | 2,327 | 680 | 2,151 | 129 | 442 | 114 | 60 | 110 |
| 59 | U.S. government, states, and political subdivisions in United States. | 116 | 116 | 0 | 27 | 0 | 0 | 2 | 88 | 0 |
| 60 | All other..................................... | 18,818 | 15,437 | 3,381 | 15,206 | 3,087 | 267 | 175 | 55 | 28 |
| 61 | Foreign governments and official institutions | 2,761 | 2,512 | 249 | 2,409 | . 71 | 177 | 81 | 23 | 0 |
| 62 63 | Commercial banks in United States .......... U.S. branches and agencies of other foreign | 6,775 | 5,411 | 1,364 | 5,343 | 1,349 | 1 | 63 | 5 | 15 |
|  | banks.............................. | 1,272 | 1,255 | 17 | 1,200 | 2 | 0 | 55 | ${ }_{5}^{0}$ | 15 |
| 64 | Other commercial banks in United States | 5,503 | 4,156 | 1,347 | 4,143 | 1,347 | 0 | 9 | 5 | 0 |
| 65 | Banks in foreign countries. . ... | 3,022 | 2,700 | 321 | 2,678 | 258 | 60 | 5 | 18 | 3 |
| 66 67 | Foreign branches of U.S. banks. | 75 | 72 | 2 | 72 | 257 | 2 | 0 | 0 | 0 |
| 67 68 | Other banks in foreign countries Certified and officers' checks, travelers checks, and letters of credit sold for cash. | 2,947 6,260 | 2,628 4,813 | 319 1,447 | 2,605 4,777 | 257 1,409 | 59 29 | 5 26 | 18 10 | 9 |
|  | Demand deposits. | 12,177 | 10,686 | 1,491 | 10,465 | 1,409 | 76 | 113 | 106 | 9 |
| 70 | Individuals, partnerships, and corporations | 1,461 | 1,436 | 25 | 1,259 | 0 | 28 | 82 | 92 | 0 |
| 71 | U.S. addressees (domicile) | 890 | 888 | 2 | 726 | 0 | 5 | 75 | 84 | 0 |
| 72 | Non-U.S. addressees (domicile). | 571 | 548 | 23 | 534 | 0 | 23 | 7 | 7 | 0 |
| 7 | U.S. government, states, and political subdivisions in United States. | 13 | 13 | 0 | 12 | 0 | 0 | 0 | 0 | 0 |
| 74 | All other. | 10,703 | 9,238 | 1,465 | 9,194 | 1,409 | 48 | 30 | 14 | 9 |
| 75 | Foreign governments and official institutions | 470 | 459 | 11 | 456 | 0 | 11 | 1 | 2 | 0 |
| 76 | Commercial banks in United States ....... | 3,121 | 3,121 | 0 | 3,119 | 0 | 0 | 1 | 1 | 0 |
|  | banks. | 406 | 406 | 0 | 406 | 0 | 0 | 0 | 0 | 0 |
| 78 | Other commercial banks in United States . . | 2,715 | 2,715 | 0 | 2,713 | 0 | 0 | 1 | 1 | 0 |
| 79 | Banks in foreign countries................. | 853 | 844 | 9 | 842 | 0 | 8 | 3 | 0 | 0 |
| 80 | Certified and officers' checks, travelers checks, and letters of credit sold for cash. | 6,260 | 4,813 | 1,447 | 4,777 | 1,409 | 29 | 26 | 10 | 9 |
| 81 | Time deposits. | 30,042 | 29,429 | 612 | 25,127 | 0 | 617 | 1,106 | 3,192 | 0 |
| 82 | Individuals, partnerships, and corporations. | 23,523 | 23,127 | 396 | 19,100 | 0 | 400 | 960 | 3,063 | 0 |
| 83 | U.S. addressees (domicile) | 21,409 | 21,408 | 1 | 17,538 | 0 | 3 | 855 | 3,013 | 0 |
| 84 | Non-U.S. addressees (domicile) ................ | 2,114 | 1,719 | 395 | 1,561 | , | 397 | 105 | 50 | 0 |
| 85 | U.S. government, states, and political subdivisions in United States. | 103 | 103 | 0 | 15 | 0 | 0 | 1 | 87 | 0 |
| 86 | All other. | 6,416 | 6,199 | 217 | 6,013 | 0 | 217 | 145 | 41 | 0 |
| 87 | Foreign governments and official institutions | 2,218 | 2,053 | 165 | 1,953 | 0 | 165 | 80 | 20 | 0 |
| 88 | Commercial banks in United States .......... | 2,290 | 2,290 | 0 | 2,224 | 0 | 0 | 63 | 4 | 0 |
| 89 | U.S. branches and agencies of other foreign banks. | 849 | 849 | 0 | 794 | 0 | 0 | 55 | 0 | 0 |
| 90 | Other commercial banks in United States | 1,441 | 1,441 | 0 | 1,429 | 0 | 0 | 8 | 4 | 0 |
| 91 | Banks in foreign countries. | 1,906 | 1,856 | 51 | 1,836 | 0 | 51 | 2 | 18 | 0 |
| 92 | Savings deposits. | 272 | 250 | 21 | 198 | 0 | 23 | 21 | 30 | 0 |
| 93 | Individuals, partnerships, and corporations | 271 | 250 | 21 | 197 | 0 | 23 | 21 | 30 | 0 |
| 94 | U.S. addressees (domicile) . ........... | 190 | 190 | 0 | 141 | 0 | 2 | 19 | 28 | 0 |
| 95 | Non-U.S. addressees (domicile) . . . . . . . . | 82 | 60 | 21 | 56 | 0 | 22 | 2 | 2 | 0 |
| 96 | U.S. government, states, and political subdivisions in United States. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 97 | All other. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 98 | Credit balances | 2,120 | 0 | 2,120 | 0 | 1,914 | 54 | 0 | 0 | 152 |
| 99 | Individuals, partnerships, and corporations. | 420 | 0 | 420 | 0 | 236 | 52 | 0 | 0 | 133 |
| 100 | U.S. addressees (domicile) | 181 | 0 | 181 | 0 | 106 | 51 | 0 | 0 | 23 |
| 101 | Non-U.S. addressees (domicile). | 240 | 0 | 240 | 0 | 129 | 0 | 0 | 0 | 110 |
| 102 | U.S. government, states, and political subdivisions in United States. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 103 | All other...................................... | 1,699 | 0 | 1,699 | 0 | 1,678 | 3 | 0 | 0 | 18 |
| 104 | Foreign governments and official institutions | 72 | 0 | 72 | 0 | 71 | 1 | 0 | 0 | 0 |
| 105 | Commercial banks in United States ........ | 1,364 | 0 | 1,364 | - | 1,349 | 0 | 0 | 0 | 15 |
| 106 | U.S. branches and agencies of other foreign banks | 17 | 0 | 17 | 0 | 2 | 0 | 0 | 0 | 15 |
| 107 | Other commercial banks in United States | 1,347 | 0 | 1,347 | 0 | 1,347 | 0 | 0 | 0 | 0 |
| 108 | Banks in foreign countries. ................... | 262 | 0 | 262 | 0 | 258 | 1 | 0 | 0 | 3 |

For notes see page A78.


| Item | All states ${ }^{2}$ |  |  | New York |  | California, tota! ${ }^{3}$ | Illinois, branches | Other states ${ }^{3}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Total | Branches | Agencies | Branches | Agencies |  |  | Branches | Agencies |
| Average for 30 calendar days (or calendar month) ending with report date |  |  |  |  |  |  |  |  |  |
| 162 Total assets. . . . . . . . . . . . . . . . . . . . . . . . . . . | 152,722 | 89,250 | 63,472 | 77,070 | 27,679 | 33,116 | 6,763 | 5,386 | 2,708 |
| 163 Cash and due from depository institutions........... | 17,326 | 13,723 | 3,603 | 12,858 | 3,229 | 310 | 736 | 126 | 67 |
| 165 agreements to resell . . . . . . . . . . . . . . . . . . . . . | 5,887 | 3,896 | 1,991 | 3,729 | 1,607 | 378 | 133 | 33 | 5 |
| 165 Total loans............ | 89,549 | 58,335 | 31,214 | 49,859 | 13,584 | 15,263 | 5,273 | 3,186 | 2,383 |
| 166 Loans to banks in foreign countries | 11,159 | 8,790 | 2,369 | 8,331 | 1,296 | 1,001 | 456 | 3 | 72 |
| 167 Total deposits and credit balances.................. | 42,835 | 39,305 | 3,530 | 34,735 | 2,618 | 761 | 1,235 | 3,326 | 159 |
| 168 Time CDs in denominations of \$100,000 or more . . . . | 24,836 | 24,288 | 548 | 20,335 | 0 | 466 | 926 | 3,024 | 84 |
| 169 Federal funds purchased and securities sold under agreements to repurchase | 10,433 | 6,031 | 4,402 | 5,236 | 1,432 | 2,625 | 649 | 145 | 346 |
| 170 Other liabilities for borrowed money . ................ | 45,036 | 16,108 | 28,928 | 14,053 | 4,531 | 24,308 | 1,477 | 577 | 89 |
| 171 Number of reports filed ${ }^{7}$ | 331 | 154 | 177 | 92 | 57 | 94 | 32 | 28 | 28 |

1. Data are aggregates of categories reported on the quarterly form FFIEC 002 , "Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks." This form was first used for reporting data as of June 30, 1980. From November monthly FR 886 a report. Aggregate data from that report were available through the Federal Reserve statistical release G.11, last issued on July 10, 1980. Data in this table and in the G.11 tables are not strictly comparable because of differences in reporting panels and in definitions of balance sheet items.
in reporting panels and in definitions of
2. Includes the District of Columbia.
3. Includes the District of Columbia.
4. Agencies account for virtually all of the assets and liabilities reported in California
5. Total assets and total liabilities include net balances, if any, due from or due to related banking institutions in the United States and in foreign countries (see footnote 5). On the former monthly branch and agency report, avail-
able through the G. 11 statistical release, gross balances were included in total assets and total liabilities. Therefore, total asset and total liability figures in this table are not comparable to those in the G. 11 tables
6. "Related banking institutions" includes the foreign head office and other U.S. and foreign branches and agencies of the bank, the bank's parent holding company, and majority-owned banking subsidiaries of the bank and of its parent holding company (including subsidiaries owned both directly and indirectly). Gross amounts company (including subsidiaries owned both directly and indirectly). Gross amo
due from and due to related banking institutions are shown as memo items.
due from and due to related banking institutions are shown as memo items.
6 . "U.S. banking subsidiaries" refers to U.S. banking subsidiaries majority6. "U.S. banking subsidiaries" refers to U.S. banking subsidiaries majority-
owned by the foreign bank and by related foreign banks and includes U.S. offices owned by the foreign bank and by related foreign banks and includes U.S. offices
of U.S.-chartered commercial banks, of Edge Act and Agreement corporations, and of New York State (Article XII) investment companies.
7. In some cases two or more offices of a foreign bank within the same metropolitan area file a consolidated report.

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## The Federal Reserve System

Boundaries of Federal Reserve Districts and Their Branch Territories


## LEGEND

- Boundaries of Federal Reserve Districts
- Boundaries of Federal Reserve Branch Territories

O Federal Reserve Bank Cities

- Federal Reserve Branch Cities

Federal Reserve Bank Facility

Board of Governors of the Federal Reserve System


[^0]:    - The council would consist of no more than thirty members.
    - Members would serve for staggered threeyear terms.
    - The council would have a chairman, a vice

[^1]:    1. The Board's major responsibilities in the consumer credit area are implementation of the Truth in Lending Act (Regulation Z), beginning in 1968; the Equal Credit Opportunity Act (Regulation B), in 1976; and the Electronic Fund Transfer Act (Regulation E), in 1978. It also has rulewriting authority under the Home Mortgage Disclosure Act (Regulation C), 1975; the Magnuson-Moss Warranty-Federal Trade Commission Improvement Act (Regulation AA), 1975; and the Community Reinvestment Act (Regulation BB), 1977.
    2. The Truth in Lending Simplification and Reform Act is Title VI of the Depository Institutions Deregulation and Monetary Control Act of 1980, Public Law 96-221, 94 Stat. 168, amending 15 U.S.C. 1601 et seq. (1968). The Financial Regulation Simplification Act is Title VIII of the Depository Institutions Deregulation and Monetary Control Act of 1980, Public Law 96-221, 94 Stat. 191; it requires federal financial regulatory agencies to review their regulations to minimize compliance costs, to avoid conflicts and duplication, and to promote clarity and understanding. The Regulatory Flexibili-
[^2]:    ty Act is Public Law 96-354, $9 \overline{4}$ Stat. 1164 (1980), amending 5 U.S.C. 551 et seq. (1946); it provides that agencies must consider the impact of their regulations on small businesses and attempt to fit regulatory requirements to the scale of the business.

[^3]:    3. See the remarks of Senator William Proxmire, Congressional Record (daily edition), Jan. 31, 1967, pp. S-1202, 1203, 1204.
[^4]:    4. Based on a compilation of data published in the Annual Report of the Director of the Administrative Office of the United States Courts, from 1972 through 1980.
[^5]:    5. The amended act contains a similar concept requiring that any changes to the regulation, the amendments, or the
[^6]:    interpretations be made only once a year. These changes should be promulgated at least six months before the October 1 effective date.
    6. 15 U.S.C. 1640(f) (1976); Ford Motor Credit Co. v. Milhollin, 444 U.S. 555 (1980).

[^7]:    1. Other checkable deposits consist of NOW (negotiable order of withdrawal) and ATS (automatic transfer service) accounts at commercial banks and thrift institutions, credit union share draft accounts, and demand deposit accounts at thrift institutions.
    2. A more detailed description of the methods used in these revisions has been prepared and is available on request from the Board of Governors of the Federal Reserve System, Division of Research and Statistics, Banking Section, Washington, D.C. 20551.
[^8]:    3. While the $X-11$ program seeks to identify and eliminate outliers, distinguishing a run of consecutive unusual observations from the trend-cycle or seasonal elements of series is difficult or impossible for an automatic procedure. In particular, a sharp upswing or downswing that persists for a few months and then ceases or reverses itself will tend to be interpreted in part as a seasonal movement; moreover, seasonal factors in adjacent years also will be affected.
    4. For analyses of evidence of the effects of this program on the demand for money, see Board of Governors of the Federal Reserve System, New Monetary Control Procedures, a Federal Reserve Staff Study (The Board, February 1981), especially Stephen Axilrod, "Overview of Findings and Evaluation' (vol. I); and David Lindsey and others, "Monetary Control Experience under the New Operating Procedures;" Lawrence Slifman and Edward McKelvey, "The New Operating Procedures and Economic Activity since October 1979," and Peter Tinsley and others, "Money Market Impacts of Alternative Operating Procedures'" (all in vol. II).
[^9]:    5. George E. P. Box and George C. Tiao, "Intervention Analysis with Applications to Economic and Environmental Problems,' Journal of the American Statistical Association, vol. 70 (March 1975), pp. 70-79.
    6. The use of models in seasonally adjusting the monetary aggregates was recommended in a report recently submitted by the Board's Committee of Experts on Seasonal Adjustment Techniques, and thus the present method of intervention analysis is in accordance with the committee's recommendations. See Seasonal Adjustment of the Monetary Aggregates (Board of Governors of the Federal Reserve System, forthcoming).
[^10]:    7. About 100 commercial banks provided information on the sources of new OCD balances in January, February and early March, and April; in May, nearly 400 banks were sampled. In addition, cross-section econometric techniques were applied to changes in demand deposits and changes in OCD at about 9,000 banks that report weekly; the slope coefficient of the regression of changes in demand deposits on changes in OCD represents an estimate of the proportion of OCD growth coming from demand deposits. About 100 savings and loan associations provided data on the sources of inflows to new NOW accounts for January, March, and May. Finally, the Survey Research Center of the University of Michigan conducted surveys of about 700 households in February, March, and April and of about 5,000 households in June.
[^11]:    8. Such demand deposits are removed in order to avoid double-counting since demand deposits of thrift institutions appear in the demand deposit component.
    9. The seasonal factor for commercial bank savings deposits is used to seasonally adjust this item.
[^12]:    1. Includes all banks insured by the Federal Deposit Insurance Corporation with assets of less than $\$ 100$ million and excludes new banks in the year of their formation. Data not available before 1970. Source. Federal Reserve Board.
[^13]:    ${ }^{1}$ This subparagraph does not apply to assets (1) that were acquired before October 7, 1979, or (2) that were acquired by an IBF from its establishing entity before the end of the fourth reserve computation period after its establishment.

[^14]:    1. All banking data are as of September $30,1980$.
[^15]:    Voting for this action: Vice Chairman Schultz and Governors Rice and Teeters. Voting against this action: Governor Gramley. Absent and not voting: Chairman Volcker and Governors Wallich and Partee.

[^16]:    1. In this regard, the Board notes that Protestant Banks, MURAG and Applicant have had ample opportunity to resolve any material factual differences concerning issues similar to those raised in this case during hearings conducted by the Massachusetts Board of Bank Incorporation ('Massachusetts Board') on August 12, September 4, and September 17, 1980.
    2. All banking data are as of June 30, 1980.
    3. The Boston banking market, which is approximated by the Boston Ranally Metro Area, extends over the entire east coast of
[^17]:    Massachusetts, except Cape Cod, as well as portions of Southern New Hampshire. The market includes the major metropolitan areas of Boston, Brockton, Lowell and Lawrence-Haverhill, and encompasses Suffolk County, Essex County, most of Middlesex, Norfolk and Plymouth Counties, and small segments of Worcester and Bristol Counties, Massachusetts. Bank is located on the northern fringe of the market, approximately 40 miles from Boston, the market's center.
    4. The Board also has evaluated the impact of thrift institutions within the Boston banking market. Although thrifts are numerous in the market and in some cases hold large deposits, the Board is of the opinion that thrift institutions do not compete actively with commercial banks over a sufficient range of financial services to consider them full competitors of commercial banks. Nevertheless, the relative size and nature of their operations are such that the Board regards their presence in the market as a mitigating factor to reduce the effects on competition that would result from this proposal.

[^18]:    5. 67 Federal Reserve Bulletin 253 (1981).
[^19]:    1. All banking data as of December 31, 1979.
    2. The relevant banking market is the San Saba banking market, which is approximated by San Saba County, Texas.
[^20]:    Voting for this action: Chairman Volcker and Governors Schultz, Teeters, Rice, and Gramley. Absent and not voting: Governors Wallich and Partee.

[^21]:    1. The Board has published for comment in the Federal Register a proposal to add the issuance of travelers checks to the list of permissible activities for bank holding companies contained in Regulation Y.
    2. See National Courier Association v. Board of Governors of the Federal Reserve System, 516 F.2d 1229 (D.C. Cir. 1975).
[^22]:    3. All banking data are as of June $30,1980$.
[^23]:    1. For purposes of section $2(\mathrm{~g})(3)$, the Board deems the transfer of all or substantially all of the assets of a company, or the disposition of a separate activity of a company, to involve a transfer of shares, (12 C.F.R. § $225.139(\mathrm{c})(3)$ ).
    2. As is explained below, a few of the 31 transactions covered by this order also did not involve indebtedness or management interlocks. The section $2(\mathrm{~g})(3)$ presumption thus is not applicable to these transactions, and there is no other evidence that these transactions do not involve an adequate divestiture.
[^24]:    3. FOBC also has a right to receive 30 percent of any profit derived from resale of the property involved in transaction 28. The debt associated with this transaction bears interest at the rate of 6 percent annually. This below market rate reflects the relatively undesirable nature of the property transferred. FOBC's right to share in profits is intended to compensate FOBC for the low interest rate by effectively allowing FOBC to realize a more reasonable rate of interest if conditions change. However, FOBC has retained no right to control or influence the factors that would determine profitability, such as operating expenses and capital improvements. FOBC also has no right to disapprove a sale of the property, regardless of the profit (or lack thereof) associated with the sale.
[^25]:    1. Although section $2(\mathrm{~g})(3)$ refers to transfers of "shares," the Board has previously taken the position that a transfer of all, or substantially all of the assets of a company, or the transfer of such a significant volume of assets that the transfer may in effect constitute the disposition of a separate activity of a company, is deemed to involve a transfer of "shares" of that company. (12 C.F.R. § $225.139(\mathrm{c})(3)$ ).
[^26]:    1. In its interpretation of this provision, the Board stated that the presumption arises not only where the transferee or transferred company has an officer, director, or trustee "in common with" the transferor, but where the transferee himself holds such a position with the transferor. (12 C.F.R. § 225.139). Since Invesco's officers and directors will receive in the aggregate more than 25 percent of the
[^27]:    stock of S\&M, Invesco is presumed to continue to control Transferees and S\&M.

[^28]:    1. Although the shares of Insurance Center were sold to Mr. Potter by Company's principal shareholder-director and not Company, the shares remain attributable to Company because of the circumstances of the original transfer of the shares to Company's principal. In 1978, Company sold its shares of Insurance Center to its principal share-holder-director. This sale was not an effective divestiture, since Company was unable to rebut to presumption of continued control, under section $2(\mathrm{~g})(3)$ of the Act, that arose by virtue of the interlocking director and debt relationship between Company and its principal. Thus, the subsequent sale of Insurance Center to Mr. Potter, and his resulting indebtedness to Lewistown Bank, subjects the sale to the presumption of continued control created by section $2(\mathrm{~g})(3)$ of the Act.
[^29]:    1. Walter E. Heller International Corporation, 59 Federal Reserve Bulletin 463, 464 (1973). While Heller originally had two years to divest itself of its manufacturing interests, the Board had given Heller extensions of time to divest itself of Knoll.
[^30]:    1. This information derives from Invesco's communications with the Board concerning its request for this certification, Invesco's Registration Statement filed with the Board pursuant to the Bank Holding Company Act, and other records of the Board.
    2. On July 30, 1980, S\&M increased its number of outstanding shares to $1,064,787$, the number of Invesco shares then outstanding. Invesco has indicated that these additional shares were acquired by Invesco in a transaction in which gain was not recognized under section 305(a) of the Code. Under section 1101(c) of the Code, these additional shares would be eligible for tax benefits if they were received in such a transaction.
[^31]:    1. This information derives from Noble's communications with the Board concerning its request for this certification, Noble's Registra-
[^32]:    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, i.e., 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.

[^33]:    NOTES BY LINE NUMBER

    1. Line 2 of $p$. A42.

    Sum of lines $3-6$ or $7-10$.
    Includes farm and commercial mortgages.

    1. Credit market funds raised by federally sponsored credit agencies, and net issues of federally related mortgage pool securities. Included below in lines 3 , 13 , and 33.
    Line 1 less line 2 plus line 11. Also line 19 less line 26 plus line 32 . Also sum of lines $27,32,39,40,41$, and 46 .
    Includes farm and commercial mortgages.
    2. Sum of lines $39,40,41$, and 46 .
    3. Excludes equity issues and investment company shares. Includes line 18
    4. Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates.
    5. Demand deposits at commercial banks.
[^34]:    1. Not at annual rates.
    2. Not seasonally adjusted
    3. Value of new construction data in recent periods may not be strictly comparable 3. Value of new construction data in recent periods may not be strictly comparable
    with data in prior periods due to changes by the Bureau of the Census in its with data in prior periods due to changes by the Bureau of the Census in its
    estimating techniques. For a description of these changes see Construction Reports (C-30-76-5). issued by the Bureau in July 1976.
[^35]:    1. With inventory valuation and capital consumption adjustments.
    2. With capital consumption adjustments.
[^36]:    1. Remaining time to maturity.
    2. Includes nonmonetary international and regional organizations

    Data in the two columns for this month differ because of changes in reporting coverage. Figures in the first column are comparable in coverage with those for the preceding quarter; figures in the second column are comparable with those for the following quarter.

[^37]:    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 justed to exclude the claims on oreign intatches held by a i. . ofice or another foreign branch of the same banking institution. The data in this table combine
    foreign branch claims in table 3.13 (the sum of lines 7 through 10) with the claims foreign branch claims in table 3.13 (the sum of lines 7 through 10) with the claims
    of U.S. offices in table 3.17 (excluding those held by agencies and branches of of U.S. offices in table 3.17 (excluding those held by agencies and branches of
    foreign banks and those constituting claims on own foreign branches). However, foreign banks and the
    see also footnote 2 .
    2. Beginning with data for June 1978, the claims of the U.S. offices in this table include only banks' own claims payable in dollars. For earlier dates
[^38]:    1. For a description of the changes in the International Statistics tables, see July 1979 Bulletin, p. 550
    2. Before December 1978, foreign currency data include only liabilities denominated in foreign currencies with an original maturity of less than one year.
