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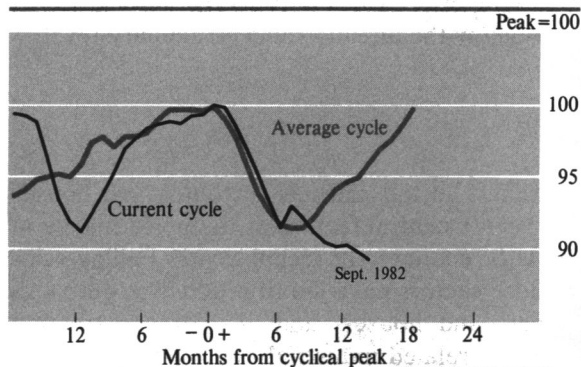
Industrial Production in Recession

This paper was prepared by Joan D. Hosley and Richard D. Raddock of the Business Conditions Section of the Board's Division of Research and Statistics.

Industrial production began to decline in mid-1981, and by October of this year it had fallen more than 11 percent. The magnitude and duration of this reduction were above the average of previous postwar recessions, although in the contractions of 1957-58 and of 1974-75 industrial production declined more—13 and 15 percent respectively (chart 1). However, the level of activity was already low relative to the postwar trend when this contraction began. The reasons lay in the proximity of the previous economic downturn (in the first half of 1980) as well as in longer-run problems of some U.S. industries, such as prolonged cost escalation and intensifying foreign competition.

Thus, during the brief recovery after the 1980 contraction, overall industrial output barely surpassed its 1979 high (chart 2), and some important sectors of the economy, particularly those

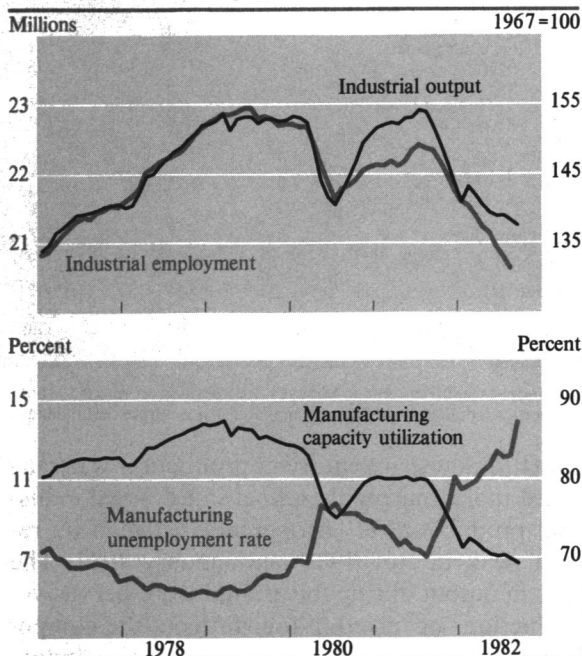
1. Total industrial production



Seasonally adjusted index. The peak shown for the current cycle is July 1981. The average cycle is constructed as the average of the previous six postwar recessions as defined by the National Bureau of Economic Research, except for the 1970-75 cycle, for which the industrial production peak of September 1974 was chosen.

Latest data for all charts in this article are September 1982 except for light truck production (chart 3).

2. Production and employment



All data are seasonally adjusted. Industrial employment data include all employees in manufacturing and mining, and in electric, gas, and sanitary services.

SOURCES: Federal Reserve and Bureau of Labor Statistics.

related to motor vehicles and housing, recovered only partially in 1981 from their previous curtailments. As a result, the rate of capacity utilization in manufacturing, which had been 87 percent at the peak in 1979, reached only 80 percent at its highest point in 1981, and by October 1982 had fallen to 68 percent, under its postwar low in 1975. Employment in manufacturing, which totaled 18.3 million in October 1982, was down about 2.7 million from its level in 1979; about 2 million jobs were lost in this sector during the latest contraction, and these losses have accounted for the bulk of the reduction in employment in the economy.

The contraction in output was most pronounced in the second half of 1981, when, in the

1. Industrial production, 1977=100¹

Component	1979 annual average	July 1981	Jan. 1982	Oct. 1982	Percentage change, October 1982		
					From 1979 annual average	From July 1981	From Jan. 1982
Total	110	111	102	99	-11	-11	-3
Products	109	111	104	101	-7	-9	-2
Final products	108	112	105	102	-6	-9	-3
Consumer goods	104	104	96	98	-5	-5	2
Durable	101	95	78	83	-18	-13	7
Automotive products	95	84	62	70	-26	-16	13
Home goods	105	103	89	92	-13	-11	3
Nondurable	105	107	104	105	0	-3	1
Equipment	116	125	120	108	-6	-14	-10
Business	116	125	117	99	-15	-21	-15
Defense and space	115	126	129	137	19	8	6
Intermediate products	111	108	99	99	-11	-8	0
Construction products	113	103	88	90	-20	-13	1
Materials	113	112	99	95	-16	-16	-4
Durable	116	112	95	89	-23	-21	-6
Nondurable	113	113	101	100	-11	-11	0
Energy materials	104	108	106	100	-4	-7	-5

1. Indexes and percentage changes are rounded to nearest whole number; percentage changes are calculated from unrounded indexes.

The 1977-based index is calculated from the published 1967=100 index. Data are seasonally adjusted.

effort to adjust inventories, production was curtailed more sharply than final sales. Total industrial production fell 8.6 percent between its recent peak in July 1981 and January 1982. The cuts in output during this period were pervasive. Reductions occurred in four-fifths of the component series of the industrial production index. Among major market groupings the sharpest declines took place in the output of consumer durable goods, construction supplies, and industrial materials (other than energy materials). Defense and space equipment stood out as the only market grouping in which production increased (table 1).

After January 1982, the decline in total production slowed, and the reductions tended to be concentrated in business equipment and durable goods materials. The output of consumer goods started to recover somewhat, as retail sales stabilized in the spring and the runoff of business inventories began to slacken. In light of these positive developments as well as the boost to spendable household income provided by the midyear federal tax cut, it was widely believed that an upturn in economic activity would ensue during the summer.

Yet industrial activity remained weak. The advance in production of consumer goods eased

as retail sales failed to pick up; motor vehicle production, in particular, was trimmed back again in midsummer as it became clear that the earlier advances in production had surpassed the underlying strength of demand. Moreover, the contraction in business investment persisted unabated. In addition, demand was weak in world markets, and the sizable appreciation of the dollar kept many goods produced in the United States at a competitive disadvantage both at home and abroad. Consequently, by October, total industrial production had declined 3.1 percent below the already reduced January level.

CONSUMER GOODS AND HOUSING

Weakness in the markets for autos and houses has been a central feature of the performance of the U.S. economy in recent years. Falling sales in those sectors have led to production cutbacks of cars and houses, and also of construction supplies, related industrial materials, household durable goods, and some types of business equipment. Conditions in those markets reflect not only the influence of cyclical declines in demand and high interest rates, but also the effects of developments specific to the industries

themselves. Purchases of both autos and dwellings, of course, are sensitive to cyclical developments in household income and in the ability to service debt; this sensitivity is especially great because such purchases can be postponed. Because mortgage interest payments are a very large component of housing costs, they tend to influence this market even more than do cyclical variations in income, as evidenced by the prompt upturns in housing activity during several post-war recessions once interest rates had declined and credit availability had improved. While interest rates on installment credit clearly affect auto purchases, they have less impact on this market than on housing.

Automobiles

During the first ten months of 1982, U.S. automobile manufacturers produced slightly more than 5.1 million new cars (at an annual rate), about 45 percent below the relatively high levels of 1978 and early 1979. The pattern for output of lightweight consumer-use trucks was similar (chart 3).

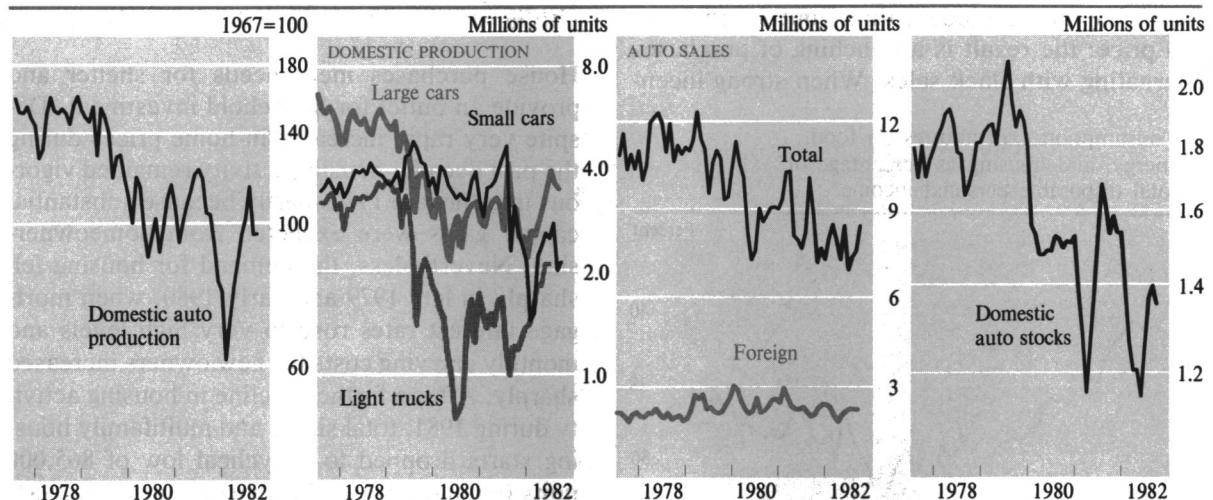
The pronounced downtrend in sales and output of domestic autos and trucks began during

1979 after the shortage of gasoline that accompanied the upheaval in Iran and the consequent doubling of gasoline prices. Reacting to rapid increases in prices of new cars and in the cost of operating and financing them, drivers economized on automotive expenses by keeping their cars longer and driving them less (table 2). Moreover, household budgets also had to accommodate faster-than-average inflation in the prices of necessities, such as food and fuel (chart 4). This development reinforced economies in household auto expenses. A part of the adjustment was a switch to smaller cars, an area in which imports were markedly competitive.

Sales and output of domestic autos and light-weight trucks fell each year from a peak of about 12.5 million units in 1978 to a level of about 7.7 million units in 1981 (chart 3). In contrast, sales of imported cars and trucks rose after 1978 and fluctuated around 2.8 million units on average in the 1979–81 period. Sales of imports have slowed to a rate of 2.5 million units so far in 1982, partly because of negotiated restrictions on the exportation of Japanese cars to the United States.

In spite of heavy expenditures by U.S. car makers for the design of more efficient vehicles, in the 1982 model year domestic autos were still poorly received by consumers. In the period of

3. Automobiles and light trucks



All data are seasonally adjusted and except for auto sales are plotted on a ratio scale. "Domestic production" and "auto sales" are plotted at annual rates.

SOURCES. Domestic auto and light truck production and auto sales

calculated by the Federal Reserve based on data from *Ward's Automotive Reports*; domestic auto stocks are based on data from *Automotive News*.

2. Selected statistics on auto transportation

Year	Price of nonauto consumption ¹	Average price of domestic and imported autos (current dollars)	Estimated cost (cents per mile)	Miles traveled	Gallons of fuel consumed	Median age of vehicle (years)
				Per personal passenger vehicle, per year		
1972.....	....	3,902	19.7	9,969	730	5.7
1977.....	....	5,840	30.1	9,613	680	6.2
1978.....	....	6,414	33.1	9,812	688	6.3
1979.....	....	6,892	38.0	9,245	638	6.4
1980.....	....	7,544	44.0	8,865	579	6.6
1981.....	....	8,804	50.9	8,758	557	6.9
	Index (1972=100) ²					
1972.....	100	100	100	100	100	100
1977.....	139	150	153	96	93	109
1978.....	148	164	168	98	94	111
1979.....	160	177	193	93	87	112
1980.....	175	193	223	89	79	116
1981.....	190	226	258	88	76	121

1. Implicit price deflator for personal consumption expenditures less motor vehicles and parts, and gasoline and oil.

2. Rounded to nearest whole number.

SOURCES. Prices—calculated by the Federal Reserve based on Bureau of Economic Analysis data; cost—Hertz data include cost of

sharp recession during the fourth quarter of 1981, sales of domestic cars reached their lowest level in more than 20 years. Consequently, dealers' stocks of new cars approached a 100-day supply at year-end (a 60-day supply used to be the norm), and auto assemblies were progressively reduced through January 1982, when they reached an annual rate of only 3.6 million units, the lowest level since 1959. In January 1982, an assortment of rebate programs was offered, and rebate or incentive programs have been in place several times during the year. To stimulate sales, these programs include a time limit for the special price; the result is a bunching of purchases alternating with slack sales. When strong incen-

operation, financing, and depreciation of intermediate cars kept three years and driven 10,000 miles; miles traveled and gallons consumed—Department of Transportation, Federal Highway Administration; age—Motor Vehicles Manufacturers Association.

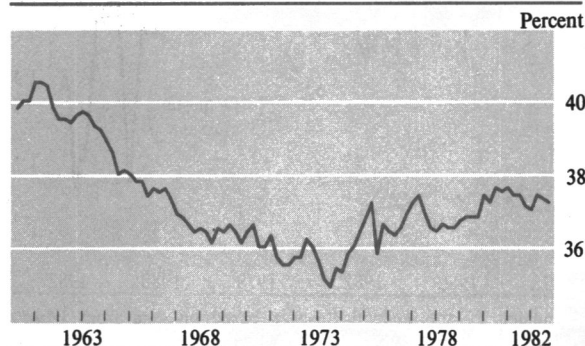
tives were available in May, sales rose to an annual rate of 6.4 million units. Meanwhile, production continued climbing until July, when it reached an annual rate of 6.6 million. However, sales fell sharply in June and July, when price concessions expired, and once again dealers' stocks were pushed to uncomfortable levels. As a result, the auto companies were prompted to cut production schedules for the fourth quarter of 1982 to about 5 million units at an annual rate.

Home Goods and Construction Supplies

House purchases meet needs for shelter and provide an outlet for household investment. Despite very rapid increases in home prices during the past decade, housing activity remained vigorous into the late 1970s partly because substantial capital gains were expected from homeownership. Nevertheless, the demand for housing fell sharply in late 1979 and early 1980, when mortgage interest rates rose to very high levels and monthly carrying costs for new owners increased sharply. After a further decline in housing activity during 1981, total single and multifamily housing starts dropped to a cyclical low of 865,000 units (annual rate) in the fourth quarter of 1981; this rate compared with the more than 2 million units started in 1978.

Since the beginning of 1982, residential construction has been on a slow, gradual uptrend

4. Consumption expenditures on food, energy, and housing as percentage of total disposable personal income



SOURCE. Calculated by Federal Reserve from personal consumption expenditure and disposable personal income data, national income accounts.

that brought housing starts to a rate of 1.1 million units in the third quarter of 1982 (chart 5). This uptrend has been supported by a moderation in home prices and most recently by substantial declines in mortgage rates; expectations of capital gains, however, have become less important in supporting the demand for houses.

The output of construction supplies has fallen 16 percent in its recent contraction to the lowest level since 1975. Although large, this decline was much less severe than the one in new residential construction spending because construction supplies also are used for repair and modernization and for nonresidential construction, both of which held up well through mid-1982.

Production of durable goods for the home, such as appliances, carpeting, and furniture, has declined since 1979; the drop in sales and production was especially sharp between mid-1981 and early 1982, when producers of such goods scheduled plant closings and reduced hours of work. In particular, manufacturers' shipments of major appliances dropped one-fifth in the second

half of 1981, while output was cut more than a third between August and December 1981. In the first nine months of 1982 more than half of the production loss has been recovered, but sales remain sluggish and inventories continue high relative to sales.

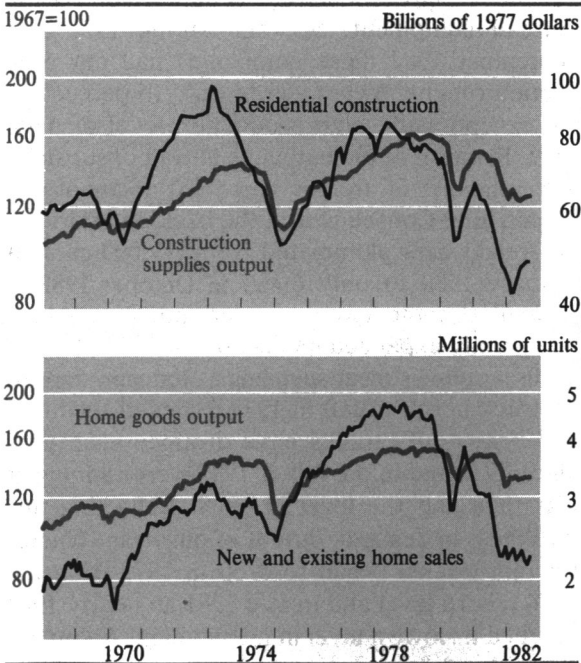
Business Equipment

Output of business equipment dropped sharply over the first ten months of 1982 and accounted during this period for three-quarters of the decline in total industrial production. Reductions in the output of business equipment began after July 1981, but became larger in 1982. The total decline from July 1981 to October 1982 was 21 percent, compared with a contraction of 11.4 percent for total industrial production (table 3).

The output of business equipment was relatively high at the start of the current contraction. During the 1970s the production of business equipment had a faster rate of growth than most major components of industrial production, and the business equipment index reached 185 (1967 = 100) in July 1981, compared with a high of 154 in total industrial production at the same date. The 1980 curtailment in production of business equipment was mild mainly because output of equipment for building and mining, notably oil well drilling, remained vigorous. And, except for the 1980 dip, output of business equipment followed a strong uptrend until mid-1981. But, in the most recent contraction, firms were faced with extremely low capacity utilization rates, low profits, more intense foreign competition, and high interest rates, all of which contributed to business decisions to postpone or cancel capital investment projects. Moreover, in contrast to the experience in 1980, oil well drilling was curtailed sharply in the latest recession.

About one-third of the decline in business equipment has reflected weakened output of manufacturing and power-generating equipment, which together fell 22 percent between July 1981 and October 1982 to a level well under the low reached in 1980. Faced with excess capacity, manufacturers and electric utilities have had less need for investment. Since the spring of 1980, the manufacturing utilization rate has remained significantly below the historical average of 83

5. Housing and related activity



All data are seasonally adjusted and are plotted on a ratio scale. Residential construction and home sales are plotted at annual rates.

SOURCES. New home sales and residential construction—Census Bureau; existing home sales—National Association of Realtors; home goods and construction supplies—Federal Reserve.

3. Production of equipment¹

Type of equipment	1981 proportion ²	Percent change			Date of high
		July 1980 from January 1980	October 1982		
			From July 1981	From high ³	
Total equipment	20.2	-2.3	-13.7	-13.7	July 1981
Business equipment.	15.1	-3.3	-21.0	-21.0	July 1981
Building and mining ⁴	2.7	9.1	-43.6	-44.6	Oct. 1981
Manufacturing	3.3	-5.5	-25.2	-27.2	Feb. 1980
Power.	1.5	-8.1	-16.2	-20.7	Mar. 1979
Commercial.	5.6	-4.2	-5.8	-6.0	Aug. 1981
Transit ⁵	1.6	-4.3	-26.6	-39.3	May 1979
Farm. . . . .	.5	-10.3	-37.5 ⁶	-51.1 ⁶	July 1979
Defense and space.	5.1	.7	8.5	....	Oct. 1982

1. Data are seasonally adjusted.

2. The weight of the series in 1981 expressed as a percent of total industrial production.

3. This change is calculated from the high for the respective series since January 1979.

4. The October 1982 decline in building and mining equipment was exacerbated by a strike at a major producer.

5. Includes items such as trucks, commercial airplanes, railroad equipment, and ships.

6. Change to September 1982.

percent, and by October 1982 it had moved down to 68.4 percent. At the same time the generating reserves of electric utilities have grown beyond current needs.

Another third of the drop in business equipment has been accounted for by declines in the output of commercial, transit, and farm equipment. By far the largest of these groups is commercial equipment, which includes office and computing equipment—until recently one of the fastest-growing industrial sectors. Output of commercial equipment was maintained at a high level until the end of 1981, a resiliency that was due in part to completions of new office buildings; however, output then dropped 5.5 percent in the first ten months of 1982.

Output of both farm and transit equipment, on the other hand, has been depressed for some time. In the farm equipment sector, output plunged 37 percent from July 1981 to September 1982, to a level that was more than 50 percent below the high reached in mid-1979 and was the lowest in more than a decade. This development reflected the overall economic weakness in the farm sector. Since 1979, prices received by farmers have declined substantially while farm input costs have continued to rise; net farm income has fallen sharply; and farmers have cut purchases of equipment dramatically. Consequently, several producers of farm equipment have halted output for extended periods of time.

Output of transit equipment declined 27 percent from July 1981 to October 1982, to a point 39

percent below its high in mid-1979. Despite a burst of expansion immediately after deregulation, producers of trucks, railroad equipment, and commercial aircraft experienced a cut in orders because of a cyclical shortfall in freight and passenger traffic. In addition, much higher fuel prices and financing costs have affected investment in transit equipment.

The sharpest curtailments in output of transit equipment have been made by producers of railroad equipment; between spring 1981 and September 1982 these companies had cut production roughly 69 percent to only 15 percent of the exceptionally high production level of mid-1979. Because of the cutbacks in traffic, substantial numbers of freight cars and locomotives remain idle. Consequently, the backlog of orders for freight cars plummeted from 119,000 cars in January 1980 to only 6,400 in October 1982.

Similarly, the motor carrier industry, which had greatly expanded its fleet of trucks in the late 1970s, cut investment spending as tonnage shipped by truck began to fall in 1979. Sales of medium- and heavy-duty trucks have dropped each year since 1978 and in the fall of 1982 were running at less than half the level in 1978. Reflecting this weakness in demand, output of business vehicles (mainly trucks) began to drop in 1979 from the 1978 record level and in late 1981 and early 1982 reached its lowest level in many years. An inventory-related increase in production in the spring proved to be temporary, and output has since fallen back to the low levels of 1981.

Production of commercial aircraft also has weakened after a strong performance. In 1979, domestic and foreign airlines ordered large commercial transports in record numbers, and output rose rapidly and remained high through early 1981. Since then, traffic has not met expectations, orders have dropped sharply, and cancellations have increased; as a result, in 1981 more than 20 completed aircraft were delivered directly into storage out of a total of 388 shipped by producers. About 600 prematurely retired or new commercial transport aircraft are estimated to be available for purchase or lease from the airlines and manufacturers. Demand for general aviation aircraft, too, was off substantially; consequently, production of all civilian aircraft, both large transports and smaller planes, fell 30 percent from early 1981 to September 1982.

The remaining third of the drop in output of business equipment in the latest recession has been due to the sharp declines associated with reduced output of equipment for construction and mining. The curtailments in metal ore mining and in oil and gas well drilling have been particularly precipitous over the past ten months. Iron ore mining has been practically shut down since early summer, and the number of oil well drilling rigs operating in the United States has dropped by two-fifths. In the two preceding recessions, increased drilling activity supported demand for business equipment. From the adoption in 1973 of an aggressive pricing strategy by the Organization of Petroleum Exporting Countries until 1981, the number of drilling rigs in operation more than tripled, with most of the increase occurring after the 1979 jump in world crude oil prices. The decontrol of U.S. domestic oil in early 1981 further stimulated drilling. Recent curtailments in oil field activity reflect reductions in the price of crude oil in early 1982 and the consequently reduced profits of oil companies, as well as a shakeout of inefficient drilling firms that sprang up during the preceding speculative boom.

DEFENSE AND SPACE EQUIPMENT

In contrast to business equipment, production of defense and space equipment has continued to

rise. This sector currently accounts for about 6 percent of total industrial output. By October 1982, defense production had increased 8.5 percent from mid-1981, and manufacturers' unfilled orders for defense capital goods were up sharply.

Since 1977, purchases for defense have risen at an average annual rate of 4.3 percent in real terms, and their share of the gross national product has risen from a low of 4.6 percent in 1977 to 5.9 percent recently. Moreover, defense outlays in real terms have been accelerating: they increased 7.6 percent in fiscal year 1982—compared with 3.2 percent in the preceding fiscal year.

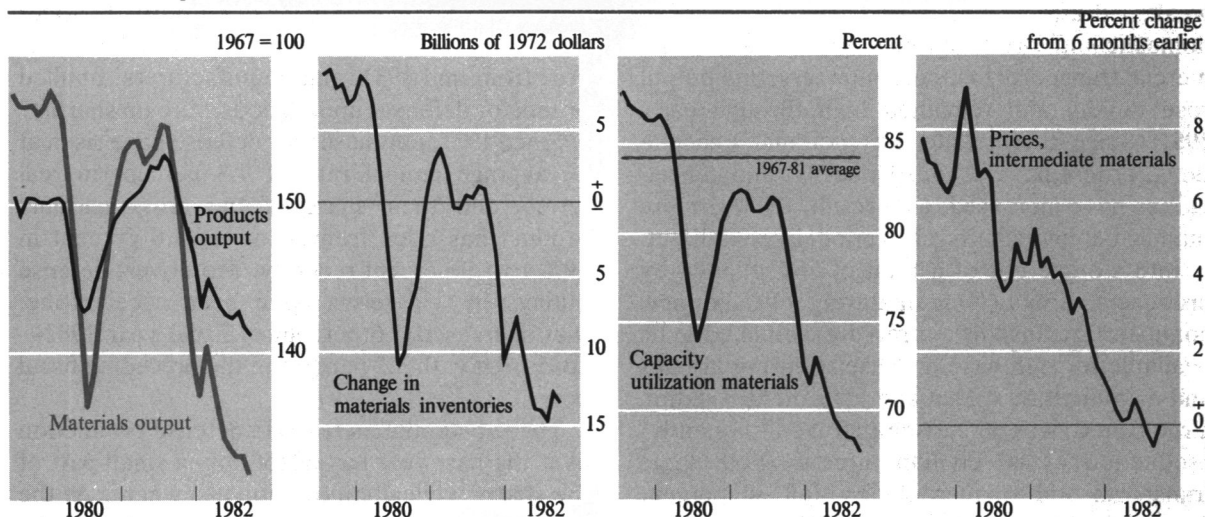
The substantial increase in defense production over the past year has offset only a small part of the sharp cyclical contraction elsewhere. At the same time, reduction of utilization rates in the aircraft, electronics, and metals industries have helped to provide ample production capacity to meet most defense requirements.

MATERIALS

More than half of the decline in total industrial production during the recession can be accounted for by the drop of 16 percent in the output of industrial materials. Demand for these materials has been affected by the sharp declines in demand for consumer durables, construction supplies, and business equipment; by inventory liquidation; by reductions in demand from abroad that have been caused partly by the appreciation of the dollar; and in some cases by sharper competition from foreign producers of materials (chart 6). Output of materials tends to fluctuate considerably more over the business cycle than does output of products (the latter includes consumer goods and equipment, which are final products, and construction and business supplies, which are intermediate products not used in further industrial processing). Such swings can be especially evident during contractions, when inventory liquidation amplifies the impact of declining final demand on production at earlier stages of processing (table 4).

As production of materials fell below end use, liquidation of stocks of materials became substantial in the first quarter of 1982 and it appar-

6. Recent developments in industrial materials



Seasonally adjusted except for producer price index. Inventory change (annual rate) is calculated by subtracting estimated domestic materials consumption from new materials supply.

SOURCES. Producer price index—Bureau of Labor Statistics; all other—Federal Reserve.

ently continued at a rapid rate into the fall. By October, the capacity utilization rate for producers of industrial materials had fallen to 67.2 percent, below the 1975 trough of 69.4 percent. With soft demand in the United States and abroad, prices of metals, petroleum, industrial chemicals, and textiles have weakened, and producers' profits have dropped. Purchasing managers have shortened their lead time on orders, and order backlogs have shrunk.

4. Cyclical change in output of products and materials¹

Percent unless noted otherwise

Phase of business cycle and date	Materials	Products	Length of period (months)
Expansions²			
Nov. 1970–Sept. 1974.....	27.3	24.6	46.0
Mar. 1975–Jan. 1980.....	45.5	31.8	58.0
July 1980–July 1981.....	13.9	7.1	12.0
Average change in six postwar expansions ³ ...	38.0	28.9	43.5
Contractions²			
Sept. 1974–Mar. 1975.....	-20.4	-11.5	6.0
Jan. 1980–July 1980.....	-13.5	-4.8	6.0
July 1981–Oct. 1982.....	-15.5	-8.8	15.0
Average change in six postwar contractions ³ ...	-13.6	-6.9	8.5

1. Data are seasonally adjusted.

2. Cyclical expansions and contractions are as defined by the National Bureau of Economic Research, except for the 1970–75 cycle, for which the production peak of September 1974 was chosen.

3. Includes expansions and contractions since July 1953. Contractions average does not include July 1981 to October 1982 contraction.

Durable Goods Materials

The output of materials used in the manufacture of durable goods is more cyclical than the output of nondurable goods materials and of industrial fuel and power. By October 1982, output of durable goods materials had dropped 21 percent from mid-1981 and even further from the peak in mid-1979. This group has accounted for more than a third of the decline in total industrial production in the latest contraction, with especially sharp reductions in output of primary metals and in metal mining. The weakness in durable goods materials reflected a drop in demand from the automotive, construction, and equipment sectors. As a result, a liquidation of durable materials inventories by manufacturers, which began in the fourth quarter of 1981, accelerated sharply in the first and second quarters of 1982 and apparently continued into September. Both the duration and the amount of this inventory runoff are unprecedented in the last two decades.

A sizable part of this liquidation has occurred in the steel industry, which has been severely affected in recent years by weak domestic and international economic conditions as well as by underlying structural problems. In October the industry was operating at only 41 percent of

capacity, the lowest rate since the 1930s and almost one-fifth below the July 1980 trough. Domestic production has been cut far below use because of both inventory liquidation and a relatively high level of imports. Steel producers, users, and warehouses reduced their inventories of steel mill shapes and forms by an estimated 4 million tons, and perhaps more, in the first eight months of 1982. Widespread price cutting due in part to worldwide overcapacity of steel, an appreciated dollar, and long-run cost problems of domestic producers boosted imports to more than a fifth of estimated supply in the first three quarters of 1982.

Output of nonferrous metals, which include aluminum and copper, fell one-fifth in the recession to its lowest level since 1975. Declines in transportation equipment, construction activity, and net exports were responsible for this reduction. Output of primary aluminum ingot has been cut more than 30 percent since the spring of 1981. Producers' stocks of aluminum and copper rose throughout 1981, but a liquidation of such stocks became pronounced in the second quarter of 1982 after a drop in users' inventories and orders. With the low level of orders for fourth-quarter delivery, some producers of metals continued to curtail operations.

Nondurable Goods Materials

In the recent contraction, output of nondurable goods materials dropped about one-eighth, and in October 1982 the operating rate for factories producing these materials declined to 71.5 percent. This was low, albeit not so low as the rate of 67.2 percent reached in 1975 (table 5).

Weakness was widespread among all nondurable goods materials, but was most pronounced for textile and chemical materials. Demand for textiles began to drop sharply in the latter months of 1981, largely because of the substantial declines in orders for apparel, carpets, tire cord, and fabrics for curtains and upholstery. Moreover, in 1981, the physical quantity of imports of textiles and apparel increased while exports dropped substantially. As a result, the net import balance in this sector worsened dramatically compared with its level in 1979 and 1980, when the foreign exchange value of the

5. Comparison of capacity utilization in materials in October 1982 with recent highs and lows¹

Percent

Type of material	1975 low	1979 high	1980 low	Oct. 1982
Total.....	69.4	88.6	73.8	67.2
Durable goods materials.....	63.6	87.6	68.2	61.0
Metals.....	68.6	92.1	59.6	51.1
Raw steel.....	68.0	94.7	55.3	41.6 ²
Nonferrous.....	57.6	100.8	69.5	61.3 ²
Consumer durable parts.....	55.2	91.5	54.7	53.7
Nondurable goods materials.....	67.2	90.9	77.5	71.5
Textiles.....	57.9	90.1	80.2	72.4 ²
Pulp and paper.....	72.4	97.6	89.3	88.9 ²
Chemicals.....	64.2	90.9	70.7	64.6 ²
Energy materials.....	84.8	88.3	82.7	78.5
Petroleum refining.....	82.1	90.3	74.0	73.0

1. Data are seasonally adjusted.

2. September 1982.

dollar had been much lower and price controls on domestic oil and gas feedstocks had acted to hold down the prices of man-made fibers and textiles produced in the United States. In the first half of 1982, output of textile materials was down nearly a fifth from the high in early 1980.

The production of chemical materials, which accounts for about half of nondurable goods materials, expanded rapidly up to 1979. As in textiles, the controlled prices of domestic petroleum feedstocks apparently played a role in this expansion. Since 1979, U.S. net exports of chemicals have declined and output of chemical materials has swung much more widely than their use, as inventories have been built up and then liquidated. Between June 1981 and October 1982, output of chemical materials fell about 17 percent, and the rate of capacity utilization in chemical materials and petroleum refining has fallen to very low levels. Reflecting the depressed world demand for chemicals, prices of basic petrochemicals have been cut sharply.

Energy Materials and Products

In contrast to the volatile movements of durable and nondurable goods materials, production of total energy (fuel and power) has been virtually unchanged in recent years. However, the consumption of energy has declined in the United States since 1979, and so have imports of oil.

These savings have been achieved partly because of the significant cuts in gasoline used in autos. Also, since 1973 the increases of industrial use of electricity per unit of output have halted, and more recently the overall curtailments in industrial production have sharply reduced the total industrial use of fuel and electricity.

Oil prices doubled after the second oil shock in 1979. The effects of the price increases were very different for imported and for domestically produced oil. Imports of crude oil to the United States have fallen to 25 percent of the country's total supply in the first half of 1982 from a high of 44 percent in 1977. In contrast, the output of domestic crude oil—after declining through most of the 1970s—has remained steady in recent years, as increased output from the Alaskan oil fields offset declines in the older fields of the lower 48 states.

Domestic petroleum refining, which uses both imported and domestic oil, has been affected by the recession as purchases of fuel and petrochemical feedstocks were reduced in the United States. In the third quarter of 1982, output of U.S. petroleum refiners was only 71 percent of capacity—near the record low. In contrast to the reductions in petroleum refining, coal production has increased since 1979. This offset has kept

total U.S. energy production fairly steady in recent years.

☆ ☆ ☆

Total U.S. industrial output continued to contract through October 1982, but slight increases have been evident in some recent months in the output of construction supplies and nondurable materials. With retail sales continuing almost flat, however, production of consumer goods in general has remained sluggish and output of business equipment and durable materials has contracted further.

The cyclical contractions in industrial production since 1979 reflect an unusually complex set of forces. Among these were the extraordinary rises in the cost of energy; the structural problems of major U.S. industries, such as motor vehicles and steel; the changes in world production and international competition; and, importantly, the mounting pressures of inflation and the policy efforts to relieve them. The confluence of such factors provides the framework for the intensity and persistence of the production weakness. The longer term significance of these diverse factors should become clearer from the perspective of the next recovery. □

Remarks on Monetary Policy

Excerpted from an informal talk by Paul A. Volcker, Chairman, Board of Governors of the Federal Reserve System, to the Business Council at Hot Springs, Virginia, October 9, 1982.

As you know, yesterday we made a further reduction in the discount rate to 9½ percent. As is usually the case, that change was, in an immediate sense, designed to maintain an appropriate alignment with short-term market rates. It was, of course, also taken against a background of continued sluggishness in business activity, the exceptional recent strength of the dollar on the exchange markets, and indications of strong demands for liquidity in some markets.

In the light of all the potentially confusing comment in the press in recent days, which seemed to be based on a combination of partial information and reportorial speculation, it may be desirable to reiterate what seems to me obvious: the small reduction in the discount rate—as in the case of the four changes of similar magnitude in July and August—represents no change in the basic thrust of policy.

In assessing economic and financial developments over recent months, I would also point out again what I have said on a number of occasions before: there is growing evidence that the inflationary momentum has been broken. Indeed, with appropriate policies, the prospects appear good for continuing moderation of inflation in the months and years ahead. Continuing progress toward restoring price stability is an essential part of building a solid base, not just for recovery but for sustaining expansion over a long period. Concern about inflation, and monetary discipline, is not something we can turn on and off; it will be a continuing priority of policy.

What does inevitably change is the financial and business environment in which we operate. Unfortunately from the standpoint of reporting and communication, the continuing thrust of monetary policy cannot be adequately measured

by any single or simple symbol. Headlines can be misleading.

I hope we have all learned that the level or direction of interest rates is not, by itself, a reliable test of “ease” or “restraint”—it all depends upon the circumstances. Lower interest rates in an economy in recession are not unusual and are consistent with the need for recovery. But lower interest rates do not in themselves indicate a change in basic policy approach. Over longer periods of time, achieving and maintaining the lower level of interest rates we would all like to see must, in a sense, be a reward for success in dealing with inflation; artificially forcing the process would in the end be counterproductive. What is needed is market conviction that the fundamentals are consistent with lower interest rates, and I believe that is what we have been seeing for some months.

The emphasis on monetary and credit aggregates in conducting and interpreting policy during recent years is, of course, useful in part because of the unreliability of interest rate measures in gauging the necessary degree of restraint. We express policy in terms of broad targets for the various definitions of money on the basic thesis that, over time, the inflationary process is related to excessive growth in money and credit. But you have also heard me repeatedly express caution about the validity of any single measure, or even all the measures in the short run. We have to be alert to the possibility that relationships may be disturbed by technological or regulatory changes in banking or, more broadly, by shifts in liquidity preferences and velocity.

We face over the next few months not just the possibility but the virtual certainty of distortions—distortions growing out of legislation and regulation—in the M1 number that is so widely followed in the markets. Right now, and over the next few weeks, some \$31 billion of “all savers certificates” are maturing, and in large part will not be rolled over. As those funds move to other investments, some amount will temporarily pass

through checking accounts, or be “parked” in those accounts for a time awaiting new investment decisions. We know M1 will be affected, but we simply have no way of measuring the degree of that shifting. And just as that process is expected to unwind over the next month or so, the new “money market fund type” deposit account for banks and thrift institutions will be introduced. Sizable transfers of funds into those accounts, which will have considerable checkable and transaction capabilities, are anticipated, including shifts from regular checking and negotiable order of withdrawal accounts. The result will probably be to *depress* M1 growth for a while—assuming the new accounts are not included in M1. But again we have no way of anticipating the magnitude, or even the direction, of impact should the new accounts be tied to existing NOW accounts. Both the “ups” and “downs” in M1 reflecting these regulatory changes will be artificial and virtually meaningless in gauging underlying trends in “money” and liquidity. The potential problems have been common knowledge in market circles.

In the circumstances, I do not believe that, in actual implementation of monetary policy, we have any alternative but to attach much less than usual weight to movements in M1 over the period immediately ahead. We will, of course, analyze the data carefully to assist us in assessing underlying trends, but it is likely to take some months before new relationships can be judged with any degree of reliability in a world of radically new deposit instruments with transaction capability.

Fortunately, while the M2 and M3 aggregates may also be affected by the new deposit instruments, the impact should be relatively much smaller. Those aggregates are not only much larger, but most of the shifts among financial instruments are expected to take place *within* those large aggregates. For instance, shifts by individuals among all savers certificates, checking accounts, money market certificates, money market mutual funds, and the new account would leave M2 unaffected because they are all counted within that aggregate. If the shifts are into (or out

of) market instruments, such as tax-exempt bonds or Treasury bills, the totals would be affected, but probably to a limited degree.

The fact that, for the time being, underlying monetary growth and reserve provision cannot sensibly be gauged by directly observing movements in M1—up or down—is a technical fact of life; it has no broader policy significance.

It is true that for some time (before the new distortions that will be induced by legislation and regulation) the various monetary aggregates have in general been somewhat above the growth paths targeted for the year. I would also point out, though, that indications suggest an appreciable recent slowing in growth of both M2 and M3, and it so happens—perhaps fortuitously—that last week’s M1 figure is very close to target. That is part of the setting of the discount rate change.

You may recall that, when reiterating our annual targets in July, I emphasized that “growth somewhat above the targeted ranges would be tolerated for a time in circumstances in which it appeared that precautionary or liquidity motivations, during a period of economic uncertainty and turbulence, were leading to stronger than anticipated demands for money. We will look to a variety of factors in reaching that judgment, including such technical factors as the behavior of different components in the money supply, the growth of credit, the behavior of banking and financial markets, and more broadly, the behavior of velocity and interest rates.” I believe reasoned assessment of recent developments in the light of those factors does suggest that preferences for liquidity have in general been relatively strong, reflected in part in some abnormal pressures in parts of the private credit markets. In that light, the fact that some of the aggregates have tended to run somewhat above their target ranges has been fully acceptable to the Federal Open Market Committee.

I believe I can speak for all members of the Committee in saying that those judgments have been reached, and will continue to be reached, in full recognition of the need to maintain the heartening progress toward price stability. □

The Banking Affiliates Act of 1982: Amendments to Section 23A

This paper was prepared by John T. Rose of the Board's Division of Research and Statistics and Samuel H. Talley of the Division of Banking Supervision and Regulation.

On October 15, 1982, President Reagan signed into law the Banking Affiliates Act of 1982 as part of the omnibus Garn–St Germain Depository Institutions Act of 1982. The Banking Affiliates Act makes major changes to section 23A of the Federal Reserve Act and embodies a complete redrafting of that statute. Section 23A is designed to prevent the misuse of a bank's resources resulting from financial transactions between the bank and companies with which it is affiliated. In the past, section 23A has attempted to shield bank resources from abuse by placing quantitative limitations on bank transactions with affiliates and by requiring that bank loans and extensions of credit to affiliates be fully secured.

Section 23A was originally enacted as part of the Banking Act of 1933 (the Glass–Steagall Act), and has been amended several times. Initially, the statute applied only to member banks, but in 1966 the Congress amended the Federal Deposit Insurance Act to extend coverage to insured nonmember banks. Consequently, since 1966, section 23A has applied to all federally insured banks.

In the mid-1970s, section 23A came under review by the banking committees of the Congress and the federal bank supervisory authorities. This review was prompted by the discovery that several relatively large banks had been adversely affected by transactions with their affiliates. Probably the best-known case involved Hamilton National Bank of Chattanooga, which failed after having purchased a large amount of low-quality mortgages from a mortgage banking subsidiary of the bank's parent company. To some observers, these developments indicated

that section 23A needed to be tightened. In this connection, the House Committee on Banking, Currency and Housing incorporated provisions pertaining to section 23A into its Discussion Principles for Financial Institutions and the Nation's Economy in 1975. The following year Representative Fernand St Germain introduced amendments to section 23A as part of the proposed Financial Reform Act of 1976. Finally, in mid-1976, Senator William Proxmire asked the Federal Reserve Board to provide the Senate Committee on Banking, Housing, and Urban Affairs with draft legislation to amend section 23A.

In its review of section 23A, the Board considered not only congressional concern over the adequacy of the statute to safeguard banks from abuse but also complaints by bankers that the statute was unduly restrictive and ought to be liberalized. In particular, bankers advocated liberalizing the regulation of transactions between affiliated banks in a holding company organization (especially federal funds transactions) and expanding the types of collateral that banks could accept when lending to affiliates. Finally, the Board was sensitive to arguments of bankers and regulators alike that the statute was unduly complex, making both compliance and enforcement difficult. As a result, the Board's draft legislation to amend section 23A, which was first submitted to the 95th Congress in 1978, was a complete redrafting of the law. The Board resubmitted its proposal to the 96th Congress in 1979, and to the 97th Congress in 1981. This proposal served as the basis for the Banking Affiliates Act of 1982.

The Banking Affiliates Act has three major objectives. The first is to liberalize certain unduly restrictive provisions in section 23A, while still giving banks adequate protection in transactions with affiliates. The second is to close several potentially dangerous loopholes in the statute

that could result in serious harm to banks. The third objective is to reorganize and clarify the statute to facilitate compliance and enforcement.

For purposes of analysis, section 23A can be viewed as a four-part statute. The first part defines the types of companies that are affiliates of a bank. The second specifies the types of transactions between a bank and its affiliates that are covered by the statute. The third part sets the quantitative limitations on a bank's covered transactions with any single affiliate, and with all affiliates combined. The last part outlines the collateral requirements for certain bank transactions with affiliates. This four-part organization will be followed in this review of the Banking Affiliates Act.

DEFINITION OF AFFILIATE

Before enactment of the Banking Affiliates Act, the term "affiliate" was defined for purposes of section 23A to include (1) the parent holding company of a bank and any other subsidiary of that parent; (2) any majority-owned subsidiary of a bank; and (3) any company interlocked with a bank, either directly through common shareholders or directors or indirectly through a trust arrangement—for example, a company controlled by trustees for the benefit of the shareholders of a bank. The Banking Affiliates Act makes changes with respect to all three categories of affiliates. In addition, the new law expands the definition of affiliate to include other types of companies, thereby limiting future transactions between banks and these companies.

Sister Bank Subsidiaries in a Holding Company

The new statute continues to define the parent holding company and any other subsidiary of the parent as affiliates of the bank and therefore limits financial transactions between the bank and those units. The rationale for this provision is to prevent the parent from abusing the bank for the benefit of another entity within the holding company system.

The new statute, however, liberalizes significantly the treatment of financial transactions between sister bank subsidiaries of a multibank holding company. In recent years, bankers and regulators alike have argued that the restrictions on transactions between sister banks should be relaxed in recognition of the operational similarity between a multibank holding company and a branch banking system.¹ Branch banking organizations face no restrictions on interbranch transactions. Moreover, since 1966, affiliated banks have enjoyed exemptions from the restrictions of section 23A for certain correspondent-type transactions, as well as for the purchase of loans without recourse.²

Allowing unlimited transactions between holding company sister banks offers both advantages

1. Banking regulators have long considered multibank holding companies as operationally identical to branch banking organizations for purposes of analyzing the competitive effects of bank mergers and acquisitions. The basis for this approach is the view that multibank holding companies generally attempt to operate their subsidiaries as a single, integrated entity. Survey evidence indicates that most holding companies do, in fact, centralize the management of their subsidiaries, at least to some degree, and that the extent of centralization within holding companies has generally increased over the last decade. For a review of the early literature in this area, see John T. Rose, "Bank Holding Companies As Operational Single Entities," in *The Bank Holding Company Movement to 1978: A Compendium* (Board of Governors of the Federal Reserve System, 1978), pp. 69-93. More recent evidence is provided by the Association of Bank Holding Companies, *Bank Holding Company Centralization Policies*, prepared for the Association by Golembe Associates, Inc. (Washington: 1978), and Gary Whalen, "The Operational Policies of Multibank Holding Companies," Federal Reserve Bank of Cleveland, *Economic Review* (Winter 1981-82), pp. 20-31.

2. When the Bank Holding Company Act of 1956 was originally enacted, it prohibited a holding company subsidiary bank from lending or extending credit to its parent holding company or any other subsidiary of the parent. The only exemption to this prohibition pertained to certain correspondent-type transactions between sister banks. The 1966 amendments to the Bank Holding Company Act repealed this prohibition and substituted for it a provision whereby a holding company bank became subject to section 23A's limitations on transactions with its parent holding company and other (bank and nonbank) subsidiaries of the parent. However, the purchase of loans without recourse from an affiliated bank (along with correspondent-type transactions) was exempted from the restrictions of section 23A. This exemption was recommended by the Federal Reserve Board on the grounds that both banks in such transactions would be under the supervision and examination of the bank supervisory authorities and that such transactions would allow adjustments in bank portfolios in response to changes in deposit and loan demand.

and disadvantages. The advantages include (1) improved allocative efficiency resulting from a freer movement of funds among affiliated banks, and (2) the opportunity for one or more banks in a holding company system to save a financially troubled sister bank from failure without seriously damaging the other banks. The potential disadvantages include (1) multiple bank failures resulting from an unsuccessful rescue operation; (2) a sequence of transactions to transfer low-quality assets among affiliated banks to avoid criticism by examiners; and (3) transactions designed to harm minority shareholders of a subsidiary bank—for example, if a parent holding company directed a wholly owned bank subsidiary to engage in transactions with a bank subsidiary that was less than wholly owned on terms adverse to the latter.

In an effort to capture the advantages of unrestricted transactions among holding company banks while mitigating the disadvantages, the Congress amended section 23A to allow virtually unlimited transactions between subsidiary banks that are at least 80 percent owned by the parent.³ A single exception prohibits a holding company bank from purchasing low-quality assets from a sister bank.⁴ This prohibition is designed to prevent a sequence of transactions that could frustrate the bank examination process, as well as to minimize the possibility that a rescue operation might backfire and result in multiple bank failures. Finally, limiting the liberalization to banks that are at least 80 percent owned is intended to protect minority shareholders in subsidiary banks that are less than 80 percent owned.⁵

3. The liberalized treatment of transactions between sister banks in a holding company system is not extended to bank transactions with an affiliated foreign bank. This provision recognizes that foreign banks can often engage in activities impermissible to domestic banks and therefore should be treated like nonbank affiliates for purposes of section 23A.

4. A low-quality asset is defined in the new statute as any asset (1) classified as "substandard," "doubtful," or "loss," or treated as "other loans especially mentioned" in the most recent report of examination prepared by either a federal or a state regulatory agency; (2) carried in a nonaccrual status; (3) on which principal or interest payments are more than 30 days past due; or (4) whose terms have been renegotiated or compromised because of the deteriorating financial condition of the obligor.

5. Holding companies have a tax incentive to own at least 80 percent of their subsidiaries and in most cases do so.

Subsidiaries of a Bank

The earlier legislation defined all majority-owned subsidiaries of a bank as affiliates, but exempted specific types of subsidiaries from the restrictions of section 23A. By contrast, the new law generally excludes all subsidiaries of a bank as affiliates. At the same time, the new statute authorizes the Federal Reserve Board to define as an affiliate, and thus make subject to the restrictions of section 23A, certain subsidiaries of a bank, including certain minority-owned subsidiaries. Two considerations weighed in the decision to make these changes: one pertaining to majority-owned subsidiaries of banks and the other to minority-owned subsidiaries.

The Federal Reserve Board argued in its proposal to amend section 23A that any majority-owned subsidiary of a bank should be viewed as part of its parent bank, and thus transactions between the two should not be restricted. The new law accomplishes this objective by no longer defining majority-owned subsidiaries of a bank as affiliates. As the Board noted, however, this change is not so great a liberalization as it might appear. Member banks are generally prohibited from purchasing stock, and of the few types of companies whose stock is exempt from the prohibition, several were already exempt from any restrictions on transactions under the old section 23A.

The second issue relating to subsidiaries of banks and influencing the statutory changes in this area pertains to minority-owned subsidiaries, particularly minority-owned foreign joint ventures of U.S. banks.⁶ The Federal Reserve Board noted in its proposal to amend section 23A that the nature of these foreign joint ventures is such that a U.S. bank might extend credit to a foreign company in which it has a minority interest without an arm's-length assessment of the credit risk involved. Such an extension of credit might be made to protect the bank's repu-

6. The Federal Reserve Board generally defines a foreign joint venture as a situation in which a U.S. banking organization has a minority interest in a foreign company but participates in the overall management of the company and so has an "active operating interest" in it. The threshold associated with an active operating interest is usually defined by the Board as 25 percent ownership by the U.S. banking organization.

tation and to ensure its continued presence in the foreign country. Indeed, it appears that U.S. banks occasionally have made informal commitments to this effect to obtain a joint-venture partner. Recognizing the potential for abuse in these situations, the new statute authorizes the Federal Reserve Board to define as an affiliate any company of which a bank owns 25 percent or more when transactions with that company could have adverse effects on the bank.

Companies Interlocked with a Banking Organization

The earlier statute covered certain types of interlocks involving common shareholders or directors of a company and a *bank*. This provision was designed to minimize abuses to the bank stemming from transactions arising out of such non-arm's-length relationships. At the same time, the old law omitted any reference to an interlock between a company and a *bank holding company*. However, an interlock involving a bank holding company seems to offer the potential for abuse of subsidiary banks similar to that associated with an interlock directly involving a bank. Consequently, in the Banking Affiliates Act, the Congress defined as an affiliate for purposes of section 23A any company that is interlocked with either a bank or its parent holding company. An important effect of this change is to define a chain of one-bank holding companies as affiliates of each other's subsidiary banks.

Another statutory change affecting interlocks that are subject to section 23A involves the definition of control. Earlier law was not consistent in this matter, though majority control seems generally to have been intended. The new law defines control explicitly as the power (1) to vote 25 percent or more of the voting shares of a company, excluding situations in which the stock is controlled in a fiduciary capacity, or (2) to elect a majority of the directors of a company.⁷ This definition recognizes that effective control

can be exercised only by a majority of the *directors* of a company, but often can be exercised by *shareholders* holding less than a majority of the voting shares. In the case of an interlock relationship, this concept translates into any situation in which (1) a group of shareholders controls 25 percent or more of the shares of both a banking organization and a company, or (2) a majority of the directors of a banking organization also constitutes a majority of the directors of a company. Similarly, a company is defined as an affiliate by virtue of a trust arrangement whenever trustees control 25 percent or more of the voting shares of a company (banking organization) for the benefit of shareholders who control 25 percent or more of the voting shares of a banking organization (company).

Companies Added to the Affiliate Definition

Finally, the Banking Affiliates Act broadens the definition of affiliate to include several new types of companies. One is any company that is sponsored and advised on a contractual basis by a banking organization. The Congress made this change in view of the difficulties encountered in the mid-1970s by many real estate investment trusts (REITs) advised by banks. Under the former law, REITs advised by banks were not defined as affiliates for purposes of section 23A; hence, transactions by banks with REITs they advised were unrestricted. In several cases, a financially troubled REIT received significant financial assistance from its advisory bank, presumably to prevent damage to the bank's reputation or to forestall lawsuits alleging that the trust received "bad" advice from the bank.

In its proposal to amend section 23A, the Federal Reserve Board argued that the statute should be sufficiently flexible to cover new types of non-arm's-length relationships between banks and other companies that should be subject to the restrictions on transactions of section 23A. Accordingly, the new law authorizes the Board to add to the list of affiliates any company that the Board determines has a relationship with a banking organization such that transactions with that company could have adverse effects on the bank.

7. This definition is generally consistent with the definition of control contained in both the Bank Holding Company Act and section 22 of the Federal Reserve Act, which deals with insider transactions.

The last type of company added to the definition of affiliate is any investment company for which a banking organization serves as an investment adviser. This change was made at the suggestion of the Department of the Treasury as part of Treasury's proposal for a bank securities affiliate. The Congress rejected the concept of such an affiliate but left this vestige of Treasury's proposal in the final bill.

COVERED TRANSACTIONS

Before the recent amendments, section 23A covered four major types of transactions between a bank and its affiliates: (1) making loans or extending credit to an affiliate; (2) investing in the stock, bonds, or other debt obligations of an affiliate; (3) purchasing securities or other assets from an affiliate subject to a repurchase agreement; and (4) purchasing promissory notes and certain other types of paper from an affiliate.

The Banking Affiliates Act makes two important changes in the types of transactions covered by section 23A, both designed to give banks greater protection in dealing with affiliates. The first change expands the coverage of assets purchased from affiliates. The former statute covered only the purchase of securities or other assets subject to a repurchase agreement, and the purchase of promissory notes and similar instruments. Purchases of all other assets, including securities *not* subject to a repurchase agreement, were not covered and therefore not subject to the quantitative limitations of the statute. As a result of this omission, the financial condition of a bank could have been seriously compromised through the purchase from an affiliate of a large amount of low-quality assets. The Banking Affiliates Act closes this loophole in section 23A by including as a covered transaction purchases of *all types* of assets, except for several that expose banks to no danger. Moreover, to give banks additional protection, the new law prohibits a bank from purchasing a low-quality asset from an affiliate unless the bank previously had made an independent credit evaluation and committed itself to purchase the asset.

The second important expansion in the types of transactions covered by section 23A is the

inclusion of guarantees, acceptances, and letters of credit issued by a bank on behalf of an affiliate.⁸ Before passage of the Banking Affiliates Act, section 23A did not expressly cover these three types of transactions. However, regulations issued by the three federal banking agencies had the effect of bringing standby letters of credit and ineligible acceptances within the scope of section 23A. In amending section 23A, the Congress decided to bring these transactions directly into the statute. Moreover, to safeguard banks even further, the Congress brought other, similar types of transactions into the statute, including guarantees, eligible acceptances, and letters of credit.

QUANTITATIVE LIMITATIONS

The earlier statute placed two limitations on the amount of covered transactions that a bank can have with its affiliates. The first limited covered transactions with any single affiliate to 10 percent of the bank's capital stock and surplus. The second limited covered transactions with all affiliates combined to 20 percent of the bank's capital stock and surplus.

In setting appropriate limitations on bank transactions with affiliates, there are two contending considerations. On the one hand, the limitations should be sufficiently liberal to allow a bank to have a meaningful amount of transactions. On the other hand, the limitations must be sufficiently restrictive to prevent a bank from having so large an amount of potentially adverse transactions with affiliates as to threaten the bank's viability.

In recent years both the banking industry and bank supervisors have seemed satisfied with the 10 percent and 20 percent limits. From the industry's perspective, these limits allowed large banks to have sizable transactions with affiliates. For example, a typical bank with total assets of \$1 billion could have transactions of nearly \$7 million with any single affiliate and transactions approaching \$14 million with all affiliates combined. From a supervisory perspective, these limits did not appear to be unduly liberal inas-

8. The term "on behalf of" refers to a transaction in which the affiliate is the account party.

much as transactions within the limits had posed no serious banking problems. Given this satisfactory experience, the Congress retained the 10 percent and 20 percent limits in the new statute.

However, the Congress did make one change in the law in an effort to close a loophole in the application of the limits. Before the Banking Affiliates Act, the quantitative limitations applied only to transactions of the *bank* with affiliates, and not to transactions of *subsidiaries* of the bank with affiliates. Consequently, because the law also exempted transactions between a bank and certain of its subsidiaries, a bank could use these subsidiaries as a conduit to transfer funds to its affiliates in amounts far in excess of the limits. Such transfers obviously would violate the spirit of section 23A and could expose a bank to serious harm. To forestall these possibilities, the Congress amended section 23A to apply the quantitative limitations to transactions with affiliates by the bank and its subsidiaries combined, rather than to transactions by the bank alone.

COLLATERAL REQUIREMENTS

Before the recent amendments, section 23A required that any bank loan or extension of credit to an affiliate be secured by stock, bonds, debentures, or other such obligations, or by paper that is eligible for rediscount or purchase by the Federal Reserve Banks. In addition, at the time the loan was made, the market value of the collateral had to equal at least 100 percent of the amount of the loan if secured by U.S. government and certain agency obligations or eligible paper; at least 110 percent if secured by obligations of any state or political subdivision; and at least 120 percent if secured by any other type of eligible collateral.

For many years bankers complained that section 23A effectively prohibited bank lending to most affiliates because these affiliates usually did not possess the required collateral. After considering these views, the Congress substantially liberalized the collateral provisions of the statute. Specifically, it expanded the list of eligible collateral to include all types of debt instruments not previously allowed, as well as receivables,

leases, and real and personal property. An important effect of this liberalization is that banks in a holding company can now lend to their major affiliates (such as mortgage, finance, leasing, and factoring companies), whose principal assets are on the expanded list.

In expanding the list of eligible collateral, the Congress still wanted banks to be well shielded in lending to affiliates. Therefore, the new statute requires relatively high ratios of collateral value to loan amount for these new types of collateral. For example, when receivables or any of the newly included types of debt instruments are pledged, the value of the collateral must be at least 120 percent of the loan amount; and when real or personal property or leases are used, the requirement is at least 130 percent. With these high percentages the value of the pledged assets could shrink considerably before the bank would be less than fully secured. Finally, as further protection for banks when lending to affiliates, the Congress amended section 23A to prohibit a bank from accepting low-quality assets as collateral.

OTHER PROVISIONS

Several other provisions in the new section 23A are worth mentioning. One is a requirement that all bank transactions with affiliates (including transactions covered by the statute and transactions specifically exempt) be on terms and conditions that are consistent with safe and sound banking practices. This provision was not contained in the former statute and was included by the Congress at the request of the Federal Reserve Board. When added to the quantitative limitations on transactions and the collateral requirements on loans, the provision acts as a second line of defense against adverse transactions with affiliates.⁹

9. The legislative history of the Banking Affiliates Act makes clear that banks that have transactions with affiliates are not required to collect and maintain data on the terms and conditions of comparable transactions in the market. The Congress undoubtedly recognized that such a requirement would be time consuming and expensive for banks and could cause some banks to forgo transactions with affiliates.

Another provision in the new statute gives the Board authority to exempt transactions or affiliate relationships from the requirements of section 23A when the Board believes the exemption is in the public interest and consistent with the purposes of the law. This provision builds into the enforcement of the law the flexibility needed to deal reasonably with a wide variety of transactions involving different types of affiliates of banks.

CONCLUSION

From the perspective of public policy, there are three ways to handle financial transactions of banks with their affiliates. The first is to prohibit all such transactions. This approach recognizes that the non-arm's-length relationship between a bank and its affiliates may result in transactions that misuse the bank's resources. Such an absolute prohibition, however, could distort the efficient allocation of funds. At the other extreme, public policy could impose no restrictions on bank transactions with affiliates. By allowing a free flow of funds among all affiliates, this policy would best facilitate an efficient allocation of funds. However, it could expose some banks to considerable abuse for the benefit of affiliates, result in a significant increase in bank failures, and thus reduce confidence in the banking system. The third approach—the middle ground—is to permit bank transactions with affiliates, but to

regulate carefully these transactions to shield banks from abuse.

In originally enacting section 23A in 1933, the Congress chose the middle ground: permitting bank transactions with affiliates, but subjecting them to quantitative limitations and requiring all loans and extensions of credit to be fully secured. In amending section 23A in 1982, the Congress adhered to this middle ground. It also left in place the two major protective mechanisms contained in the former statute: the quantitative limitations and the collateral requirements. Moreover, the Congress supplemented these protections with a second line of defense—an explicit statutory requirement that bank transactions with affiliates be carried out on terms and conditions that are consistent with safe and sound banking practices.

The new section 23A also represents a change in congressional policy for regulating bank holding companies. By allowing virtually unlimited transactions among sister bank subsidiaries, the Congress decided to treat banks in a holding company like branches in a branch banking system—in essence recognizing a group of banks in a multibank holding company system as a single, integrated entity. However, the Congress showed no inclination to take the next step and begin treating all affiliates in a holding company—bank and nonbank—as a single entity. Instead, it maintained the historic policy of restricting the flow of funds from a bank to the nonbank units of a holding company. □

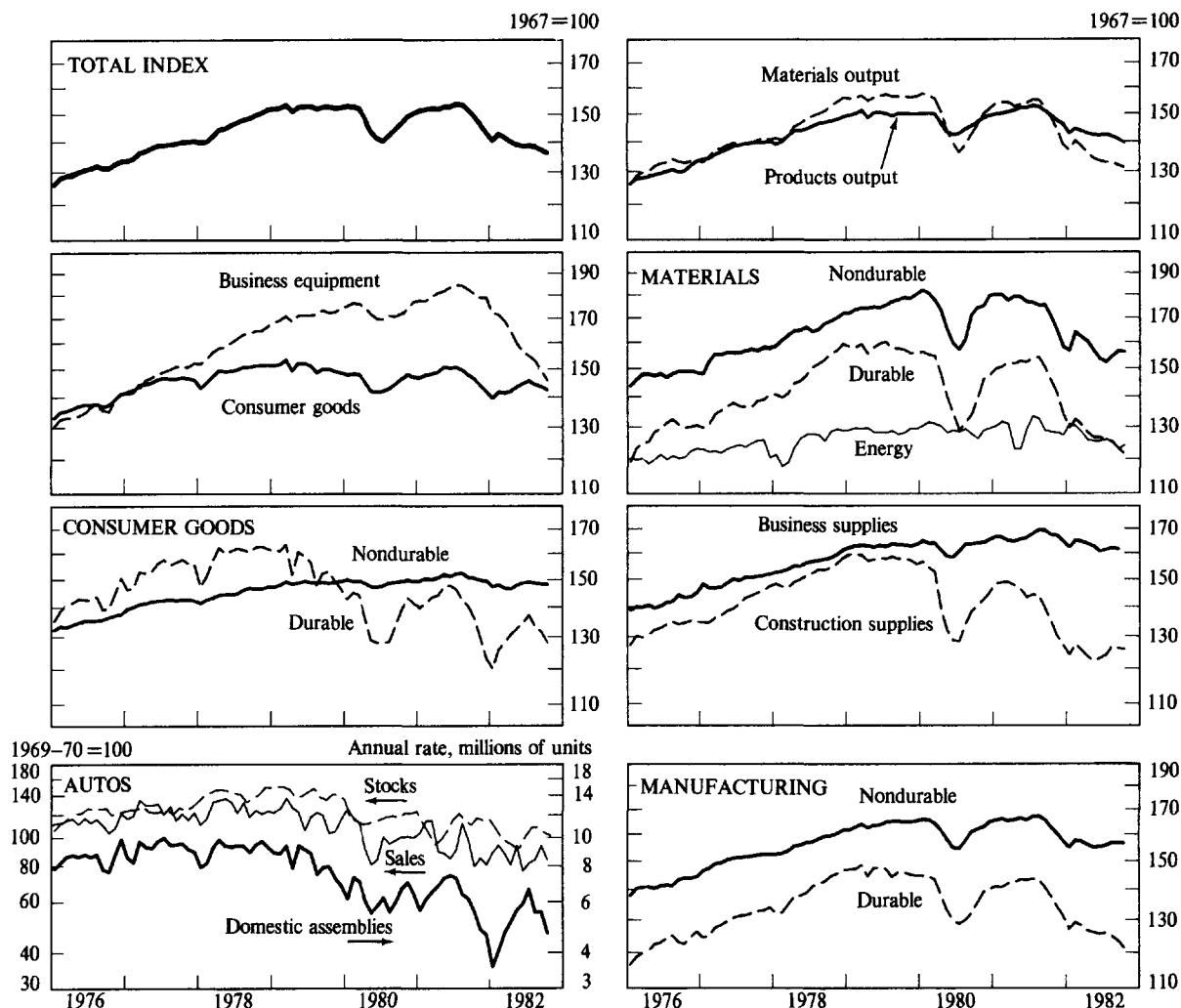
Industrial Production

Released for publication November 16

Industrial production declined an estimated 0.8 percent further in October, primarily because of curtailments in the output of motor vehicles, business equipment, and related materials. The total index, at 136.3 percent of the 1967 average in October, was 11.4 percent below its recent

peak in July 1981 and has declined in 13 of the last 15 months.

In market groupings, output of consumer goods continued to fall in October as autos were assembled at an annual rate of 4.7 million units, down sharply from the annual rate of 5.5 million units in both September and August. Production changes in other consumer goods were mixed as



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

Grouping	1967 = 100		Percentage change from preceding month					Percentage change, Oct. 1981 to Oct. 1982
	1982		1982					
	Sept. ^p	Oct. ^e	June	July	Aug.	Sept.	Oct.	
	Major market groupings							
Total industrial production	137.4	136.3	-.4	.1	-.3	-.7	-.8	-8.6
Products, total	140.8	139.6	-.1	.4	-.6	-.7	-.9	-6.6
Final products	140.0	138.5	-.1	.3	-1.0	-.8	-1.1	-7.0
Consumer goods	143.6	142.5	.8	.7	-1.0	-.6	-.8	-2.7
Durable	131.8	127.9	1.5	2.0	-2.8	-1.2	-3.0	-6.2
Nondurable	148.4	148.3	.6	.2	-.3	-.2	-.1	-1.5
Business equipment	149.5	146.0	-2.0	-1.1	-1.2	-2.4	-2.3	-19.1
Defense and space	110.7	111.3	-.1	1.8	-.4	1.5	.5	6.5
Intermediate products	144.0	143.7	-.5	.6	1.2	-.3	-.2	-5.1
Construction supplies	126.2	125.9	.7	.8	2.2	-.5	-.2	-6.9
Materials	132.0	131.2	-.6	-.4	.0	-.8	-.6	-11.7
	Major industry groupings							
Manufacturing	137.2	135.8	-.1	.3	-.1	-.6	-1.0	-8.2
Durable	123.5	121.5	-.5	.3	-.8	-1.1	-1.6	-11.8
Nondurable	156.8	156.5	.2	.3	.7	.0	-.2	-3.9
Mining	114.9	115.7	-4.2	-2.8	-1.7	-2.7	.7	-20.4
Utilities	168.7	169.1	-.9	-1.0	.3	.3	.2	.6

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

output of home goods, such as appliances, rose, while production of nondurable consumer goods edged down again. Output of business equipment fell sharply again, as most major components registered declines, but the drop in building and mining equipment was exacerbated by a strike. The level of business equipment output in October was 21 percent below its peak in July 1981. Production of defense and space equipment rose further in October. Output of construction supplies, which had shown rises over the summer, fell slightly.

Production of materials decreased 0.6 percent in October, mainly reflecting weak demand for

parts for consumer durables and for equipment. Output of nondurable materials edged off following the large gains in each of the two preceding months. Production of energy materials rose almost 1 percent because of an increase in output of coal following the end of the rail strike.

In industry groupings, output of manufacturing fell 1.0 percent in October because of sharp declines in most durable goods industries, particularly motor vehicles and machinery; production of nondurable manufacturing was little changed. Output of utilities edged up again, and output of mining rose 0.7 percent but remained more than 20 percent below a year earlier.

Announcements

CHANGE IN DISCOUNT RATE

The Federal Reserve Board on October 8, 1982, announced a reduction in the discount rate from 10 percent to 9½ percent, effective at the opening of the next business day. The change is designed to maintain an appropriate alignment with short-term market rates.

In announcing the reduction, the Board voted on requests from the directors of the Federal Reserve Banks of Boston, New York, Philadelphia, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco. Subsequently, the Board approved similar action by the directors of the Federal Reserve Bank of Cleveland, effective October 13, 1982. The discount rate is the interest rate that is charged for borrowings from the District Federal Reserve Banks.

PROPOSED ACTION

The Federal Reserve Board has requested comment on proposed changes in procedures that would eliminate, or subject to pricing, nearly \$1½ billion of Federal Reserve float. The Board asked for comment by December 15, 1982.

REGULATION O: AMENDMENT

The Federal Reserve Board has announced, effective November 1, 1982, amendments to Regulation O (Loans to Executive Officers, Directors, and Principal Shareholders of Member Banks) to conform to provisions of the recently enacted Garn–St Germain Depository Institutions Act of 1982.

The amended regulation provides for the following:

1. Removal of the dollar limit on the amount a member bank may lend to its executive officers

for the education of their children and for home purchase, construction, maintenance, or improvement.

2. Reaffirmation on a temporary basis of the limit of \$10,000 that may be outstanding at any one time for loans by a member bank to executive officers for other purposes; and the requirement for advance approval by a majority of the board of directors of the bank for loans amounting to \$25,000 or more in the aggregate made to the bank's executive officers, directors, or principal shareholders and their related interests.

REGULATION B: INTERPRETATIONS

The Federal Reserve Board has adopted two interpretations of Regulation B (Equal Credit Opportunity), effective April 1, 1983.

The first interpretation discusses the use by creditors of judgmental and credit-scoring systems in the treatment of income from alimony, child support, separate maintenance, part-time employment, retirement benefits, or public assistance. The regulation requires that creditors not discount or exclude such income from consideration.

The second interpretation concerns the selection and disclosure of principal reasons for adverse actions on applications for credit.

In addition, the Board has withdrawn, effective October 15, proposed amendments to the business credit provisions of Regulation B. The amendments would have affected only the mechanical requirements of the regulation, and their withdrawal does not affect the substantive provisions of the regulation prohibiting discrimination in any aspect of a business credit transaction on the basis of sex, marital status, race, and like provisions. The Board said that the costs and burdens associated with the proposed amendments outweighed their possible benefits, which

the Board judged to be slight in view of the basic requirements of the regulation.

REGULATION Q: INTERPRETATION

The Federal Reserve Board has announced an interpretation of Regulation Q (Interest on Deposits) stating that loans made upon the security of a time deposit must be made at an interest rate at least 1 percentage point higher than the *effective* interest rate being paid upon the time deposit. This interpretation means that the effect of compounding on the rate of interest paid on the time deposit must be taken into account in determining the minimum rate that must be charged for a loan for which the time deposit is security.

The interpretation is applicable to loans secured by a time deposit that are made, extended, or renewed on or after October 18, 1982, or to agreements for such loans entered into on or after October 18, 1982.

REVISION OF DEBITS AND DEPOSIT TURNOVER SERIES

The bank debits and deposit turnover series have been revised, reflecting new benchmark corrections and revisions in seasonal factors. In addition, the format of table 1.22 (page A15 in this BULLETIN) in which these data are published has been changed; the business savings series that had been published since July 1977 has been eliminated, and estimates for a redefined savings account that includes business savings but excludes automatic transfer service (ATS) and negotiable order of withdrawal (NOW) accounts have been added. Debits and turnover data for ATS and NOW accounts and for demand deposits will be continued, and all series will be shown both with and without seasonal adjustment. Previously, seasonally adjusted data were available only for demand deposits.

Annual rates of bank debits and deposit turnover are estimated each month on the basis of data reported by a sample of 300 commercial banks, with sample data blown up to represent all insured banks. Blowup factors are derived from reports of condition for all insured banks

and are adjusted periodically as new condition reports become available. This revision incorporates benchmark corrections derived from condition reports for December 1980, June 1981, and December 1981, affecting the monthly data back to July 1980.

Several procedural changes were adopted in this revision for computing the seasonal factors for the demand deposit series. These include shifting seasonal factor computations from stable to moving; computation of new trading-day adjustments for both debits and deposit balances; preadjusting demand deposit data to minimize effects of major nonseasonal fluctuations on seasonal factors, as is done in seasonally adjusting transactions deposits in the money stock (M1); and use of ARIMA forecasts in conjunction with the Census X-11 seasonal adjustment procedure in computing seasonal factors.

As in the past, seasonal adjustments were computed for debits to demand deposits and for average balances in demand deposits at all insured banks and at banks other than eight major New York City banks. Seasonally adjusted data for New York City banks were derived by subtracting seasonally adjusted totals for other banks from the all insured bank totals. For all three groups of banks, the seasonally adjusted series for demand deposit turnover was derived by dividing seasonally adjusted annual rates of debits by corresponding seasonally adjusted monthly average deposits.

Seasonally adjusted turnover rates for ATS-NOW accounts and for savings accounts, available for the first time, were derived by applying X-11 stable seasonal factor computations directly to turnover rates for these accounts. This method of seasonal adjustment was chosen because of the relatively short period for which turnover data for these accounts are available and because the turnover ratios are affected less by major nonseasonal fluctuations than are debits and deposit balances. Deposit balances were seasonally adjusted by using existing seasonal factors for corresponding money stock components. ATS and NOW balances were adjusted by using implicit seasonal factors derived for the "other checkable deposit" component of M1, and savings balances were adjusted by using existing seasonal factors for the commercial

bank savings deposit component of M2. Seasonally adjusted debits to ATS-NOW and to savings accounts were computed indirectly by multiplying the seasonally adjusted turnover rates by seasonally adjusted average deposit balances.

Table 1.22 in this BULLETIN provides data from April to September 1982. Back data before April 1982 may be obtained from the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

STUDY OF MARGIN REQUIREMENTS

The Federal Reserve Board has announced that its staff is engaged in a special study of the effectiveness, scope, and structure of federal regulation of margin requirements (maximum loan permissible for purchasing or carrying securities).

The Board's staff is conducting the review in cooperation with the staffs of the Securities and Exchange Commission and the Commodities Futures Trading Commission.

The Board said that federal margin authority needs reexamination because of changes that have occurred in the structure of financial markets since the inception of margin regulation in 1934. In addition, it cited the fact that some markets for financial futures and options, which have grown rapidly in recent years, operate under a different regulatory framework from the cash markets on which they are based.

The Board has requested comment by December 20, 1982, on the effectiveness of the system, its scope, its administration, and so on.

CIVIL MONEY PENALTY

The Federal Reserve Board announced on November 2, 1982, that it had imposed a civil money penalty against the National Bank of Washington (NBW), Washington, D.C., for two violations by NBW of the prohibition against the payment of interest on demand deposits.

NBW has consented to the civil money penalty of \$2,900, the maximum that can be assessed in this case, without admitting any violation.

In deciding to assess the civil money penalty the Board noted that NBW, in order to increase the level of demand deposits reported in its 1980 year-end published financial statement, used the device of paying interest premiums on repurchase agreements in amounts directly related to the amounts deposited in non-interest-bearing demand accounts.

The Board views most seriously any arrangements by depository institutions for the purpose of "window dressing" financial statements particularly when, as here, those transactions involve, in the opinion of the Board, violations of the Federal Reserve Act and Regulation Q (Interest on Deposits).

EXEMPTIONS FROM DISCLOSURE REQUIREMENTS

The Federal Reserve Board has approved applications for renewal of exemptions from the disclosure requirements of the Federal Home Mortgage Disclosure Act, as amended in 1980, and of the Board's Regulation C (Home Mortgage Disclosure), which implements the act, to Connecticut, Massachusetts, New Jersey, and New York, effective November 5, 1982. The exemptions were granted based upon the Board's determination that the states' laws provide for substantially similar disclosures and that there are adequate provisions for enforcement by these states.

The Board also terminated the existing exemption for California, which discontinued administration of the state's mortgage disclosure laws.

DEREGULATION OF PRODUCT LINES

The Federal Reserve Board has published the proceedings of a colloquium held at the Board in July on the *Deregulation of Product Lines*. The colloquium was attended by representatives of financial institutions and policy planners from federal regulatory agencies to discuss the future of bank deregulation. The colloquium format was chosen to encourage an open exchange of information and ideas rather than asking for formal comment on specific regulatory proposals. The published proceedings and also an eight-page

executive summary are available on request from Publications Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

CHANGES IN BOARD STAFF

The Board of Governors has announced the following changes in its official staff, effective October 18, 1982.

William C. Schneider, Jr., appointed Assistant Director, Data Services, in the Division of Data Processing. Mr. Schneider, who joined the Board's staff in March 1976, holds a B.A. from Geneva College and an M.B.A. from George Mason University.

Elizabeth A. Johnson appointed Assistant Director, Data Systems, in the Division of Data Processing. Ms. Johnson, a member of the Board's staff since October 1970, holds a B.A. from the College of Wooster and has completed graduate level work at Stanford, George Washington, and American Universities.

REGULATION K: AMENDMENTS

The Federal Reserve has announced amendments to its Regulation K (International Banking Operations), effective November 8, 1982, to streamline procedures for establishing a U.S.

branch of an Edge corporation and for making certain investments under the regulation. The Board also made two technical changes in the regulation.

At the same time, the Board amended its rules regarding availability of information with respect to certain required annual reporting by foreign banking organizations and revised its rules regarding delegation of authority to permit the Federal Reserve Banks and Board officials to take action on certain applications under Regulation K.

The Board acted in the light of experience since it revised Regulation K in 1979 to implement provisions of the International Banking Act of 1978.

SYSTEM MEMBERSHIP:

ADMISSION OF STATE BANKS

The following banks were admitted to membership in the Federal Reserve System during the period October 11 through November 10, 1982:

Colorado

Littleton Broadway Bank

Indiana

Elkhart Midwest Commerce
Banking Company

Oregon

Milton-Freewater . . Bank of Milton-Freewater

Legal Developments

AMENDMENTS TO REGULATION A

The Board of Governors of the Federal Reserve System has amended its Regulation A, "Extensions of Credit by Federal Reserve Banks," for the purpose of adjusting discount rates. The action was designed to maintain an appropriate alignment with short-term market interest rates.

Effective on the dates shown in the tables, the Board amends Part 201 as set forth below:

Part 201—Extensions of Credit by Federal Reserve Banks

Section 201.51—Short Term Adjustment Credit for Depository Institutions

The rates for short term adjustment credit provided to depository institutions under § 201.3(a) of Regulation A are:

Federal Reserve Bank	Rate	Effective
Boston	9½	October 12, 1982
New York	9½	October 12, 1982
Philadelphia	9½	October 12, 1982
Cleveland	9½	October 13, 1982
Richmond	9½	October 12, 1982
Atlanta	9½	October 12, 1982
Chicago	9½	October 12, 1982
St. Louis	9½	October 12, 1982
Minneapolis	9½	October 12, 1982
Kansas City	9½	October 12, 1982
Dallas	9½	October 12, 1982
San Francisco	9½	October 11, 1982

Section 201.52—Extended Credit to Depository Institutions

(a) The rates for seasonal credit extended to depository institutions under § 201.3(b)(1) of Regulation A are:

Federal Reserve Bank	Rate	Effective
Boston	9½	October 12, 1982
New York	9½	October 12, 1982
Philadelphia	9½	October 12, 1982
Cleveland	9½	October 13, 1982
Richmond	9½	October 12, 1982
Atlanta	9½	October 12, 1982
Chicago	9½	October 12, 1982
St. Louis	9½	October 12, 1982
Minneapolis	9½	October 12, 1982
Kansas City	9½	October 12, 1982
Dallas	9½	October 12, 1982
San Francisco	9½	October 11, 1982

(b) The rates for other extended credit provided to depository institutions under sustained liquidity pressures or where there are exceptional circumstances or practices involving a particular institution under § 201.3(b)(2) of Regulation A are:

Federal Reserve Bank	Rate	Effective
Boston	9½	October 12, 1982
New York	9½	October 12, 1982
Philadelphia	9½	October 12, 1982
Cleveland	9½	October 13, 1982
Richmond	9½	October 12, 1982
Atlanta	9½	October 12, 1982
Chicago	9½	October 12, 1982
St. Louis	9½	October 12, 1982
Minneapolis	9½	October 12, 1982
Kansas City	9½	October 12, 1982
Dallas	9½	October 12, 1982
San Francisco	9½	October 11, 1982

NOTE. These rates apply for the first 60 days of borrowing. A 1 per cent surcharge applies for borrowing during the next 90 days, and a 2 per cent surcharge applies for borrowing thereafter.

AMENDMENTS TO REGULATION D

The Board of Governors of the Federal Reserve System has amended Regulation D "Reserve Requirements of Depository Institutions," (12 CFR Part 204) to modify the manner in which depository institutions maintain required reserves. The changes adopted by the Board will introduce contemporaneous reserve requirements on transaction accounts for medium-size and larger depository institutions instead of the lagged system now in effect. The Board believes that shortening the lag between the computation and maintenance of required reserves on transaction accounts will en-

hance the conduct of monetary policy by strengthening the linkage between the supply of reserves and the money supply. The first reserve maintenance period to which contemporaneous reserve requirements will apply begins February 2, 1984.

Part 204—Reserve Requirements of Depository Institutions

1. In § 204.2(h), footnote 1 is amended by deleting the word "fourth" and inserting in its place the word "second"; in § 204.3, paragraphs (c), (d), and (h) are revised to read as follows; § 204.4 is amended by revising the schedule in paragraph (a) as follows; and the third sentence of § 204.7(a)(1) is amended by deleting the word "computation" and inserting the word "maintenance" in its place:

Section 204.3—Computation and Maintenance

* * * * *

(c) *Computation of required reserves.*

(1) Required reserves are computed on the basis of daily average balances of deposits and Eurocurrency liabilities during a fourteen-day period ending every second Monday (the "computation period"). Reserve requirements are computed by applying the ratios prescribed in section 204.9 to the classes of deposits and Eurocurrency liabilities of the institution. The reserve balance that is required to be maintained with the Federal Reserve shall be maintained during a fourteen-day period (the "maintenance period") which begins on a Thursday and ends on the second Wednesday thereafter.

(2) A reserve balance shall be maintained during a given maintenance period, based

(i) on the daily average net transaction accounts held by the depository institution during the computation period that began immediately prior to the beginning of the maintenance period; and

(ii) on the daily average nonpersonal time deposits and daily average Eurocurrency liabilities held by the depository institution during the computation period that ended seventeen days prior to the beginning of the maintenance period.

(3) In determining the reserve balance that is required to be maintained with the Federal Reserve, the daily average vault cash held during the computation period that ended seventeen days prior to the beginning of the maintenance period is deducted from the amount of the institution's required reserves.

(d) *Special rule for depository institutions that have total deposits of less than \$15 million.*

(1) A depository institution with total deposits of less than \$15 million shall file a report of deposits once each calendar quarter for a seven-day computation period that begins on the third Tuesday of a given month during the calendar quarter. Each Reserve Bank shall divide the depository institutions in its District that qualify under this paragraph into three substantially equal groups and assign each group a different month to report during each calendar quarter.

(2) Required reserves are computed on the basis of the depository institution's daily average deposit balances during the seven-day computation period. In determining the reserve balance that a depository institution is required to maintain with the Federal Reserve, the daily average vault cash held during the computation period is deducted from the amount of the institution's required reserves. The reserve balance that is required to be maintained with the Federal Reserve shall be maintained during a corresponding period that begins on the fourth Thursday following the end of the institution's computation period and ends on the fourth Wednesday after the close of the institution's next computation period. Such reserve balance shall be maintained in the amount required on a daily average basis during each week of the quarterly reserve maintenance period.

(3) * * *

(4) A depository institution that qualifies under this paragraph may elect at the beginning of a calendar year to report deposits on a weekly basis and maintain reserves during fourteen-day reserve maintenance periods in accordance with paragraph (c) of this section.

* * * * *

(h) *Carryover of excesses or deficiencies.*

(1) For a depository institution computing required reserves under paragraph (c) of this section, any excess or deficiency in a required reserve balance for any maintenance period that does not exceed the greater of the percentage set forth in the schedule below of the institution's required reserves (including required clearing balances) or \$25,000, shall be carried forward to the next maintenance period.

Reserve maintenance periods occurring between	Percentage applied to determine allowable carryover
February 2, 1984 and August 1, 1984	3
August 2, 1984 and January 30, 1985	2½
January 31, 1985 and forward	2

(2) For a depository institution reporting deposits and maintaining required reserves under paragraph (d) of this section, any excess or deficiency in a required reserve balance for any maintenance period that does not exceed the greater of 2 per cent of the institution's required reserves (including required clearing balances) or \$25,000, shall be carried forward to the next maintenance period.

(3) Any carryover not offset during the next period may not be carried forward to additional periods.

* * * * *

Section 204.4—Transitional Adjustments

* * * * *

(a) * * *

Reserve maintenance periods occurring	Percentage that computed reserves will be reduced
November 13, 1980 to September 2, 1981	87.5
September 3, 1981 to September 1, 1982	75
September 2, 1982 to August 31, 1983	62.5
September 1, 1983 to September 12, 1984	50
September 13, 1984 to September 11, 1985	37.5
September 12, 1985 to September 10, 1986	25
September 11, 1986 to September 9, 1987	12.5
September 10, 1987 and forward	0

* * * * *

AMENDMENTS TO REGULATION E

The Board is adopting four amendments to Regulation E, "Electronic Fund Transfers." The amendments will (1) exempt from the regulation preauthorized electronic fund transfers to or from accounts at financial institutions with assets of \$25 million or less; (2) provide that the terminal receipt need not disclose the type of account involved, in an automated teller machine transaction where only one particular account can be accessed by the consumer; (3) exempt from duplicative periodic statement requirements certain transfers between a consumer's accounts held at the same institution; and (4) modify documentation and error resolution requirements for the transfers initiated outside the United States. These amendments are in response to requests from financial institutions, and are designed to reduce regulatory burdens without giving up significant consumer protection.

Effective October 12, 1982, the Board amends Regulation E, 12 CFR Part 205, by adding a new paragraph (g) to § 205.3, revising the last sentence of footnote 3 to § 205.9(a)(3), adding a new footnote 9a to § 205.9(c) and (d), adding new paragraphs (h) and (i) to § 205.9,

and adding a new paragraph (4) to § 205.11(c), as follows:

Part 205—Electronic Fund Transfers

Section 205.3—Exemptions

* * * * *

(g) *Preauthorized transfers to small financial institutions.*

(1) Any preauthorized transfer to or from an account if the assets of the account-holding financial institution are \$25 million or less on December 31.^{1a}

(2) If the account-holding financial institution's assets subsequently exceed \$25 million, the institution's exemption for this class of transfers shall terminate one year from the end of the calendar year in which the assets exceed \$25 million.

* * * * *

Section 205.9—Documentation of Transfers

(a) *Receipts at electronic terminals.****

(3) The type of transfer and the type of the consumer's account(s)^{3***}

* * * * *

(c) *Documentation for certain passbook accounts.* In the case of a consumer's passbook account which may not be accessed by any electronic fund transfers other than preauthorized transfers to the account,^{9a***}

(d) *Periodic statements for certain non-passbook accounts.* If a consumer's account other than a passbook account may not be accessed by any electronic fund transfers other than preauthorized transfers to the account,^{9a***}

* * * * *

(h) *Periodic statements for certain intra-institutional transfers.* A financial institution need not provide the periodic statement required by paragraph (b) of this section for an account accessed only by electronic fund transfers initiated by the consumer to or from another account of the consumer for which the financial institution documents transfers in compliance with paragraph (b) of this section.

^{1a***}

***The type of account need not be identified if the access device may access only one account at that terminal.

^{9a}Accounts that also are accessible by the intra-institutional transfers described in paragraph (h) of this section may continue to be documented in accordance with paragraph (c) or (d) of this section.

(i) *Documentation for foreign-initiated transfers.* Failure to provide the terminal receipt and periodic statement required by paragraphs (a) and (b) of this section for a particular electronic fund transfer shall not be deemed a failure to comply with this regulation, if:

- (1) the transfer is not initiated in a state as defined in § 205.2(k); and
- (2) in accordance with § 205.11, the financial institution treats an inquiry for clarification or documentation as a notice of error and corrects the error.

* * * * *

Section 205.11—Procedures for Resolving Errors

* * * * *

(c) *Investigation of errors.****

- (4) If a notice of an error involves an electronic fund transfer that was not initiated in a state as defined in § 205.2(k), the applicable time periods for action in subsections (c), (e), and (f) shall be 20 business days in place of 10 business days, and 90 calendar days in place of 45 calendar days.

* * * * *

AMENDMENTS TO REGULATION L

The Board of Governors has amended its Regulation L, "Management Official Interlocks", to reflect recent changes enacted by Congress in the law. These changes permit a management official whose service in an interlocking relationship is grandfathered under the Act to continue such service for the duration of the ten year grandfather period provided in the Act notwithstanding changes in circumstances. The changes also permit a management official of a depository organization and a nondepository organization to continue such service after the nondepository organization becomes a diversified savings and loan holding company.

Effective October 26, 1982, the Board amends section 212.4 by revising subparagraph (b)(5) and adding new paragraph (c); section 212.5 is revised; and section 212.6 is amended by removing paragraphs (a)(1) and (2) and redesignating paragraphs (b)(1) and (2) as (a) and (b), respectively, as set forth below:

Part 212—Management Official Interlocks

Section 212.4—Permitted Interlocking Relationships.

* * * * *

(b) ***

- (5) *Loss of management officials due to change in circumstances.* If a depository organization experi-

ences a change in circumstances described in paragraphs (a) and (b) of § 212.6, and the change requires the termination of service at the depository organization of 50 per cent or more of the organization's directors or of 50 per cent or more of the total management officials of the depository organization, such management officials may continue to serve in excess of the time periods provided in paragraphs 212.6(a) or 212.6(b): *Provided* that: (i) Each management official so affected agrees to sever the prohibited interlocking relationship no later than 30 months after the change in circumstances; (ii) the appropriate Federal supervisory agency or agencies determine that the service by such management officials is necessary to provide management or operating expertise; (iii) the depository organization submits a proposal for the orderly termination of service by such management officials over the time period provided; and (iv) other conditions in addition to, or in lieu of, the foregoing may be imposed by the appropriate Federal supervisory agency or agencies in any specific case.

Section 212.4—Permitted Interlocking Relationships.

* * * * *

(c) *Diversified savings and loan holding company.* Notwithstanding Section 212.3, a person who serves as a management official of a depository organization and a nondepository organization is not prohibited from continuing the interlocking service when the nondepository organization becomes a diversified savings and loan holding company, as defined in Section 408(a)(1)(F) of the National Housing Act (12 U.S.C. § 1730a(a)(1)(F)). This subparagraph shall cease to operate on November 10, 1988.

Section 212.5—Grandfathered Interlocking Relationships.

A person whose interlocking service in a position as a management official of two or more depository organizations began prior to November 10, 1978, and was not immediately prior to that date in violation of Section 8 of the Clayton Act (12 U.S.C. § 19) is not prohibited from continuing to serve in such interlocking positions until November 10, 1988. Any management official who has been required to terminate service in one or more such interlocking positions as a result of a change in circumstances defined in 12 CFR Part 212.6(a) as it existed prior to [effective date of this amendment] (12 CFR § 212.6(a) (1981)) but who has not terminated such service as of [effective date of this amendment] is not prohibited from continuing such service until November 10, 1988.

AMENDMENT TO RULES REGARDING DELEGATION OF AUTHORITY

The Board of Governors of the Federal Reserve System has expanded the delegated authority of the General Counsel to include authority to revoke acceptance of and return a notice filed pursuant to the Change in Bank Control Act, or to extend the time during which action must be taken on such a notice where the General Counsel has determined, with the concurrence of the Board's Director of Banking Supervision and Regulation, that the notice is materially incomplete or contains material information that is substantially inaccurate.

Effective October 15, 1982, Part 265 is amended by adding to section 265.2(b), a new subsection (10) as set forth below:

Part 265—Rules Regarding Delegation of Authority

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

* * * * *

(b) The general counsel of the Board (or, in the general counsel's absence, the acting general counsel) is authorized:

* * * * *

(10) To revoke acceptance of and return as incomplete a notice filed pursuant to the Change in Bank Control Act (12 U.S.C. § 1817(j)) or to extend the time during which action must be taken on a notice, where the general counsel determines, with the concurrence of the Board's Director of Banking Supervision and Regulation, that the notice is materially incomplete under the Change in Bank Control Act or the Board's regulations promulgated thereunder or contains material information that is substantially inaccurate.

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

Orders Under Section 3 of Bank Holding Company Act

**Bank of New England Corporation,
Boston, Massachusetts**

Order Approving Merger of Bank Holding Companies

Bank of New England Corporation, Boston, Massachusetts ("Applicant"), a bank holding company with-

in the meaning of the Bank Holding Company Act, 12 U.S.C. § 1841 et seq., has applied for the Board's approval pursuant to section 3(a)(5) of the act, 12 U.S.C. § 1842(a)(5), to merge with The Hancock Group, Incorporated, Quincy, Massachusetts ("Hancock"), also a bank holding company, under the charter and name of Applicant.

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

Applicant is the fourth largest commercial banking organization in Massachusetts and controls 11 subsidiary banks, with aggregate deposits of \$2.7 billion, representing 12.3 percent of the total deposits in commercial banks in the state.¹ Hancock is the fifteenth largest commercial banking organization in the state and controls one subsidiary bank with aggregate deposits of \$138.7 million, representing 0.6 percent of the total deposits in commercial banks in Massachusetts. Consummation of the proposal would increase Applicant's share of the total deposits in commercial banks in the state by 0.6 percent and its rank would remain unchanged. Accordingly, the Board concludes that consummation of the proposed transaction would not have a significant effect on the concentration of banking resources in Massachusetts.

Applicant is the fifth largest banking organization in the Boston banking market² and operates three subsidiaries in that market with aggregate deposits of \$1.9 billion, representing 11.4 percent of the total deposits in commercial banks in the market.³ Hancock's subsidiary, Hancock Bank and Trust Company, Quincy, Massachusetts ("Hancock Bank"), also competes in the Boston banking market and, with deposits of \$126.2 million, is the 13th largest banking organization in the market, controlling 0.7 percent of the total deposits in commercial banks in the market. Upon consummation of the proposed transaction, Applicant's share of the total deposits in commercial banks in the market would increase to 12.1 percent and Applicant would become the fourth largest banking organization in the Boston banking market.

This application represents Applicant's second attempt to acquire Hancock Bank. In 1973, the Board

1. Unless otherwise indicated, all banking data are as of March 31, 1982.

2. The Boston banking market is approximated by the Boston RMA which includes all of Suffolk County, most of Middlesex, Norfolk and Plymouth Counties, and small portions of Worcester and Bristol Counties, all in Massachusetts, and a portion of southern New Hampshire.

3. As of June 30, 1981.

denied Applicant's proposal to acquire Hancock Bank, based on its conclusion that the affiliation would eliminate significant competition in the Boston banking market, which the Board defined as the Boston Standard Metropolitan Statistical Area.⁴ The Board stated that consummation of the proposal would aggravate the high level of deposit concentration that existed in the Boston banking market. In addition, the Board indicated that the transaction would eliminate one of the more desirable remaining independent banks in the market as a possible means of entry for a banking organization not represented in the Boston banking market.

While consummation of the proposed merger would eliminate some existing competition in the Boston banking market, the Board believes that a number of the facts of record indicate that the anticompetitive effects associated with the proposed transaction would not be as serious as in 1973. Specifically, in 1974, based on a study of commuting patterns, demographic data and other factors, the Board determined that the Boston banking market was better approximated by the significantly larger Boston RMA. Based on this redefinition of the market, the market share of Applicant and Hancock decreased. Moreover, the four-firm concentration ratio in the market decreased from 68.1 in 1973 to 64.8 in 1981; and today the market is only moderately concentrated. Finally, there is no evidence that any other organization has sought to acquire Hancock and, upon consummation of the proposal, numerous banking alternatives would remain in the market. Accordingly, the Board does not regard the elimination of existing competition at this time to be so significant as to warrant denial of the application.

The Board has also considered the effects of this acquisition on probable future competition in light of its proposed guidelines for assessing the competitive effects of bank holding company acquisitions and mergers.⁵ Under these guidelines, the Board will make an intensive examination of a proposed merger's effect on potential competition where the market involved is concentrated, where there are only a small number of probable future entrants into the market, where the market is attractive for entry, and where the firm to be

acquired is a market leader. Only one of the criteria established under the guidelines is present in this case.

Hancock is represented in the Providence, Rhode Island, banking market, where Applicant is not currently represented.⁶ Although the Providence banking market is highly concentrated, it does not appear attractive for de novo entry or expansion and Application does not appear reasonably likely to enter the market by alternative means. Moreover, Applicant is only one of a number of probable future entrants into the market. In any event, Hancock, the 16th largest banking organization in the market, holds only \$5.1 million in deposits, representing 0.1 percent of the market's deposits in commercial banks. In light of all the facts of record, the Board does not believe that consummation of the proposed merger would have such adverse effects on probable future competition in the Providence banking market as to warrant denial. Accordingly, the Board concludes that competitive considerations are consistent with approval.

The financial and managerial resources and future prospects of Applicant, its subsidiaries and Bank are regarded as generally satisfactory and considerations relating to banking factors are consistent with approval. Moreover, as a result of consummation, customers of Hancock would benefit from the addition of new services, including simple interest loans and consumer credit documents in "plain English." In addition, Hancock will offer a one percent reduction on installment loans when payment is by automatic deduction from a customer's checking account. Further, Hancock will be able to provide its customers with expanded trust services and will have greater access to the secondary mortgage market. Thus, considerations relating to convenience and needs of the community to be served are consistent with approval and tend to outweigh any adverse competitive effects of the transaction. Based on the foregoing and other considerations reflected in the record, the Board's judgment is that consummation of the transaction would be consistent with the public interest.

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

4. 59 FEDERAL RESERVE BULLETIN 459 (1973).

5. "Policy Statement of the Board of Governors of the Federal Reserve System in Assessing Competitive Factors Under the Bank Merger Act and the Bank Holding Company Act," 47 *Federal Register* 9017 (March 3, 1982). Although the proposed policy statement has not been approved by the Board, the Board is applying the policy guidelines to all applications to determine whether further scrutiny is warranted for anticompetitive effects. See, "Shawmut Corporation," 68 FEDERAL RESERVE BULLETIN 309 (1982); "Colorado National Bankshares, Inc.," FEDERAL RESERVE BULLETIN 553 (1982).

6. The Providence, Rhode Island banking market is approximated by the Providence Standard Metropolitan Statistical Area plus the four Rhode Island towns of West Greenwich, Exeter, Foster, and Glocester.

By order of the Board of Governors, effective October 14, 1982.

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

(Signed) WILLIAM W. WILES,
Secretary of the Board.

[SEAL]

Texas Commerce Bancshares, Inc.,
Houston, Texas

Order Approving Acquisition of Bank

Texas Commerce Bancshares, Inc., Houston, Texas ("Applicant"), a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the act (12 U.S.C. § 1842(a)(3)) to acquire 100 percent of Chemical Bank and Trust Company, Houston, Texas ("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, the third largest banking organization in Texas, controls 50 banking subsidiaries with total deposits of \$9.2 billion, representing 8.73 percent of total deposits in commercial banks in the state.¹ Bank, with deposits of \$119 million, is the 61st largest commercial banking organization in Texas, holding 0.11 percent of total deposits in commercial banks in the state. Upon consummation, Applicant will remain the third largest banking organization in the state with 8.84 percent of total commercial deposits in the state. Thus, the Board concludes that acquisition of Bank would have no significant effect on the concentration of banking resources in Texas.

Bank is the 21st largest banking organization in the Houston banking market,² controlling approximately 0.4 percent of the total deposits in commercial banks in the market. Applicant also competes in the Houston banking market, and is the second largest banking organization in the relevant market, with about 20.7 percent of total deposits in commercial banks in the market. Upon consummation, Applicant would become the largest banking organization in the market,

with a 0.4 percent increase in the market share of deposits. Thus, consummation of this proposal would eliminate some existing competition between Applicant and Bank. However, any adverse competitive consequences are mitigated by the following and other facts of record. First, numerous banking organizations compete in the market. Second, the state's largest banking organizations are represented in the market. Finally, the Houston market would not be considered a highly concentrated market after consummation of this proposal, with a four-firm concentration ratio of 60.3 percent. In light of the above, the Board finds that the acquisition would not have any significant adverse effects on existing or potential competition or on the concentration of resources.

The financial and managerial resources and future prospects of Applicant, its subsidiaries and Bank are regarded as generally satisfactory. Considerations relating to banking factors are consistent with approval. Moreover, Bank's affiliation with Applicant will enable Bank to avail itself of Applicant's resources and services. Thus, considerations relating to the convenience and needs of the community to be served lend slight weight toward approval and outweigh any adverse competitive effects that may result from consummation of the proposal. Accordingly, the Board has determined that consummation of the transaction would be consistent with the public interest and the application should be approved.

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

By order of the Board of Governors, effective October 4, 1982.

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

(Signed) JAMES MCAFEE,
Associate Secretary of the Board.

[SEAL]

United Midwest Bancshares, Inc.,
Cincinnati, Ohio

Order Denying Formation of a Bank Holding Company

United Midwest Bancshares, Inc., Cincinnati, Ohio, has applied for the Board's approval under section

1. All banking data are as of December 31, 1981.

2. The Houston banking market is approximated by the Houston RMA.

3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) to form a bank holding company by acquiring 100 percent of the voting shares of Southern Ohio Bank, Cincinnati, Ohio ("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 Ohio corporation with no subsidiaries, was organized for the purpose of becoming a bank holding company by acquiring Bank, which holds deposits of \$209.6 million. Upon acquisition of Bank, Applicant would control the 35th largest bank in Ohio and would hold 0.48 percent of the total commercial deposits in the state.¹

Bank is the 5th largest of 41 banking organizations in the relevant banking market and holds approximately 4.25 percent of total deposits in commercial banks in the market.² The proposed transaction is essentially a corporate reorganization, consummation of which would not result in any adverse effects upon competition or in an increase in the concentration of banking resources in any relevant area. Accordingly, the Board concludes that competitive considerations are consistent with approval.

The Board has indicated on previous occasions that a holding company should serve as a source of financial and managerial strength to its subsidiary bank(s), and that the Board would closely examine the condition of an applicant in each case with this consideration in mind. In this case, the Board concludes that the record in this application presents adverse financial considerations that warrant denial of the proposal to form a bank holding company.

With regard to financial considerations, Applicant proposes to become a bank holding company through a purchase of Bank for \$30 million. The source of funds for the purchase includes \$15 million in bank borrowings, \$5 million from the sale of Applicant's common stock and \$10 million from the sale of Applicant's preferred stock. All of Applicant's preferred stock would be purchased by a subsidiary of Baldwin-United Corporation, Cincinnati, Ohio ("Baldwin"), a diversified financial conglomerate engaged in impermissible nonbanking activities.³ The preferred stock,

which is nonvoting, would pay a cumulative annual dividend of 10 percent, as well as an income participation dividend. The Board notes that Baldwin's preferred stock investment would represent approximately 67 percent of Applicant's total equity.⁴

The Board notes that in connection with this proposal, Applicant would incur a sizable acquisition debt of \$15 million, to be repaid over a thirteen-year period.⁵ Because of the size of the banking organization involved, the Board has considered Applicant's proposal under the Board's Capital Adequacy Guidelines generally applicable to bank holding companies with consolidated assets of over \$150 million.⁶ Applicant's proposal would not satisfy the financial criteria in those Guidelines. The level of debt in the proposal greatly exceeds that which the Board considers prudent for larger banking organizations. Also, the consolidated total capital to assets ratio would be below the level the Board considers acceptable, particularly in light of the sizable leverage that would result from the proposed transaction.

Applicant believes that the proposed transaction should be judged on the basis of the Board's financial standards for the formation of small bank holding companies. Under these standards, the Board has allowed such companies to be more highly leveraged in order to facilitate the sale of smaller community banks for which no market exists, and to promote local ownership of such banks. However, Bank, with total assets of \$257 million, exceeds the Board's size criterion of \$150 million for the application of these more lenient standards. Moreover, it appears that Bank, which is located in Cincinnati, is an attractive investment to other potential purchasers. In addition, although the purpose of the proposed transaction is to enable Bank's present management to acquire control of Bank, many of Applicant's investors are nonbank firms. Accordingly, the Board does not believe that Applicant has demonstrated unusual circumstances or substantial public benefit to warrant an exception to the small one-bank holding company standards.

4. While the Applicant has committed to reduce Baldwin's preferred stock investment to below 50 percent of total equity within three years of consummation, and to use its "best efforts" to reduce Baldwin's equity interest to 25 percent within five years of consummation, the Board notes that Applicant has not provided any specific plan for fulfilling this commitment. Moreover, it does not appear that Applicant would have sufficient resources to accomplish this commitment.

5. Ten million dollars of the acquisition debt would be repayable over a ten-year period. An additional loan of \$5 million, which is due on September 30, 1983, will be refinanced by the lending bank if it is not paid on that date, thereby postponing repayment of the total debt for 13 years.

6. Federal Reserve Board and Comptroller of the Currency Press Release, dated December 17, 1981, reprinted in Federal Reserve Regulatory Service, ¶ 3-1506.

1. Deposit and state rank data are as of March 31, 1982.

2. The relevant banking market is the Cincinnati Ranally Metro Area. Market data are as of June 30, 1981.

3. Baldwin, which became a bank holding company as a result of the 1970 Amendments to the Act, divested its banking subsidiaries on December 31, 1980.

Even if this proposal were considered under the more liberal one-bank holding company debt standards, however, the Board does not believe that Applicant would possess sufficient financial flexibility to repay its indebtedness within a reasonable time, while maintaining adequate capital in Bank. Applicant's projections concerning its ability to meet its debt servicing requirements are based on overly optimistic assumptions concerning Bank's earnings. Specifically, Applicant projects that Bank's earnings will improve and attain levels substantially above historical results.

In addition, Applicant's ability to service its debt is dependent upon allowing Baldwin's preferred stock dividends to accumulate for a number of years.⁷ The Board views the large preferred stock dividend arrearage as a significant burden on Applicant, which would severely restrict Applicant's ability to provide financial support to Bank, if required. In particular, because of Applicant's equity structure and the preferred dividend arrearage, Applicant would be unable to issue additional preferred stock in the event Applicant or Bank were to require additional capital. Also, because the preferred stock dividend arrearage will preclude the payment of dividends to the common stockholders, Applicant may be effectively prevented from selling additional common stock to raise capital.

In sum, the Board's judgment is that the debt servicing requirements and the substantial arrearage in preferred stock dividends do not allow Applicant sufficient financial flexibility to serve as a source of financial strength to Bank in the future. In addition, Applicant's ability to meet its debt servicing requirements and pay preferred dividends are dependent upon its overly optimistic projections concerning Bank's earnings. Accordingly, based on the record in this case, the Board concludes that considerations relating to Applicant's financial resources and future prospects weigh against approval of this application.

The Board is also concerned about the size and structure of Baldwin's equity investment in Applicant, in that it appears to violate the spirit of the Board's recently adopted Policy Statement regarding non-voting equity investments.⁸ Although the Policy State-

ment was specifically addressed to investments by bank holding companies in out-of-state banks and holding companies, the Board believes that the criteria contained in the Policy Statement for determining when control through a non-voting equity investment may or may not exist are also relevant to situations where non-banking companies seek to invest in banks or bank holding companies.

In this case, Baldwin's non-voting preferred stock investment represents 67 percent of Applicant's total equity, a percentage well above the 25 percent guideline contained in the Policy Statement and specified in prior Board cases as an acceptable level for non-voting equity investments.⁹ In addition, the facts of record reveal that, through the structure of Applicant's capitalization and by contractual arrangements, Baldwin has achieved a number of rights that are otherwise only available through the ownership of voting shares. Under Applicant's Articles of Incorporation, Baldwin would be able to limit management's ability to issue additional equity capital and pay common stock dividends. In addition, Applicant is precluded from selling any part of its interest in Bank by a requirement that the purchaser buy out Baldwin. Similarly, under an agreement with Applicant's shareholders, Baldwin would have the ability to affect the disposition of control of Applicant through the sale of its voting common shares by requiring the purchaser to buy out Baldwin's interest. As noted, under Applicant's current projections, there will be a substantial arrearage of preferred stock dividends, which limits Applicant's ability to issue additional equity capital and pay common stock dividends and further strengthens Baldwin's economic leverage over Applicant. Accordingly, the Board finds that the size and structure of Baldwin's proposed preferred stock investment are inconsistent with the criteria specified by the Board in its Policy Statement and may provide Baldwin with an incentive and the ability to exercise a controlling influence over Applicant within the meaning of the act.

Since Applicant proposes no changes in Bank's services, convenience and needs factors lend no weight toward approval of this application.

On the basis of all the facts of record, the Board concludes that the banking considerations involved in this proposal present adverse factors bearing upon the financial resources and future prospects of Applicant and Bank. Such adverse factors are not outweighed by

7. Applicant projects that approximately \$7 million in preferred stock dividends will be accumulated during the first nine years of debt servicing to meet its cash flow requirements on its acquisition debt. If less optimistic earnings projections are used, this arrearage could be as high as \$11 million at the end of 14 years, the year the acquisition debt would be repaid.

8. 12 CFR § 225.143. The Board has received a protest to this application from Huntington Bancshares, Inc. The protest was based on the size of Baldwin's preferred stock investment and arguments that it would violate the Policy Statement and enable Baldwin to exercise control over Applicant in violation of the act.

9. See e.g., "Valley View Bancshares" 61 FEDERAL RESERVE BULLETIN 676 (1975); "Security Bancorp, Inc." 66 FEDERAL RESERVE BULLETIN 977 (1980); "Panhandle Aviation, Inc." Board Order, December 23, 1980. See also letter from William W. Wiles, Secretary of the Board, to J. A. Maurer, President, Security Corp., Duncan, Oklahoma, June 23, 1982.

any procompetitive effects or by benefits that would result in better serving the convenience and needs of the community. Accordingly, the Board's judgment is 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 October 14, 1982.

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

(Signed) JAMES McAFEE,
[SEAL] Associate Secretary of the Board.

Order Under Bank Merger Act

First Colbert National Bank,
Sheffield, Alabama

Order Approving Merger of Banks

First Colbert National Bank, Sheffield, Alabama ("Applicant"), the sole banking subsidiary of BancIndependent, Inc., Sheffield, Alabama, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under the Bank Merger Act (12 U.S.C. § 1828(c)) to merge with the Bank of Florence, Florence, Alabama ("Bank"), under the charter and title of Bank Independent, Sheffield, Alabama. As an incident to the proposed merger, the existing office of Bank would become a branch office of the resulting bank. Applicant proposes to convert to a state chartered institution, and has also applied for membership in the Federal Reserve System.¹

Notice of this application, affording interested persons an opportunity to submit comments and views, has been given in accordance with the Bank Merger Act and the Board's Rules of Procedure (12 CFR § 262.3(b)). As required by the Bank Merger Act, reports of the competitive effects of the merger were requested from the United States Attorney General, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. The time for filing comments and views has expired, and the Board has

considered the application and all comments received in light of the factors set forth in section (c)(5) the Bank Merger Act (12 U.S.C. § 1828(c)(5)).

Applicant, with deposits of \$52.4 million, and Bank, with deposits of \$12.6 million, are among the smaller commercial banks in the state.² Upon consummation of the proposed transaction, the resulting bank will be the 38th largest commercial banking organization in Alabama, and will control 0.40 percent of the deposits in commercial banks in that state. Accordingly, consummation of this proposal would not have an appreciable effect upon the concentration of commercial banking resources in Alabama.

Applicant is the fourth largest commercial banking institution in the Florence banking market³ and controls 10.2 percent of the deposits in commercial banks in the market. Bank controls 2.5 percent of the market deposits and is the smallest of eight commercial banking institutions in the Florence banking market. Upon consummation of the proposed transaction, the resulting bank would be the third largest commercial bank in the market and would control 12.7 percent of market deposits. Thus, consummation of the proposed transaction would result in the elimination of some existing competition in the Florence market. However, the Board notes that Bank was organized by principals of Applicant in 1975, and Applicant and Bank have been affiliated by virtue of common ownership and management since the establishment of Bank. Thus, initial control of Bank did not eliminate any existing competition or increase market concentration, and it appears that the relationship between Bank and Applicant is such that little if any meaningful competition has ever developed between the two banks. In light of this relationship, the Board does not regard the effects of the proposed acquisition on competition within the relevant banking market as significant.

The financial and managerial resources of Applicant, its parent, and Bank are regarded as generally satisfactory, and their future prospects appear favorable. As a result, considerations relating to banking factors are consistent with approval. Considerations relating to convenience and needs of the community to be served are also consistent with approval. Accordingly, the Board has determined that consummation of the transaction would be consistent with the public interest and that the application should be approved.

2. All banking data are as of December 31, 1981.

3. The Florence banking market includes the towns of Muscle Shoals, Sheffield, and Tuscumbia in north central Colbert County, Alabama, and the town of Florence in south central Lauderdale County, Alabama.

1. Applicant's request for membership has been reviewed and approved in a separate letter dated October 19, 1982.

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

By order of the Board of Governors, effective October 20, 1982.

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

(Signed) JAMES MCAFEE,
[SEAL] Associate Secretary of the Board.

ORDERS APPROVING APPLICATIONS UNDER THE BANK HOLDING COMPANY ACT AND BANK MERGER ACT

By the Board of Governors

During October 1982, 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)
Ellis Banking Corporation, Bradenton, Florida	Highlands County Bank of Avon Park, Avon Park, Florida	October 19, 1982
Mercantile Texas Corporation, Dallas, Texas	Lincoln Centre Bank, N.A., Dallas, Texas	October 22, 1982
National Bancorp of Alaska, Inc., Anchorage, Alaska	National Bank of Alaska, Anchorage, Alaska	October 25, 1982
Robuck, Inc., South Sioux City, Nebraska	The State Savings Bank, Hornick, Iowa	October 29, 1982
Texas American Bancshares, Inc., Fort Worth, Texas	Texas American Bank/Las Colinas, N.A., Irving, Texas	October 18, 1982
Texas Commerce Bancshares, Inc., Houston, Texas	Texas Commerce Bank-Northcross, N.A., Austin, Texas	October 15, 1982
U.S. Bancorp, Portland, Oregon	Newport State Bank, Newport, Oregon	October 21, 1982

Section 4

Applicant	Nonbanking company (or activity)	Effective date
U.S. Bancorp, Portland, Oregon	to acquire the data processing department of American City Bank, Los Angeles, California	October 22, 1982

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
Addison Bancshares, Inc., Addison, Illinois	First Security Bank, Addison, Illinois	Chicago	October 26, 1982
American Banking Corporation, Lake Wales, Florida	American Bank of Lake Wales, Lake Wales, Florida	Atlanta	October 18, 1982
APSB Bancorp, North Hollywood, California	American Pacific State Bank, Sun Valley, California	San Francisco	October 14, 1982
BancSouth, Inc., Abbeville, Alabama	The Bank of Abbeville, Abbeville, Alabama Bank of Cottonwood, Cottonwood, Alabama	Atlanta	October 13, 1982
Bank of Poplar Bluff Bancshares, Inc., Poplar Bluff, Missouri	Bank of Marble Hill, Marble Hill, Missouri	St. Louis	October 20, 1982
Beecher Bancorp, Inc., Beecher, Illinois	Farmers State Bank of Beecher, Beecher, Illinois	Chicago	October 28, 1982
Canadian Bancshares, Inc., Canadian, Texas	First State Bank of Canadian, Canadian, Texas	Dallas	September 27, 1982
Central Dakota Bank Holding Company, Lehr, North Dakota	Central Dakota Bank, Lehr, North Dakota	Minneapolis	October 22, 1982
Central Lakes Bancorporation, Inc., Necedah, Wisconsin	The Necedah Bank, Necedah, Wisconsin	Chicago	September 29, 1982
Central of Illinois, Inc., Sterling, Illinois	Mount Morris Bancshares, Inc., Mount Morris, Illinois Citizens State Bank of Mount Morris, Mount Morris, Illinois	Chicago	October 22, 1982
CharterCorp, Kansas City, Missouri	Bank of Independence, Independence, Missouri	Kansas City	September 27, 1982
Citadel Bankshares, Inc., Wichita, Kansas	East Side Bank and Trust, Wichita, Kansas	Kansas City	October 13, 1982
Citizens Ban-Corporation, Rock Port, Missouri	The Kingston Bank, Kingston, Missouri The Farmers Bank of Sheridan, Sheridan, Missouri	Kansas City	October 25, 1982
Citizens Bank Services, Inc., Abilene, Kansas	The Citizens Bank of Abilene, Abilene, Kansas	Kansas City	October 12, 1982
City Savings Bancshares, Inc., DeRidder, Louisiana	City Savings Bank & Trust Company, DeRidder, Louisiana	Atlanta	October 12, 1982
Clare Bancorporation, Platteville, Wisconsin	Farmers and Merchants Bank, Shullsburg, Wisconsin	Chicago	October 7, 1982
Cloud County Bancshares, Inc., Concordia, Kansas	Cloud County Bank and Trust, Concordia, Kansas	Kansas City	October 13, 1982

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
CNB Capital Corp., Pascagoula, Mississippi	Citizens National Bank, Pascagoula, Mississippi	Atlanta	October 8, 1982
Dale Bancorp, Inc., Dale, Indiana	The Dale State Bank, Dale, Indiana	St. Louis	October 5, 1982
Drew Bancshares, Inc., Monticello, Arkansas	Commercial Bank and Trust Company, Monticello, Arkansas	St. Louis	October 25, 1982
Falkner Capital Corporation, Falkner, Mississippi	The Bank of Falkner, Falkner, Mississippi	St. Louis	October 22, 1982
Farmersville Bancshares, Inc., Dallas, Texas	First National Bank at Farmersville, Farmersville, Texas	Dallas	October 22, 1982
Financial Future Corporation, Ceredo, West Virginia	First Bank of Ceredo, Ceredo, West Virginia	Richmond	October 8, 1982
First Alabama Bancshares, Inc., Montgomery, Alabama	South Baldwin Bank, Foley, Alabama	Atlanta	October 13, 1982
First Bankshares, Inc., Marianna, Florida	The First Bank of Marianna, Marianna, Florida	Atlanta	October 8, 1982
First Bancshares of Texas, Inc., Longview, Texas	The Hamilton National Bank, Hamilton, Texas	Dallas	October 22, 1982
First Exchange Corp., Jackson, Missouri	Jackson Exchange Bank and Trust Company, Jackson, Missouri	St. Louis	October 22, 1982
First Fletcher Bancshares, Inc., Fletcher, Oklahoma	The First National Bank of Fletcher, Fletcher, Oklahoma	Kansas City	October 18, 1982
First Frankfort Bancshares, Inc., Frankfort, Kansas	The First National Bank in Frankfort, Frankfort, Kansas	Kansas City	October 14, 1982
First Hartford Bancshares, Inc., Hartford, Alabama	The First National Bank of Hartford, Hartford, Alabama	Atlanta	October 1, 1982
First Midwest Bancorp., Inc., St. Joseph, Missouri	The Farmers Bank of Maysville, Maysville, Missouri	Kansas City	October 15, 1982
First Palmetto Bancshares Corp., Columbia, South Carolina	First Palmetto State Bank & Trust Company, Columbia, South Carolina	Richmond	October 28, 1982
First Southern Missouri Banc- shares, Inc., Van Buren, Missouri	Carter County State Bank, Van Buren, Missouri	St. Louis	October 22, 1982
F.M.B. Corporation, Monticello, Florida	Farmers and Merchants Bank, Monticello, Florida	Atlanta	October 18, 1982
Galva Bancshares, Inc., Galva, Kansas	The Farmers State Bank, Galva, Kansas	Kansas City	October 15, 1982
Grand Prairie Bancshares, Inc., Carlisle, Arkansas	Citizens Bank & Trust, Carlisle, Arkansas	St. Louis	October 19, 1982
Green Mountain Bancorporation, Inc., Englewood, Colorado	Green Mountain Bank, Lakewood, Colorado	Kansas City	October 25, 1982
Hampton Park Corporation, Romeoville, Illinois	The Palwaukee Bank, Prospect Heights, Illinois	Chicago	September 29, 1982

Section 4—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Harper Bancshares, Inc., Harper, Kansas	First National Bank in Harper, Harper, Kansas	Kansas City	October 15, 1982
Hedlund Bancshares, Ltd., Montezuma, Kansas	Montezuma State Bank, Montezuma, Kansas	Kansas City	October 4, 1982
Intermountain Bankshares, Inc., Charleston, West Virginia	Kanawha Banking & Trust Company, N.A., Charleston, West Virginia The Teays Valley National Bank, Scott Depot, West Virginia Community Bank and Trust, N.A., Fairmont, West Virginia Middletown National Bank, Fairmont, West Virginia National Bank of Monongah, Monongah, West Virginia Mountaineer National Bank, Morgantown, West Virginia	Richmond	September 30, 1982
Lamesa National Corporation, Lamesa, Texas	The Lamesa National Bank, Lamesa, Texas	Dallas	October 1, 1982
Lebo Bancshares, Inc., Lebo, Kansas	The State Bank of Lebo, Lebo, Kansas	Kansas City	October 14, 1982
Liberty Bancorp of Owasso, Inc., Owasso, Oklahoma	Liberty Bank of Owasso, Owasso, Oklahoma	Kansas City	October 4, 1982
Liberty Bancshares, Inc., Dallas, Texas	Liberty National Bank, Dallas, Texas	Dallas	October 22, 1982
Luling Bancshares, Inc., Luling, Texas	The First National Bank in Luling, Luling, Texas	Dallas	October 8, 1982
Manufacturers Hanover Corpora- tion, New York, New York	Manufacturers Hanover Bank (Delaware), Wilmington, Delaware	New York	October 18, 1982
The Marion National Corpora- tion, Marion, Indiana	American Bank & Trust Company Marion, Indiana	Chicago	October 26, 1982
Meredosia Bancorporation, Inc., Springfield, Illinois	The Farmers and Merchants State Bank of Virden, Virden, Illinois	St. Louis	October 8, 1982
Marshall & Ilsley Corporation, Milwaukee, Wisconsin	The First National Bank of West Bend, West Bend, Wisconsin	Chicago	October 8, 1982
Martinsville Bancshares, Inc., Martinsville, Illinois	Martinsville State Bank, Martinsville, Illinois	Chicago	September 29, 1982
Mid-Central Bancshares Corpora- tion, Charleston, Illinois	Ashmore State Bank, Ashmore, Illinois	Chicago	October 15, 1982
Mid-Citco Incorporated, Chicago, Illinois	First National Bank of Morton Grove, Morton Grove, Illinois	Chicago	October 27, 1982
Missouri Delta Bancshares, Inc., Hayti, Missouri	Missouri Delta Bank, Hayti, Missouri	St. Louis	October 25, 1982

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Moody Bancshares, Inc., Galveston, Texas	The Moody National Bank of Galveston, Galveston, Texas Bank of Galveston, N.A., Galveston, Texas	Dallas	October 15, 1982
Mountain View Bancorporation, Inc., Mountain View, Oklahoma	The First National Bank of Mountain View, Mountain View, Oklahoma	Kansas City	October 5, 1982
Mountcorp Bancshares, Inc., Jamestown, Tennessee	Fentress County Bank, Jamestown, Tennessee	Atlanta	October 4, 1982
Neosho Bancshares, Inc., Neosho, Missouri	Bank of Neosho, Neosho, Missouri	Kansas City	October 7, 1982
Oak Park Bancorp, Inc., Oak Park, Illinois	The Dunham Bank, St. Charles, Illinois	Chicago	September 29, 1982
Permian Bancshares, Inc., Odessa, Texas	Permian Bank & Trust, Odessa, Texas	Dallas	September 20, 1982
Plainview Holding Co., Plainview, Nebraska	Plainview National Bank, Plainview, Nebraska	Kansas City	October 15, 1982
The Resource Companies, Inc., Minneapolis, Minnesota	Resource Bank and Trust Co., Minnetonka, Minnesota	Minneapolis	September 30, 1982
Ridgway Bancorp, Inc., Ridgway, Illinois	The Bank of West Frankfort, West Frankfort, Illinois Drovers State Bank, Vienna, Illinois	St. Louis	October 26, 1982
Rochester Bancshares, Inc., Rochester, Texas	The Home State Bank, Rochester, Texas	Dallas	October 15, 1982
S.B.W. Bancorp, Inc., Waupun, Wisconsin	The State Bank of Waupun, Waupun, Wisconsin	Chicago	September 30, 1982
Second National Bancorp, Lexington, Kentucky	The Second National Bank and Trust Company of Lexington, Lexington, Kentucky	Cleveland	October 22, 1982
Shell Rock Bancorporation, Shell Rock, Iowa	Security State Bank, Shell Rock, Iowa	Chicago	October 22, 1982
Southwest Illinois Bancshares, Inc., Coulterville, Illinois	The First National Bank of Coulterville, Coulterville, Illinois	St. Louis	October 18, 1982
Sudan Bancshares, Inc., Lubbock, Texas	The First National Bank of Sudan, Sudan, Texas	Dallas	October 25, 1982
Summit Bancshares, Inc., Fort Worth, Texas	Alta Mesa National Bank, Fort Worth, Texas	Dallas	October 12, 1982
Three Forks Bancorporation, Three Forks, Montana	Security Bank of Three Forks, Three Forks, Montana	Minneapolis	October 5, 1982
Toledo Trustcorp, Inc., Toledo, Ohio	First Buckeye Bank, N.A., Plymouth, Ohio	Cleveland	October 18, 1982
Union Commerce Corporation, Cleveland, Ohio	The First National Bank of Nelsonville, Nelsonville, Ohio	Cleveland	October 1, 1982

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
United Missouri Bancshares, Inc., Kansas City, Missouri	Platte County Bank of Camden Point, Camden Point, Missouri	Kansas City	October 5, 1982
Victory Bancshares, Inc., Nowata, Oklahoma	Victory National Bank, Nowata, Oklahoma	Kansas City	September 28, 1982
Wakulla Bancorp, Crawfordville, Florida	Wakulla County State Bank, Crawfordville, Florida	Atlanta	October 12, 1982

Section 4

Applicant	Nonbanking company (or activity)	Reserve Bank	Effective date
The Hongkong and Shanghai Banking Corporation, Hong Kong	Tozer Kemsley and Millbourn (USA) Holding, Inc., Wilmington, Delaware Tozer Kemsley and Millbourn (USA) Inc., New York, New York TKM Mid Americas, Inc., Coral Gables, Florida	New York	October 21, 1982
United Bancorporation of Wyoming, Inc., Jackson, Wyoming	Jackson State Insurance Agency, Jackson, Wyoming to engage in general insurance activities in a community with a population of less than 5,000.	Kansas City	October 15, 1982
Southern Bancorporation, Inc., Greenville, South Carolina	Continental Credit Corporation, Greenville, Texas	Richmond	September 30, 1982

Sections 3 and 4

Applicant	Bank(s)	Nonbanking company (or activity)	Reserve Bank	Effective date
Westbrand, Inc., Minot, North Dakota	First Western State Bank, Minot, North Dakota	to continue to sell credit life and accident and health insurance exclusively to bank customers	Minneapolis	October 8, 1982

ORDERS APPROVED UNDER BANK MERGER ACT

By Federal Reserve Banks

Applicant	Bank(s)	Reserve Bank	Effective date
First Virginia Bank of the Southwest, Christiansburg, Virginia	First Virginia Bank—Bland County, Bland, Virginia	Richmond	October 21, 1982

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.

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

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

The Philadelphia Clearing House Association, et al. v. Board of Governors, filed July 1982, U.S.D.C. for the Eastern District of Pennsylvania.

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

Montgomery v. Utah, et al., filed May 1982, U.S.D.C. for the District of Utah.

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

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

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

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

Option Advisory Service, Inc. v. Board of Governors, filed December 1981, U.S.C.A. for the Second Circuit.

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

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

Option Advisory Service, Inc. v. Board of Governors, filed September 1981, U.S.C.A. for the Second Circuit (two cases).

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

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

Edwin F. Gordon v. John Heimann, et al., filed May 1981, U.S.C.A. for the Fifth Circuit.

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

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

Securities Industry Association v. Board of Governors, et al., filed October 1980, U.S.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.

A. G. Becker, Inc. v. Board of Governors, et al., filed August 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.

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1.10 MONETARY AGGREGATES AND INTEREST RATES

Item	1981	1982			1982					
	Q4	Q1	Q2	Q3	May	June	July	Aug.	Sept.	
Monetary and credit aggregates (annual rates of change, seasonally adjusted in percent) ¹										
<i>Reserves of depository institutions</i>										
1 Total.....	3.1	7.5	.6	4.8	2.2	2.2	-1.6	8.8	23.6	
2 Required.....	3.5	7.1	1.1	4.6	-.5	3.8	-1.8	8.9	21.5	
3 Nonborrowed.....	10.9	-.9	4.2	11.2	17.0	-.5	14.8	14.5	10.7	
4 Monetary base ²	3.8	7.8	7.1	6.5	8.6	7.7	2.8	6.8	12.2	
<i>Concepts of money and liquid assets³</i>										
5 M1.....	5.7	10.4	3.3	3.5	-2.4	-.3	-.3	10.4	14.0	
6 M2.....	8.9	9.8	9.5	9.7	10.7	6.6	9.7	14.3 ^r	4.8	
7 M3.....	9.3	8.7	10.7	12.0	11.3	8.8	12.6	18.4	3.4	
8 L.....	10.7	10.3	11.9	n.a.	12.9 ^r	10.6	14.0	n.a.	n.a.	
<i>Time and savings deposits</i>										
<i>Commercial banks</i>										
9 Total.....	8.3	7.5	17.1	17.8	18.1	17.3	22.9	16.3	4.0	
10 Savings ⁴	-11.9	8.7	2.0	-9.7	-1.5	-4.5	-21.8	-8.4	4.6	
11 Small-denomination time ⁵	20.8	9.7	23.8	21.3	20.8	15.8	29.1	20.3	8.8	
12 Large-denomination time ⁶	5.4	4.6	17.0	26.7	24.0	29.6	36.4	22.7	-1.6	
13 Thrift institutions ⁷	2.7	3.1	6.6	6.8	9.9	3.8	10.4	6.3 ^r	-0.3	
14 Total loans and securities at commercial banks ⁸	3.6	2.6	8.6	6.0	8.2	5.7 ^r	6.3 ^r	6.2	5.4	
Interest rates (levels, percent per annum)										
<i>Short-term rates</i>										
15 Federal funds ⁹	13.59	14.23	14.52	11.01	14.15	12.59	10.12	10.31	9.71	
16 Discount window borrowing ¹⁰	13.04	12.00	12.00	10.83	12.00	11.81	10.68	10.00	9.68	
17 Treasury bills (3-month market yield) ¹¹	11.75	12.81	12.42	9.32	12.47	11.35	8.68	7.92	7.71	
18 Commercial paper (3-month) ^{11,12}	13.04	13.81	13.81	11.15	13.96	12.94	10.15	10.36	9.20	
<i>Long-term rates</i>										
<i>Bonds</i>										
19 U.S. government ¹³	14.14	14.27	13.74	12.94	14.18	13.76	12.91	12.16	10.97	
20 State and local government ¹⁴	12.54	13.02	12.33	11.39	12.45	12.28	11.23	10.66	9.69	
21 Aaa utility (new issue) ¹⁵	15.67	15.71	15.73	14.25	15.92	15.61	13.95	13.52	12.20	
22 Conventional mortgages ¹⁶	17.33	17.10	16.63	15.65	16.75	16.50	15.40	15.05	n.a.	

1. Unless otherwise noted, rates of change are calculated from average amounts outstanding in preceding month or quarter.

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

3. M1: Averages of daily figures for (1) currency outside the Treasury, Federal Reserve Banks, and the vaults of commercial banks; (2) traveler's checks of non-bank issuers; (3) demand deposits at all commercial banks other than those due to domestic banks, the U.S. government, and foreign banks and official institutions less cash items in the process of collection and Federal Reserve float; and (4) negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at banks and thrift institutions, credit union share draft (CUSD) accounts, and demand deposits at mutual savings banks.

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

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

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

4. Savings deposits exclude NOW and ATS accounts at commercial banks and thrifts and CUSD accounts at credit unions.

5. Small-denomination time deposits—including retail RPs—are those issued in amounts of less than \$100,000.

6. Large-denomination time deposits are those issued in amounts of \$100,000 or more.

7. Savings and loan associations, mutual savings banks, and credit unions.

8. Changes calculated from figures shown in table 1.23. Beginning December 1981, growth rates reflect shifts of foreign loans and securities from U.S. banking offices to international banking facilities.

9. Averages of daily effective rates (average of the rates on a given date weighted by the volume of transactions at those rates).

10. Rate for the Federal Reserve Bank of New York.

11. Quoted on a bank-discount basis.

12. Unweighted average of offering rates quoted by at least five dealers.

13. Market yields adjusted to a 20-year maturity by the U.S. Treasury.

14. *Bond Buyer* series for 20 issues of mixed quality.

15. Weighted averages of new publicly offered bonds rated Aaa, Aa, and A by Moody's Investors Service and adjusted to an Aaa basis. Federal Reserve compilations.

16. Average rates on new commitments for conventional first mortgages on new homes in primary markets, unweighted and rounded to nearest 5 basis points, from Dept. of Housing and Urban Development.

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

A4 Domestic Financial Statistics □ November 1982

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						
	1982			1982						
	Aug.	Sept.	Oct. ^P	Sept. 15	Sept. 22	Sept. 29	Oct. 6	Oct. 13	Oct. 20 ^P	Oct. 27 ^P
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding.....	153,903	153,324	153,982	153,044	153,823	152,749	153,834	152,566	155,790	153,781
2 U.S. government securities ¹	132,787	131,920	132,374	131,273	132,089	131,736	132,212	131,389	133,593	132,752
3 Bought outright.....	132,666	131,436	132,093	131,020	131,319	131,226	131,008	131,389	133,011	132,752
4 Held under repurchase agreements.....	121	484	281	253	770	510	1,204	0	582	0
5 Federal agency securities.....	9,004	9,042	9,069	8,973	9,109	9,014	9,537	8,947	9,048	8,943
6 Bought outright.....	8,969	8,951	8,945	8,950	8,949	8,949	8,949	8,947	8,943	8,943
7 Held under repurchase agreements.....	35	91	124	23	160	65	588	0	105	0
8 Acceptances.....	56	159	112	94	330	142	472	0	140	0
9 Loans.....	506	976	455	1,330	810	753	606	365	515	452
10 Float.....	2,056	2,123	2,268	2,292	2,282	1,754	1,636	2,291	2,784	1,735
11 Other Federal Reserve assets.....	9,494	9,104	9,704	9,084	9,203	9,350	9,371	9,574	9,710	9,900
12 Gold stock.....	11,148	11,148	11,148	11,148	11,148	11,148	11,148	11,148	11,148	11,148
13 Special drawing rights certificate account.....	4,018	4,118	4,218	4,018	4,218	4,218	4,218	4,218	4,218	4,218
14 Treasury currency outstanding.....	13,786	13,786	13,786	13,786	13,786	13,786	13,786	13,786	13,786	13,786
ABSORBING RESERVE FUNDS										
15 Currency in circulation.....	148,218	148,631	149,174	149,471	148,425	147,642	148,341	149,828	149,677	148,807
16 Treasury cash holdings.....	416	415	436	413	413	419	427	436	437	440
Deposits, other than reserves, with Federal Reserve Banks.....										
17 Treasury.....	3,310	4,062	2,932	3,468	3,611	4,489	4,704	2,819	2,858	2,774
18 Foreign.....	314	264	262	242	248	287	246	248	287	253
19 Other.....	646	509	540	582	547	392	536	532	576	550
20 Required clearing balances.....	234	275	324	275	291	305	310	318	321	338
21 Other Federal Reserve liabilities and capital.....	5,246	4,836	4,898	4,952	4,897	4,882	4,926	4,982	4,908	4,830
22 Reserve accounts ²	24,471	23,385	24,568	22,592	24,543	23,486	23,496	22,555	25,878	24,942
End-of-month figures				Wednesday figures						
1982				1982						
SUPPLYING RESERVE FUNDS										
23 Reserve Bank credit outstanding.....	153,643	156,502	152,760	154,865	153,665	151,850	150,880	154,442	161,798	154,768
24 U.S. government securities ¹	132,858	134,393	132,080	129,645	131,205	130,305	129,234	131,459	135,926	132,604
25 Bought outright.....	131,669	130,591	132,080	129,645	131,205	130,305	129,234	131,459	131,849	132,604
26 Held under repurchase agreements.....	1,189	3,802	0	0	0	0	0	0	4,077	0
27 Federal agency securities.....	9,184	9,950	8,943	8,949	8,949	8,949	8,949	8,943	9,680	8,943
28 Bought outright.....	8,955	8,949	8,943	8,949	8,949	8,949	8,949	8,943	8,943	8,943
29 Held under repurchase agreements.....	229	1,001	0	0	0	0	0	0	737	0
30 Acceptances.....	565	813	0	0	0	0	0	0	981	0
31 Loans.....	449	1,123	438	3,798	1,965	1,154	366	354	1,617	822
32 Float.....	1,446	550	1,168	3,315	2,110	1,937	2,831	3,945	3,439	2,293
33 Other Federal Reserve assets.....	9,141	9,673	10,131	9,158	9,436	9,505	9,500	9,741	10,155	10,106
34 Gold stock.....	11,148	11,148	11,148	11,148	11,148	11,148	11,148	11,148	11,148	11,148
35 Special drawing rights certificate account.....	4,018	4,218	4,218	4,018	4,218	4,218	4,218	4,218	4,218	4,218
36 Treasury currency outstanding.....	13,786	13,786	13,786	13,786	13,786	13,786	13,786	13,786	13,786	13,786
ABSORBING RESERVE FUNDS										
37 Currency in circulation.....	148,310	148,093	148,922	149,343	148,241	148,178	149,342	150,508	149,558	149,195
38 Treasury cash holdings.....	418	423	444	413	413	421	431	437	435	442
Deposits, other than reserves, with Federal Reserve Banks.....										
39 Treasury.....	3,234	10,975	2,309	3,565	3,648	8,320	3,756	2,980	3,200	3,169
40 Foreign.....	348	396	327	305	235	295	229	211	287	220
41 Other.....	502	405	450	573	410	386	490	516	552	465
42 Required clearing balances.....	247	300	356	268	279	296	303	312	321	338
43 Other Federal Reserve liabilities and capital.....	4,791	5,047	4,783	4,716	4,725	4,669	4,688	4,745	4,839	4,653
44 Reserve accounts ²	24,745	20,015	24,321	24,634	24,866	18,437	20,793	23,885	31,758	25,438

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

2. Excludes required clearing balances.

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

1.12 RESERVES AND BORROWINGS Depository Institutions

Millions of dollars

Reserve classification	Monthly averages of daily figures									
	1981	1982								
	Dec.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct. ^P
1 Reserve balances with Reserve Banks ¹	26,163	25,963	24,254	24,565	24,207	24,031	24,273	24,471	23,385	24,568
2 Total vault cash (estimated)	19,538	19,251	18,749	18,577	19,048	19,318	19,448	19,500	19,921	19,579
3 Vault cash at institutions with required reserve balances ²	13,577	13,082	12,663	12,709	12,972	13,048	13,105	13,188	13,651	13,736
4 Vault cash equal to required reserves at other institutions	2,178	2,235	2,313	2,284	2,373	2,488	2,486	2,518	2,927	2,610
5 Surplus vault cash at other institutions ³	3,783	3,934	3,773	3,584	3,703	3,782	3,857	3,794	3,343	3,233
6 Reserve balances + total vault cash ⁴	45,701	45,214	43,003	43,142	43,255	43,349	43,721	43,971	43,306	44,147
7 Reserve balances + total vault cash used to satisfy reserve requirements ^{4,5}	41,918	41,280	39,230	39,558	39,552	39,567	39,864	40,177	39,963	40,914
8 Required reserves (estimated)	41,606	40,981	38,873	39,284	39,192	39,257	39,573	39,866	39,579	40,182
9 Excess reserve balances at Reserve Banks ^{4,6}	312	299	357	274	360	310	291	311	384	732
10 Total borrowings at Reserve Banks	642	1,713	1,611	1,581	1,105	1,205	669	510	976	455
11 Seasonal borrowings at Reserve Banks	53	132	174	167	237	239	225	119	102	86
12 Extended credit at Reserve Banks	149	232	309	245	177	103	46	94	118	141
Weekly averages of daily figures for week ending										
1982										
	Aug. 25	Sept. 1	Sept. 8	Sept. 15	Sept. 22	Sept. 29	Oct. 6	Oct. 13	Oct. 20 ^P	Oct. 27 ^P
13 Reserve balances with Reserve Banks ¹	25,052	24,614	22,729	22,592	24,543	23,486	23,496	22,555	25,878	24,942
14 Total vault cash (estimated)	18,834	19,579	20,006	20,541	18,744	20,422	20,045	20,327	18,397	19,281
15 Vault cash at institutions with required reserve balances ²	12,822	13,397	13,476	13,734	13,251	14,131	13,983	13,762	13,090	13,757
16 Vault cash equal to required reserves at other institutions	2,429	2,417	3,179	3,229	2,460	2,934	2,769	3,032	2,303	2,409
17 Surplus vault cash at other institutions ³	3,583	3,765	3,351	3,578	3,033	3,357	3,293	3,533	3,004	3,115
18 Reserve balances + total vault cash ⁴	43,886	44,193	42,735	43,133	43,287	43,908	43,541	42,882	44,275	44,223
19 Reserve balances + total vault cash used to satisfy reserve requirements ^{4,5}	40,303	40,428	39,384	39,555	40,254	40,551	40,248	39,349	41,271	41,108
20 Required reserves (estimated)	40,043	40,066	38,719	39,235	40,004	40,266	39,737	38,887	40,972	40,778
21 Excess reserve balances at Reserve Banks ^{4,6}	260	362	665	320	250	285	511	462	299	330
22 Total borrowings at Reserve Banks	609	507	948	1,330	810	753	606	365	515	452
23 Seasonal borrowings at Reserve Banks	94	95	106	89	100	112	104	70	85	90
24 Extended credit at Reserve Banks	118	116	116	116	118	124	123	117	110	179

1. As of Aug. 13, 1981, excludes required clearing balances of all depository institutions.

2. Before Nov. 13, 1980, the figures shown reflect only the vault cash held by member banks.

3. Total vault cash at institutions without required reserve balances less vault cash equal to their required reserves.

4. Adjusted to include waivers of penalties for reserve deficiencies in accordance with Board policy, effective Nov. 19, 1975, of permitting transitional relief on a graduated basis over a 24-month period when a nonmember bank merged into an

existing member bank, or when a nonmember bank joins the Federal Reserve System. For weeks for which figures are preliminary, figures by class of bank do not add to total because adjusted data by class are not available.

5. Reserve balances with Federal Reserve Banks, which exclude required clearing balances plus vault cash at institutions with required reserve balances plus vault cash equal to required reserves at other institutions.

6. Reserve balances with Federal Reserve Banks, which exclude required clearing balances plus vault cash used to satisfy reserve requirements less required reserves. (This measure of excess reserves is comparable to the old excess reserve concept published historically.)

A6 Domestic Financial Statistics □ November 1982

1.13 FEDERAL FUNDS AND REPURCHASE AGREEMENTS Large Member Banks¹













Averages of daily figures, in millions of dollars

By maturity and source	1982, week ending Wednesday								
	Sept. 1	Sept. 8	Sept. 15	Sept. 22	Sept. 29	Oct. 6	Oct. 13	Oct. 20	Oct. 27
<i>One day and continuing contract</i>									
1 Commercial banks in United States.....	52,371	58,495	60,900	54,117	50,975 ^r	60,523	62,408	56,073	52,314
2 Other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies .	22,401	21,308	22,967	24,836	24,267	24,163	23,153	26,020	25,454
3 Nonbank securities dealers	4,989	5,125	4,886	5,655	4,710 ^r	5,077	5,866	5,878	5,698
4 All other	21,586	22,192	21,615	21,240	20,728 ^r	21,228	22,012	22,814	20,712
<i>All other maturities</i>									
5 Commercial banks in United States.....	4,833	5,020	5,126	4,454	4,400 ^r	4,212	4,461	4,044	3,980
6 Other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies .	8,491	8,354	8,515	8,480	8,171	8,065	8,740	8,473	8,284
7 Nonbank securities dealers	4,938	4,281	4,634	5,025	5,643 ^r	4,469	4,827	4,838	5,048
8 All other	9,064	8,879	9,068	8,588 ^r	9,289 ^r	8,747	9,165	8,798	8,242
MEMO: Federal funds and resale agreement loans in ma- turities of one day or continuing contract									
9 Commercial banks in United States.....	26,070	26,378	27,213 ^r	25,451	24,214	28,304	28,045	25,163	24,199
10 Nonbank securities dealers	4,908	4,796	5,257	4,681	4,576	4,870	5,336	5,409	5,311

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

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per annum

Current and previous levels										
Federal Reserve Bank	Short-term adjustment credit and seasonal credit			Extended credit ¹						Effective date for current rates
				First 60 days of borrowing		Next 90 days of borrowing		After 150 days		
	Rate on 10/31/82	Effective date	Previous rate	Rate on 10/31/82	Previous rate	Rate on 10/31/82	Previous rate	Rate on 10/31/82	Previous rate	
Boston	9.5	10/12/82	10	9.5	10	10.5	11	11.5	12	10/12/82
New York		10/12/82								10/12/82
Philadelphia		10/12/82								10/12/82
Cleveland		10/13/82								10/13/82
Richmond		10/12/82								10/12/82
Atlanta		10/12/82								10/12/82
Chicago		10/12/82								10/12/82
St. Louis		10/12/82								10/12/82
Minneapolis		10/12/82								10/12/82
Kansas City		10/12/82								10/12/82
Dallas		10/12/82								10/12/82
San Francisco	9.5	10/12/82	10	9.5	10	10.5	11	11.5	12	10/12/82

Range of rates in recent years²

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1973.....	7½	7½	1978— Jan. 9.....	6–6½	6½	1980— June 13.....	11–12	11
1974— Apr. 25.....	7½–8	8	20.....	6½	6½	16.....	11	11
30.....	8	8	May 11.....	6½–7	7	July 28.....	10–11	10
Dec. 9.....	7¾–8	7¾	12.....	7	7	29.....	10	10
16.....	7¾	7¾	July 3.....	7–7¼	7¼	Sept. 26.....	11	11
1975— Jan. 6.....	7¼–7¾	7¾	10.....	7¼	7¼	Nov. 17.....	12	12
10.....	7¼–7¾	7¼	Aug. 21.....	7¾	7¾	Dec. 5.....	12–13	13
24.....	7¼	7¼	Sept. 22.....	8	8	8.....	13	13
Feb. 5.....	6¾–7¼	6¾	Oct. 16.....	8–8½	8½	1981— May 5.....	13–14	14
7.....	6¾	6¾	20.....	8½	8½	8.....	14	14
Mar. 10.....	6¼–6¾	6¼	Nov. 1.....	8½–9½	9½	Nov. 2.....	13–14	13
14.....	6¼	6¼	3.....	9½	9½	6.....	13	13
May 16.....	6–6¼	6	1979— July 20.....	10	10	Dec. 4.....	12	12
23.....	6	6	Aug. 17.....	10–10½	10½	1982— July 20.....	11.5–12	11.5
1976— Jan. 19.....	5½–6	5½	20.....	10½	10½	23.....	11.5	11.5
23.....	5½	5½	Sept. 19.....	10½–11	11	Aug. 2.....	11–11.5	11
Nov. 22.....	5¼–5½	5¼	21.....	11	11	3.....	11	11
26.....	5¼	5¼	Oct. 8.....	11–12	12	16.....	10.5	10.5
1977— Aug. 30.....	5¼–5¾	5¾	10.....	12	12	27.....	10–10.5	10
31.....	5¼–5¾	5¾	1980— Feb. 15.....	12–13	13	30.....	10	10
Sept. 2.....	5¾	5¾	19.....	13	13	Oct. 12.....	9.5–10	9.5
Oct. 26.....	6	6	May 29.....	12–13	13	Oct. 13.....	9.5	9.5
			30.....	12	12	In effect Oct. 31, 1982	9.5	9.5

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

2. Rates for short-term adjustment credit. For description and earlier data see the following publications of the Board of Governors: *Banking and Monetary Statistics, 1914–1941* and *1941–1970*; *Annual Statistical Digest, 1970–1979*, and *1980*.

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

1.15 DEPOSITORY INSTITUTIONS RESERVE REQUIREMENTS¹

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
<i>Net demand</i> ²			<i>Net transaction accounts</i> ^{6,7}		
0-2	7	12/30/76	\$0-\$26 million	3	11/13/80
2-10	9½	12/30/76	Over \$26 million	12	11/13/80
10-100	11¾	12/30/76			
100-400	12¾	12/30/76	<i>Nonpersonal time deposits</i> ⁸		
Over 400	16¼	12/30/76	By original maturity		
<i>Time and savings</i> ^{2,3}			Less than 3½ years	3	4/29/82
Savings	3	3/16/67	3½ years or more	0	4/29/82
<i>Time</i> ⁴			<i>Eurocurrency liabilities</i>		
0-5, by maturity			All types	3	11/13/80
30-179 days	3	3/16/67			
180 days to 4 years	2½	1/8/76			
4 years or more	1	10/30/75			
Over 5, by maturity					
30-179 days	6	12/12/74			
180 days to 4 years	2½	1/8/76			
4 years or more	1	10/30/75			

1. For changes in reserve requirements beginning 1963, see Board's *Annual Statistical Digest, 1971-1975* and for prior changes, see Board's *Annual Report* for 1976, table 13. Under provisions of the Monetary Control Act, depository institutions include commercial banks, mutual savings banks, savings and loan associations, credit unions, agencies and branches of foreign banks, and Edge Act corporations.

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

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

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

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

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

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

4. Effective Nov. 2, 1978, a supplementary reserve requirement of 2 percent was imposed on large time deposits of \$100,000 or more, obligations of affiliates, and ineligible acceptances. This supplementary requirement was eliminated with the maintenance period beginning July 24, 1980.

Effective with the reserve maintenance period beginning Oct. 25, 1979, a marginal reserve requirement of 8 percent was added to managed liabilities in excess of a base amount. This marginal requirement was increased to 10 percent beginning Apr. 3, 1980, was decreased to 5 percent beginning June 12, 1980, and was 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 non-member 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 May 29, 1980, the base was increased by 7½ percent above the base used to calculate the marginal reserve in the statement week of May 14-21, 1980. In addition, beginning Mar. 19, 1980, the base was reduced to the extent that foreign loans and balances declined.

5. 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 ended Aug. 12, 1982. New institutions have a two-year phase-in beginning with the date that they open for business, except for those institutions having total reservable liabilities of \$50 million or more.

6. 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.

7. The Monetary Control Act of 1980 requires that the amount of transaction accounts against which the 3 percent reserve requirement will apply be modified annually to 80 percent of the percentage increase in transaction accounts held by all depository institutions on the previous June 30. At the beginning of 1982 the amount was accordingly increased from \$25 million to \$26 million.

8. 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.

The category of time deposit authorized by the Depository Institutions Deregulation Committee (DIDC), effective Sept. 1, 1982 (original maturity or required notice period of 7 to 31 days, required minimum deposit balance of \$20,000, and ceiling rate tied to the 91-day Treasury bill rate), is classified as a time deposit for reserve requirement purposes.

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 (thrift institutions)			
	In effect October 31, 1982		Previous maximum		In effect October 31, 1982		Previous maximum	
	Percent	Effective date	Percent	Effective date	Percent	Effective date	Percent	Effective date
1 Savings.....	5¼	7/1/79	5	7/1/73	5½	7/1/79	5¼	(¹)
2 Negotiable order of withdrawal accounts ² ...	5¼	12/31/80	5	1/1/74	5¼	12/31/80	5	1/1/74
Time accounts ³								
Fixed ceiling rates by maturity ⁴								
3 14-89 days ⁵	5¼	8/1/79	5	7/1/73	(⁶)	.....	(⁶)	.....
4 90 days to 1 year.....	5¾	1/1/80	5½	7/1/73	6	1/1/80	5¾	(¹)
5 1 to 2 years ⁷	6	7/1/73	5½	1/21/70	6½	(¹)	5¾	1/21/70
6 2 to 2½ years ⁷	6	7/1/73	5¾	1/21/70	6½	(¹)	6	1/21/70
7 2½ to 4 years ⁷	6½	7/1/73	5¾	1/21/70	6¾	(¹)	6	1/21/70
8 4 to 6 years ⁸	7¼	11/1/73	(⁹)	.....	7½	11/1/73	(⁹)	.....
9 6 to 8 years ⁸	7½	12/23/74	7¼	11/1/73	7¾	12/23/74	7½	11/1/73
10 8 years or more ⁸	7¾	6/1/78	(⁶)	.....	8	6/1/78	(⁶)	.....
11 Issued to governmental units (all maturities) ¹⁰	8	6/1/78	7¾	12/23/74	8	6/1/78	7¾	12/23/74
12 IRAs and Keogh (H.R. 10) plans (3 years or more) ^{10,11}	8	6/1/78	7¾	7/6/77	8	6/1/78	7¾	7/6/77

1. July 1, 1973, for mutual savings banks; July 6, 1973, for savings and loans.
2. Federally insured commercial banks, savings and loan associations, cooperative banks, and mutual savings banks in Massachusetts and New Hampshire were first permitted to offer negotiable order of withdrawal (NOW) accounts on Jan. 1, 1974. Authorization to issue NOW accounts was extended to similar institutions throughout New England on Feb. 27, 1976, in New York State on Nov. 10, 1978, New Jersey on Dec. 28, 1979, and to similar institutions nationwide effective Dec. 31, 1980.

3. For exceptions with respect to certain foreign time deposits see the 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 time deposits at savings and loan associations in excess of \$100,000 was decreased to 14 days. Effective Oct. 30, 1980, the minimum maturity or notice period for time deposits was decreased from 30 to 14 days at mutual savings banks.

5. Effective Oct. 30, 1980, the minimum maturity or notice period for time deposits was decreased from 30 to 14 days at 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, the 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, certificates maturing in 4 years or more with minimum denominations of \$1,000 had no ceiling; however, the amount of such certificates that an institution could issue was limited to 5 percent of its total time and savings deposits. Sales in excess of that amount, as well as certificates of less than \$1,000, were limited to the 6½ percent ceiling on time deposits maturing in 2½ years or more. Effective Nov. 1, 1973, ceilings were reimposed on certificates maturing in 4 years or more with minimum denomination of \$1,000. There is no limitation on the amount of these certificates that banks can issue.

10. Accounts subject to fixed-rate ceilings. See footnote 8 for minimum denomination requirements.

11. Effective Jan. 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 2½-year-or-more variable-ceiling certificates or in 26-week money market certificates regardless of the level of the Treasury bill rate.

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 \$100,000 or more with maturities of 30-89 days were suspended in June 1970; the maximum rates for 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*.

For deposits subject to variable ceiling rates and deposits not subject to interest rate ceilings see page A10.

1.16 Continued

TIME DEPOSITS SUBJECT TO VARIABLE CEILING RATES

7- to 31-day time deposits. Effective Sept. 1, 1982, depository institutions are authorized to issue nonnegotiable time deposits of \$20,000 or more with a maturity or required notice period of 7 to 31 days. The maximum rate of interest payable by thrift institutions is the rate established and announced (auction average on a discount basis) for U.S. Treasury bills with maturities of 91 days at the auction held immediately before the date of deposit or renewal ("bill rate"). Commercial banks may pay the bill rate minus 25 basis points. The interest rate ceiling is suspended when the bill rate is 9 percent or below for the four most recent auctions held before the date of deposit or renewal. The interest rate ceiling was suspended for the entire month of October, 1982.

91-day time deposits. Effective May 1, 1982, depository institutions were authorized to offer time deposits that have a minimum denomination of \$7,500 and a maturity of 91 days. The ceiling rate of interest on these deposits is indexed to the discount rate (auction average) on most recently issued 91-day Treasury bills for thrift institutions and the discount rate minimum 25 basis points for commercial banks. The rate differential ends 1 year from the effective date of these instruments and is suspended at any time the Treasury bill discount rate is 9 percent or below for four consecutive auctions. The maximum allowable rates in October 1982 (in percent) for commercial banks and thrifts were as follows: Oct. 5, 8.102; Oct. 13, 7.429; Oct. 19, 7.437; Oct. 26, 8.031.

Six-month money market time deposits. Effective June 1, 1978, commercial banks and thrift institutions were authorized to offer time deposits with a maturity of exactly 26 weeks and a minimum denomination requirement of \$10,000. The ceiling rate of interest on these deposits is indexed to the discount rate (auction average) on most recently issued 26-week U.S. Treasury bills. Interest on these certificates may not be compounded. Effective for all 6-month money market certificates issued beginning Nov. 1, 1981, depository institutions may pay rates of interest on these deposits indexed to the higher of (1) the rate for 26-week Treasury bills established immediately before the date of deposit (bill rate) or (2) the average of the four rates for 26-week Treasury bills established for the 4 weeks immediately before the date of deposit (4-week average bill rate). Ceilings are determined as follows:

<i>Bill rate or 4-week average bill rate</i>	<i>Commercial bank ceiling</i>
7.50 percent or below	7.75 percent
Above 7.50 percent	$\frac{1}{4}$ of 1 percentage point plus the higher of the bill rate or 4-week average bill rate
	<i>Thrift ceiling</i>
7.25 percent or below	7.75 percent
Above 7.25 percent, but below 8.50 percent	$\frac{1}{2}$ of 1 percentage point plus the higher of the bill rate or 4-week average bill rate
8.50 percent or above, but below 8.75 percent	9 percent
8.75 percent or above	$\frac{1}{4}$ of 1 percentage point plus the higher of the bill rate or 4-week average bill rate

TIME DEPOSITS NOT SUBJECT TO INTEREST RATE CEILINGS, BY MATURITY

IRAs and Keogh (H.R.10) plans (18 months or more). Effective Dec. 1, 1981, depository institutions are authorized to offer time deposits not subject to interest rate ceilings when the funds are deposited to the credit of, or in which the entire beneficial interest is held by, an individual pursuant to an IRA agreement or Keogh (H.R.10) plan. Such time deposits must have a minimum maturity of 18 months, and additions may be made to the time deposit at any time before its maturity without extending the maturity of all or a portion of the balance of the account.

The maximum rates in October 1982 for commercial banks based on the bill rate were as follows: Oct. 5, 9.479; Oct. 13, 7.984; Oct. 19, 8.012; Oct. 26, 8.722; and based on the 4-week average bill rate were as follows: Oct. 5, 9.643; Oct. 13, 9.150; Oct. 19, 8.730; Oct. 26, 8.549. The maximum allowable rates in October 1982 for thrifts based on the bill rate were as follows: Oct. 5, 9.479; Oct. 13, 7.984; Oct. 19, 8.262; Oct. 26, 8.972; and based on the 4-week average bill rate were as follows: Oct. 5, 9.643; Oct. 13, 9.150; Oct. 19, 8.980; Oct. 26, 8.799.

12-month all savers certificates. Effective Oct. 1, 1981, depository institutions are authorized to issue all savers certificates (ASCs) with a 1-year maturity and an annual investment yield equal to 70 percent of the average investment yield for 52-week U.S. Treasury bills as determined by the auction of 52-week Treasury bills held immediately before the calendar week in which the certificate is issued. A maximum lifetime exclusion of \$1,000 (\$2,000 on a joint return) from gross income is generally authorized for interest income from ASCs. The annual investment yield for ASCs issued in October 1982 (in percent) was as follows: Oct. 3, 7.48; Oct. 31, 6.66.

2½-year to less than 3½-year time deposits. Effective Aug. 1, 1981, commercial banks are authorized to pay interest on any variable ceiling nonnegotiable time deposit with an original maturity of 2½ years to less than 4 years at a rate not to exceed $\frac{1}{4}$ of 1 percent below the average 2½-year yield for U.S. Treasury securities as determined and announced by the Treasury Department immediately before the date of deposit. Effective May 1, 1982, the maximum maturity for this category of deposits was reduced to less than 3½ years. Thrift institutions may pay interest on these certificates at a rate not to exceed the average 2½-year yield for Treasury securities as determined and announced by the Treasury Department immediately before the date of deposit. If the announced average 2½-year yield for Treasury securities is less than 9.50 percent, commercial banks may pay 9.25 percent and thrift institutions 9.50 percent for these deposits. These deposits have no required minimum denomination, and interest may be compounded on them. The ceiling rates of interest at which they may be offered vary biweekly. The maximum allowable rates in October 1982 (in percent) for commercial banks were as follows: Oct. 9, 10.85; Oct. 26, 9.95; and for thrifts: Oct. 9, 11.10; Oct. 26, 10.20.

Between Jan. 1, 1980, and Aug. 1, 1981, commercial banks and thrifts were authorized to offer variable ceiling nonnegotiable time deposits with no required minimum denomination and with maturities of 2½ years or more. Effective Jan. 1, 1980, the maximum rate for commercial banks was $\frac{3}{4}$ percentage point below the average yield on 2½-year U.S. Treasury securities; the ceiling rate for thrifts was $\frac{1}{4}$ percentage point higher than that for commercial banks. Effective Mar. 1, 1980, a temporary ceiling of 11¾ percent was placed on these accounts at commercial banks and 12 percent on these accounts at savings and loans. Effective June 2, 1980, the ceiling rates for these deposits at commercial banks and savings and loans were increased $\frac{1}{2}$ percentage point. The temporary ceiling was retained, and a minimum ceiling of 9.25 percent for commercial banks and 9.50 percent for thrifts was established.

Time deposits of 3½ years or more. Effective May 1, 1982, depository institutions are authorized to offer negotiable or nonnegotiable time deposits with a minimum original maturity of 3½ years or more that are not subject to interest rate ceilings. Such time deposits have no minimum denomination, but must be made available in a \$500 denomination. Additional deposits may be made to the account during the first year without extending its maturity.

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS

Millions of dollars

Type of transaction		1979	1980	1981	1982						
					Mar.	Apr.	May	June	July	Aug.	Sept.
U.S. GOVERNMENT SECURITIES											
Outright transactions (excluding matched transactions)											
Treasury bills											
1	Gross purchases	15,998	7,668	13,899	474	4,149	595	1,559	1,905	1,721	425
2	Gross sales	6,855	7,331	6,746	995	0	519	0	1,175	651	674
3	Exchange	0	0	0	0	0	0	200	-200	0	0
4	Redemptions	2,900	3,389	1,816	600	0	400	0	200	600	400
Others within 1 year ¹											
5	Gross purchases	3,203	912	317	0	132	0	0	71	0	0
6	Gross sales	0	0	23	0	0	0	0	0	0	0
7	Maturity shift	17,339	12,427	13,794	900	333	1,498	988	382	4,938	733
8	Exchange	-11,308	-18,251	-12,869	-1,479	-525	-2,541	-1,249	0	-3,914	-650
9	Redemptions	2,600	0	0	0	0	0	0	0	0	0
1 to 5 years											
10	Gross purchases	2,148	2,138	1,702	0	570	0	0	691	0	0
11	Gross sales	0	0	0	0	0	0	0	0	0	0
12	Maturity shift	-12,693	-8,909	-10,299	-900	-333	-1,000	-988	-382	-4,938	733
13	Exchange	7,508	13,412	10,117	1,479	525	1,600	1,049	200	3,078	0
5 to 10 years											
14	Gross purchases	523	703	393	0	81	0	0	113	0	0
15	Gross sales	0	0	0	0	0	0	0	0	0	0
16	Maturity shift	-4,646	-3,092	-3,495	0	0	-498	0	0	601	-733
17	Exchange	2,181	2,970	1,500	0	0	941	0	0	837	650
Over 10 years											
18	Gross purchases	454	811	379	0	52	0	0	123	0	0
19	Gross sales	0	0	0	0	0	0	0	0	0	0
20	Maturity shift	0	-426	0	0	0	0	0	0	-601	0
21	Exchange	1,619	1,869	1,253	0	0	0	0	0	0	0
All maturities ¹											
22	Gross purchases	22,325	12,232	16,690	474	4,984	595	1,559	2,903	1,721	425
23	Gross sales	6,855	7,331	6,769	995	0	519	0	1,175	651	674
24	Redemptions	5,500	3,389	1,816	600	0	400	0	200	600	400
Matched transactions											
25	Gross sales	627,350	674,000	589,312	38,946	44,748	36,047	41,509	54,646	39,403	51,983
26	Gross purchases	624,192	675,496	589,647	38,650	44,759	36,790	37,548	58,753	37,962	51,554
Repurchase agreements											
27	Gross purchases	107,051	113,902	79,920	8,595	18,396	10,155	5,332	18,267	3,755	9,649
28	Gross sales	106,968	113,040	78,733	6,998	14,724	15,424	5,332	18,267	2,567	7,035
29	Net change in U.S. government securities	6,896	3,869	9,626	179	8,667	-4,850	-2,402	5,636	217	1,535
FEDERAL AGENCY OBLIGATIONS											
Outright transactions											
30	Gross purchases	853	668	494	0	0	0	0	0	0	0
31	Gross sales	399	0	0	0	0	0	0	0	0	0
32	Redemptions	134	145	108	13	5	1	6	1	46	5
Repurchase agreements											
33	Gross purchases	37,321	28,895	13,320	554	2,033	1,305	831	4,389	1,095	1,997
34	Gross sales	36,960	28,863	13,576	471	1,119	2,301	831	4,389	866	1,225
35	Net change in federal agency obligations	681	555	130	70	909	-997	-6	-1	183	767
BANKERS ACCEPTANCES											
36	Repurchase agreements, net	116	73	-582	488	280	-768	0	0	565	248
37	Total net change in System Open Market Account	7,693	4,497	9,175	737	9,856	-6,615	-2,408	5,634	966	2,550

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.

A12 Domestic Financial Statistics □ November 1982

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements

Millions of dollars

Account	Wednesday					End of month		
	1982					1982		
	Sept. 29	Oct. 6	Oct. 13	Oct. 20	Oct. 27	Aug.	Sept.	Oct.
Consolidated condition statement								
ASSETS								
1 Gold certificate account	11,148	11,148	11,148	11,148	11,148	11,148	11,148	11,148
2 Special drawing rights certificate account	4,218	4,218	4,218	4,218	4,218	4,018	4,218	4,218
3 Coin	446	454	455	456	462	432	450	468
Loans								
4 To depository institutions	1,154	366	354	1,617	822	449	1,123	438
5 Other	0	0	0	0	0	0	0	0
Acceptances								
6 Held under repurchase agreements	0	0	0	981	0	565	813	0
Federal agency obligations								
7 Bought outright	8,949	8,949	8,943	8,943	8,943	8,955	8,949	8,943
8 Held under repurchase agreements	0	0	0	737	0	229	1,001	0
U.S. government securities								
9 Bought outright								
10 Bills	50,023	48,952	51,177	51,567	52,322	51,387	50,309	51,798
11 Notes	62,018	62,018	62,018	62,018	62,018	62,018	62,018	62,018
12 Bonds	18,264	18,264	18,264	18,264	18,264	18,264	18,264	18,264
13 Total	130,305	129,234	131,459	131,849	132,604	131,669	130,591	132,080
14 Held under repurchase agreements	0	0	0	4,077	0	1,189	3,802	0
14 Total U.S. government securities	130,305	129,234	131,459	135,926	132,604	132,858	134,393	132,080
15 Total loans and securities	140,408	138,549	140,756	148,204	142,369	143,056	146,279	141,461
16 Cash items in process of collection	7,985	9,796	12,919	10,113	8,509	9,680	6,779	8,352
17 Bank premises	539	541	541	542	543	534	541	544
Other assets								
18 Denominated in foreign currencies ²	5,041	5,154	5,224	5,252	5,345	4,959	5,116	5,325
19 All other ³	3,925	3,805	3,976	4,361	4,218	3,648	4,016	4,262
20 Total assets	173,710	173,665	179,237	184,294	176,812	177,475	178,547	175,778
LIABILITIES								
21 Federal Reserve notes	135,259	136,441	137,614	136,663	136,313	135,374	135,197	136,048
Deposits								
22 Depository institutions	18,734	21,096	24,224	32,079	25,777	24,993	20,318	24,678
23 U.S. Treasury—General account	8,320	3,756	2,980	3,200	3,169	3,234	10,975	2,309
24 Foreign—Official accounts	295	229	211	287	220	348	396	327
25 Other	385	490	489	552	464	501	394	449
26 Total deposits	27,734	25,571	27,904	36,118	29,630	29,076	32,083	27,763
27 Deferred availability cash items	6,048	6,965	8,974	6,674	6,216	8,234	6,220	7,184
28 Other liabilities and accrued dividends ⁴	1,696	1,698	1,768	1,864	1,671	1,805	2,027	1,669
29 Total liabilities	170,737	170,675	176,260	181,319	173,830	174,489	175,527	172,664
CAPITAL ACCOUNTS								
30 Capital paid in	1,340	1,344	1,345	1,348	1,350	1,337	1,341	1,350
31 Surplus	1,278	1,278	1,278	1,278	1,278	1,278	1,278	1,278
32 Other capital accounts	355	368	354	349	354	371	401	486
33 Total liabilities and capital accounts	173,710	173,665	179,237	184,294	176,812	177,475	178,547	175,778
34 MEMO: Marketable U.S. government securities held in custody for foreign and international account	97,939	98,783	100,939	100,219	100,203	94,780	98,192	101,831
Federal Reserve note statement								
35 Federal Reserve notes outstanding (issued to bank)	156,405	156,523	156,668	157,048	157,281	155,800	156,412	157,348
36 LESS: Held by bank ⁵	21,146	20,082	19,054	20,385	20,968	20,426	21,215	21,300
37 Federal Reserve notes, net	135,259	136,441	137,614	136,663	136,313	135,374	135,197	136,048
Collateral for Federal Reserve notes								
38 Gold certificate account	11,148	11,148	11,148	11,148	11,148	11,148	11,148	11,148
39 Special drawing rights certificate account	4,218	4,218	4,218	4,218	4,218	4,018	4,218	4,218
40 Other eligible assets	11	121	69	50	0	0	0	14
41 U.S. government and agency securities	119,882	120,954	122,179	121,247	120,947	120,208	119,831	120,668
42 Total collateral	135,259	136,441	137,614	136,663	136,313	135,374	135,197	136,048

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

2. Includes U.S. government securities held under repurchase agreement against receipt of foreign currencies and foreign currencies warehoused for the U.S. Treasury. Assets shown in this line are revalued monthly at market exchange rates.

3. Includes special investment account at Chicago of Treasury bills maturing within 90 days.

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

5. Beginning September 1980, Federal Reserve notes held by the Reserve Bank are exempt from the collateral requirement.

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holdings

Millions of dollars

Type and maturity groupings	Wednesday					End of month		
	1982					1982		
	Sept. 29	Oct. 6	Oct. 13	Oct. 20	Oct. 27	Aug. 31	Sept. 30	Oct. 30
1 Loans—Total	1,154	366	354	1,617	822	449	1,123	438
2 Within 15 days	1,110	330	329	1,581	788	411	1,076	398
3 16 days to 90 days	44	36	25	36	34	38	47	40
4 91 days to 1 year	0	0	0	0	0	0	0	0
5 Acceptances—Total	0	0	0	981	0	565	813	0
6 Within 15 days	0	0	0	981	0	565	813	0
7 16 days to 90 days	0	0	0	0	0	0	0	0
8 91 days to 1 year	0	0	0	0	0	0	0	0
9 U.S. government securities—Total	130,305	129,234	131,459	135,926	132,604	132,858	134,393	132,080
10 Within 15 days ¹	4,211	5,323	2,580	7,706	2,652	3,911	5,743	2,652
11 16 days to 90 days	24,429	23,671	27,478	26,647	28,224	25,870	24,429	28,465
12 91 days to 1 year	37,142	35,800	36,961	37,133	37,288	38,554	39,781	36,523
13 Over 1 year to 5 years	35,974	35,891	35,891	35,891	35,891	35,974	35,891	35,891
14 Over 5 years to 10 years	12,267	12,267	12,267	12,267	12,267	12,267	12,267	12,267
15 Over 10 years	16,282	16,282	16,282	16,282	16,282	16,282	16,282	16,282
16 Federal agency obligations—Total	8,949	8,949	8,943	9,680	8,943	9,184	9,950	8,943
17 Within 15 days ¹	207	151	84	831	83	345	1,208	83
18 16 days to 90 days	407	475	465	381	490	407	407	490
19 91 days to 1 year	1,863	1,836	1,875	1,977	1,966	1,829	1,863	1,966
20 Over 1 year to 5 years	5,087	5,087	5,115	5,053	4,962	5,228	5,087	4,962
21 Over 5 years to 10 years	882	882	886	920	924	872	882	924
22 Over 10 years	503	518	518	518	518	503	503	518

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

1.20 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE¹

Billions of dollars, averages of daily figures

Item	1978 Dec.	1979 Dec.	1980 Dec.	1981 Dec.	1982								
					Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ²	Seasonally adjusted												
	1 Total reserves ³	32.82	34.26	36.46	37.99	38.36	38.43	38.50	38.58	38.52	38.80	39.57	39.89
	2 Nonborrowed reserves	31.95	32.79	34.77	37.35	36.80	36.87	37.39	37.37	37.83	38.29	38.63	39.41
	3 Required reserves	32.59	33.93	35.95	37.67	37.99	38.16	38.15	38.27	38.21	38.49	39.18	39.47
	4 Monetary base ⁴	132.2	142.5	155.0	162.7	165.2	166.5	167.7	168.8	169.2	170.1	171.9	172.9
	Not seasonally adjusted												
	5 Total reserves ³	33.37	34.83	37.11	38.66	37.80	38.33	38.19	38.07	38.43	38.51	39.35	40.10
	6 Nonborrowed reserves	32.50	33.35	35.42	38.03	36.24	36.76	37.07	36.86	37.74	38.00	38.42	39.53
	7 Required reserves	33.13	34.50	36.59	38.34	37.44	38.06	37.83	37.76	38.12	38.20	38.97	39.59
8 Monetary base ⁴	134.8	145.4	158.0	165.8	163.3	165.6	167.1	168.2	170.0	170.4	171.4	173.0	
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ⁵													
9 Total reserves ³	41.68	43.91	40.66	41.92	39.24	39.56	39.55	39.57	39.97	40.18	39.96	40.60	
10 Nonborrowed reserves	40.81	42.43	38.97	41.29	37.68	37.99	38.43	38.36	39.28	39.66	39.03	40.12	
11 Required reserves	41.45	43.58	40.15	41.60	38.87	39.28	39.19	39.26	39.65	39.87	39.58	40.18	
12 Monetary base ⁴	144.6	156.2	162.4	169.7	165.4	167.6	169.2	170.4	172.3	172.8	172.3	173.9	

For notes see page A14

1.21 MONEY STOCK MEASURES AND COMPONENTS

Billions of dollars, averages of daily figures

Item	1978 Dec.	1979 Dec.	1980 Dec.	1981 Dec.	1982					
					May	June	July	Aug.	Sept.	
MEASURES ¹	Seasonally adjusted									
	1 M1	363.2	389.0	414.5	440.9	451.5	451.4	451.3	455.2	460.5
	2 M2	1,403.9	1,518.9	1,656.2	1,822.7	1,897.5	1,907.9	1,923.4	1,946.3 ^r	1,954.1
	3 M3	1,629.0	1,779.4	1,963.1	2,188.1	2,279.3	2,296.0	2,320.3 ^r	2,355.7	2,362.3
	4 L ²	1,938.9	2,153.9	2,370.4	2,642.8	2,773.3 ^r	2,797.9 ^r	2,830.5	n.a.	n.a.
	SELECTED COMPONENTS									
	5 Currency	97.4	106.1	116.2	123.1	127.4	128.4	128.8	129.5	130.5
	6 Traveler's checks ³	3.5	3.7	4.2	4.3	4.5	4.5	4.4	4.4	4.4
	7 Demand deposits	253.9	262.2	267.2	236.4	232.7	231.0	230.6	231.1	232.6
	8 Other checkable deposits ⁷	8.4	16.9	26.9	77.0	87.0	87.5	87.4	90.2	93.0
9 Savings deposits ⁴	479.9	421.7	398.9	343.6	350.9	349.9	344.0	342.1	342.5	
10 Small-denomination time deposits ⁵	533.9	652.6	751.7	854.7	894.1	900.9	919.7	930.6 ^r	932.6	
11 Large-denomination time deposits ⁶	194.6	221.8	257.9	300.3	321.6	328.3	335.8	339.6 ^r	339.0	
MEASURES ¹	Not seasonally adjusted									
	12 M1	372.5	398.8	424.6	451.2	445.1	450.5	454.0	454.0	460.5
	13 M2	1,408.5	1,524.7	1,662.5	1,829.4	1,888.9	1,906.4	1,924.8	1,938.8 ^r	1,950.4
	14 M3	1,637.5	1,789.2	1,973.9	2,199.9	2,269.3	2,290.0	2,314.1 ^r	2,342.3	2,355.0
	15 L ²	1,946.6	2,162.8	2,380.2	2,653.8	2,766.5 ^r	2,793.1 ^r	2,819.0	n.a.	n.a.
	SELECTED COMPONENTS									
	16 Currency	99.4	108.2	118.3	125.4	127.2	128.3	129.8	130.0	130.2
	17 Traveler's checks ³	3.3	3.5	3.9	4.1	4.3	4.7	4.9	4.9	4.7
	18 Demand deposits	261.5	270.1	275.1	243.3	228.3	230.4	231.5	229.3	232.4
	19 Other checkable deposits ⁷	8.4	17.0	27.2	78.4	85.4	87.2	87.9	89.8	93.2
20 Overnight RPs and Eurodollars ⁸	24.1	26.3	35.0	38.1	42.8	43.1 ^r	43.4 ^r	44.5 ^r	43.0	
21 Savings deposits ⁴	478.0	420.5	398.0	343.0	347.4	347.9 ^r	348.3	346.2	347.4	
22 Small-denomination time deposits ⁵	531.1	649.7	748.9	851.7	895.3	902.3	914.1 ^r	920.2 ^r	923.9	
Money market mutual funds										
23 General purpose and broker/dealer	7.1	34.4	61.9	151.2	164.3	168.6	171.3	180.0	181.9	
24 Institution only	3.1	9.3	13.9	33.7	32.8	33.7	36.7	43.1	43.9	
25 Large-denomination time deposits ⁶	198.6	226.0	262.3	305.4	320.3	323.9	328.3	333.7 ^r	335.4	

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

M1: Averages of daily figures for (1) currency outside the Treasury, Federal Reserve Banks, and the vaults of commercial banks; (2) traveler's checks of nonbank issuers; (3) demand deposits at all commercial banks other than those due to domestic banks, the U.S. government, and foreign banks and official institutions less cash items in the process of collection and Federal Reserve float; and (4) negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at banks and thrift institutions, credit union share draft (CUSD) accounts, and demand deposits at mutual savings banks.

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

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

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

3. Outstanding amount of U.S. dollar-denominated traveler's checks of nonbank issuers.

4. Savings deposits exclude NOW and ATS accounts at commercial banks and thrift institutions and CUSDs at credit unions.

5. Small-denomination time deposits—including retail RPs—are those issued in amounts of less than \$100,000.

6. Large-denomination time deposits are those issued in amounts of \$100,000 or more 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.

7. Includes ATS and NOW balances at all institutions, credit union share draft balances, and demand deposits at mutual savings banks.

8. Overnight (and continuing contract) RPs are those issued by general banks to other than depository institutions and money market mutual funds (general purpose and broker/dealer), and overnight Eurodollars are those issued by Caribbean branches of member banks to U.S. residents other than depository institutions and money market mutual funds (general purpose and broker/dealer).

NOTE. Latest monthly and weekly figures are available from the Board's H.6 (508) release. Back data are available from the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

NOTES TO TABLE 1.20

1. Reserve aggregates include required reserves of member banks and Edge Act corporations and other depository institutions. Discontinuities associated with the implementation of the Monetary Control Act, the inclusion of Edge Act corporation reserves, and other changes in Regulation D, have been removed. Beginning with the week ended December 23, 1981, reserve aggregates have been reduced by shifts of reservable liabilities to international banking facilities (IBFs). On the basis of reports of liabilities transferred to IBFs by U.S. commercial banks and U.S. agencies and branches of foreign banks, it is estimated that required reserves were lowered on average by \$10 million to \$20 million in December 1981 and \$40 million to \$70 million in January 1982.

2. Reserve balances with Federal Reserve Banks (which exclude required clearing balances) plus vault cash at institutions with required reserve balances plus vault cash equal to required reserves at other institutions.

3. Includes reserve balances and required clearing 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.

4. Reserves of depository institutions series reflect actual reserve requirement percentages with no adjustments to eliminate the effect of changes in Regulation D, including changes associated with the implementation of the Monetary Control Act. Includes required reserves of member banks and Edge Act corporations and beginning November 13, 1980, other depository institutions. Under the transitional

phase-in program of the Monetary Control Act of 1980, the net changes in required reserves of depository institutions have been as follows: Effective Nov. 13, 1980, a reduction of \$2.9 billion; Feb. 12, 1981, an increase of \$245 million; Mar. 12, 1981, an increase of \$75 million; May 14, 1981, an increase of \$245 million; Aug. 13, 1981, an increase of \$230 million; Sept. 3, 1981, a reduction of \$1.1 billion; Nov. 12, 1981, an increase of \$210 million; Jan. 14, 1982, a reduction of \$60 million; Feb. 11, 1982, an increase of \$170 million; Mar. 4, 1982, an estimated reduction of \$2.0 billion; May 13, 1982, an estimated increase of \$150 million; Aug. 12, 1982, an estimated increase of \$140 million; and Sept. 2, 1982, an estimated reduction of \$1.2 billion. Beginning with the week ended December 23, 1981, reserve aggregates have been reduced by shifts of reservable liabilities to IBFs. On the basis of reports of liabilities transferred to IBFs by U.S. commercial banks and U.S. agencies and branches of foreign banks, it is estimated that required reserves were lowered on average by \$60 million to \$90 million in December 1981 and \$180 million to \$230 million in January 1982, mostly reflecting a reduction in reservable Eurocurrency transactions.

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

1.22 BANK DEBITS AND DEPOSIT TURNOVER

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

Bank group, or type of customer	1979 ¹	1980 ¹	1981 ¹	1982					
				Apr.	May	June	July	Aug.	Sept.
	Seasonally adjusted								
DEBITS TO									
Demand deposits ²									
1 All insured banks	49,903.0	62,757.8	80,858.7	86,781.3	88,573.8	87,602.3	90,280.7	95,177.9	94,480.0
2 Major New York City banks	18,481.7	25,156.1	33,891.9	37,038.4	37,248.2	35,729.5	36,880.8	39,525.3	37,986.3
3 Other banks	31,421.3	37,601.7	46,966.9	49,742.9	51,325.7	51,872.8	53,399.9	55,652.6	56,493.7
4 ATS-NOW accounts ³	84.4	159.3	743.4	915.7	900.5	977.6	1,049.9	1,146.2	1,165.4
5 Savings deposits ⁴	547.9	670.0	672.7	686.4	712.2	698.9	773.8	770.7	707.8
DEPOSIT TURNOVER									
Demand deposits ²									
6 All insured banks	162.8	198.7	285.8	311.2	319.3	318.7	325.0	341.6	341.0
7 Major New York City banks	634.2	803.7	1,105.1	1,296.6	1,287.8	1,295.9	1,265.7	1,424.2	1,282.5
8 Other banks	113.3	132.2	186.2	198.8	206.6	209.8	214.8	221.8	228.3
9 ATS-NOW accounts ³	7.8	9.7	14.0	13.0	13.1	14.2	15.3	16.2	15.9
10 Savings deposits ⁴	2.7	3.6	4.1	4.3	4.5	4.4	5.0	5.0	4.6
	Not seasonally adjusted								
DEBITS TO									
Demand deposits ²									
11 All insured banks	49,777.3	63,124.4	81,197.9	88,169.8	82,913.9	92,867.2	91,318.9	94,968.5	95,557.1
12 Major New York City banks	18,487.8	25,243.1	34,032.0	37,073.9	34,585.7	38,286.7	37,502.5	39,126.7	39,634.0
13 Other banks	31,289.4	37,881.3	47,165.9	51,095.9	48,328.2	54,580.6	53,816.4	55,841.8	55,923.1
14 ATS-NOW accounts ³	83.3	158.0	737.6	1,034.1	891.7	1,046.0	1,021.0	1,020.5	1,097.3
15 Savings deposits ⁴	548.1	669.8	672.9	737.5	680.8	694.4	778.2	763.7	695.2
DEPOSIT TURNOVER									
Demand deposits ²									
16 All insured banks	163.3	202.3	286.1	315.3	304.5	339.6	328.2	346.9	345.3
17 Major New York City banks	644.1	814.8	1,114.2	1,320.5	1,218.1	1,361.3	1,305.8	1,472.8	1,362.5
18 Other banks	113.4	134.8	186.2	203.1	198.1	222.5	215.7	225.9	225.8
19 ATS-NOW accounts ³	7.8	9.7	14.0	14.6	13.2	15.2	14.8	14.4	15.0
20 Savings deposits ⁴	2.7	3.6	4.1	4.7	4.3	4.4	4.9	4.9	4.4

1. Annual averages of monthly figures.

2. Represents accounts of individuals, partnerships, and corporations and of states and political subdivisions.

3. Accounts authorized for negotiable orders of withdrawal (NOW) and accounts authorized for automatic transfer to demand deposits (ATS). ATS data availability starts with December 1978.

4. Excludes ATS and NOW accounts as well as special club accounts, such as Christmas and vacation clubs.

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

1.23 LOANS AND SECURITIES All Commercial Banks¹

Billions of dollars; averages of Wednesday figures

Category	1981	1982					1981	1982				
	Dec. ²	May ²	June ²	July ²	Aug. ²	Sept. ³	Dec. ²	May ²	June ²	July ²	Aug. ²	Sept. ³
	Seasonally adjusted						Not seasonally adjusted					
1 Total loans and securities ³	1,316.3	1,362.0	1,368.8	1,376.1	1,383.1	1,389.4	1,326.1	1,356.0	1,366.3	1,370.4	1,377.7	1,391.0
2 U.S. Treasury securities	111.0	116.3	115.8	116.5	117.8	118.2	111.4	115.8	116.1	115.6	116.4	117.8
3 Other securities	231.4	234.9	235.9	235.9	237.1	237.6	232.8	235.1	235.6	234.7	236.4	237.7
4 Total loans and leases ³	973.9	1,010.8	1,017.1	1,023.7	1,028.3	1,033.6	981.8	1,005.1	1,014.6	1,020.1	1,024.9	1,035.6
5 Commercial and industrial loans	358.0	378.9	383.4	386.7	387.9	392.5	360.1	379.0	382.7	385.5	385.5	392.1
6 Real estate loans	285.7	295.5	297.3	297.5	298.5	299.4	286.8	294.4	295.8	296.6	298.2	300.0
7 Loans to individuals	185.1	187.3	188.2	189.2	189.5	189.6	186.4	186.2	187.4	188.3	189.7	190.9
8 Security loans	21.9	20.6	19.5	21.0	21.4	22.6	22.7	19.8	20.5	20.5	22.0	22.3
9 Loans to nonbank financial institutions	30.2	33.2	33.6	33.9	33.2	32.6	31.2	32.8	33.1	33.3	33.1	32.8
10 Agricultural loans	33.0	34.6	35.4	35.7	36.1	36.2	33.0	34.4	35.5	36.1	36.6	36.7
11 Lease financing receivables	12.7	13.1	13.1	13.2	13.1	13.1	12.7	13.1	13.1	13.2	13.1	13.1
12 All other loans	47.2	47.5	46.7	46.4	48.6	47.6	49.2	45.4	46.4	46.7	46.7	47.7
MEMO:												
13 Total loans and securities plus loans sold ^{3,7}	1,319.1	1,364.7	1,371.7	1,378.9	1,386.0	1,392.3	1,328.9	1,358.8	1,369.3	1,373.2	1,380.5	1,393.8
14 Total loans plus loans sold ^{3,7}	976.7	1,013.5	1,020.1	1,026.5	1,031.1	1,036.4	984.7	1,007.9	1,017.6	1,023.0	1,027.7	1,038.4
15 Total loans sold to affiliates ⁷	2.8	2.8	3.0	2.8	2.8	2.8	2.8	2.8	3.0	2.8	2.8	2.8
16 Commercial and industrial loans plus loans sold ⁷	360.2	381.1	385.8	389.0	390.2	394.7	362.3	381.2	385.1	387.8	387.8	394.4
17 Commercial and industrial loans sold ⁷	2.2	2.2	2.4	2.3	2.3	2.3	2.2	2.2	2.4	2.3	2.3	2.3
18 Acceptances held	8.9	10.1	9.1	8.7	9.1	9.3	9.8	9.5	9.2	8.6	8.8	9.4
19 Other commercial and industrial loans	349.1	368.8	374.3	378.1	378.8	383.1	350.3	369.5	373.5	376.9	376.7	382.8
20 To U.S. addressees ⁸	334.9	355.3	360.2	364.7	365.8	369.8	334.3	356.8	360.6	363.9	364.0	369.6
21 To non-U.S. addressees	14.2	13.5	14.2	13.3	13.1	13.3	16.1	12.7	13.0	13.0	12.8	13.1
22 Loans to foreign banks	19.0	14.9	14.7	14.8	14.6	13.8	20.0	14.3	14.2	14.5	14.1	14.2

1. Includes domestically chartered banks; U.S. branches and agencies of foreign banks. New York investment companies majority owned by foreign banks, and Edge Act corporations owned by domestically chartered and foreign banks.

2. Beginning December 1981, shifts of foreign loans and securities from U.S. banking offices to international banking facilities (IBFs) reduced the levels of several items. Seasonally adjusted data that include adjustments for the amounts shifted from domestic offices to IBFs are available in the Board's G.7 (407) statistical release (available from Publications Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551).

3. Excludes loans to commercial banks in the United States.

4. The merger of a commercial bank with a mutual savings bank beginning Feb. 24, 1982, increased total loans and securities \$1.0 billion; U.S. Treasury securities, \$0.1 billion; other securities, \$0.1 billion; total loans and leases, \$0.8 billion; and real estate loans, \$0.7 billion.

5. The merger of a commercial bank with a mutual savings bank beginning Mar. 17, 1982, increased total loans and securities \$0.6 billion; U.S. Treasury securities, \$0.1 billion; other securities \$0.1 billion; total loans and leases, \$0.4 billion; and real estate loans, \$0.4 billion.

6. Beginning June 2, 1982, total loans and securities, total loans and leases, and loans to individuals were increased \$0.5 billion due to acquisition of loans by a commercial bank from a nonbank institution.

7. Loans sold are those sold outright to a bank's own foreign branches, non-consolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company.

8. 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 BANKS¹

Monthly averages, billions of dollars

Source	1980	1981		1982								
	Dec.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
Total nondeposit funds												
1 Seasonally adjusted ²	122.0	116.2	98.5	89.5	88.0	83.8	83.5	82.0	84.2	79.8	78.1	71.8
2 Not seasonally adjusted	122.6	120.7	98.9	87.9	88.5	84.8	84.3	85.5	86.3	81.8	82.5	77.5
Federal funds, RPs, and other borrowings from nonbanks ³												
3 Seasonally adjusted	111.1	110.0	114.2	116.2	113.8	113.6	113.1	113.2	113.8	114.3	116.7	114.8
4 Not seasonally adjusted	111.6	114.6	114.6	114.6	114.3	114.6	113.9	116.6	115.9	116.3	121.1	120.5
5 Net balances due to foreign-related institutions, not seasonally adjusted	8.2	3.4	-18.6	-29.6	-28.6	-32.6	-32.5	-33.9	-32.5	-37.3	-41.4	-45.8
6 Loans sold to affiliates, not seasonally adjusted ⁴	2.7	2.7	2.8	2.8	2.8	2.8	2.8	2.8	3.0	2.8	2.8	2.8
MEMO												
7 Domestically chartered banks net positions with own foreign branches, not seasonally adjusted ⁵	-14.7	-14.9	-22.5	-27.1	-25.9	-28.8	-29.8	-29.9	-29.2	-33.0	-34.4	-38.5
8 Gross due from balances	37.5	47.9	54.9	55.1	55.0	56.7	57.4	58.1	57.7	60.6	65.0	68.3
9 Gross due to balances	22.8	32.9	32.4	28.0	29.1	27.9	27.6	28.3	28.5	27.6	30.6	29.8
10 Foreign-related institutions net positions with directly related institutions, not seasonally adjusted ⁶	22.9	18.4	3.9	-2.5	-2.7	-3.8	-2.7	-4.1	-3.3	-4.4	-7.0	-7.3
11 Gross due from balances	32.5	39.1	48.1	50.0	50.5	50.0	49.1	49.4	50.2	52.7	53.4	54.0
12 Gross due to balances	55.4	57.4	52.0	47.5	47.9	46.2	46.4	45.4	46.9	48.3	46.4	46.7
Security RP borrowings												
13 Seasonally adjusted ⁷	64.0	65.0	70.0	73.0	71.0	71.4	71.9	69.0	69.1	69.3	71.9	68.5
14 Not seasonally adjusted	62.3	67.3	68.2	69.2	69.1	70.0	70.4	70.0	68.7	68.9	73.9	71.8
U.S. Treasury demand balances ⁸												
15 Seasonally adjusted	9.5	12.1	11.8	13.4	22.1	17.5	13.6	15.3	9.9	8.4	9.2	10.7
16 Not seasonally adjusted	9.0	9.7	11.2	14.5	20.0	15.5	13.8	15.4	10.8	8.3	8.2	12.4
Time deposits, \$100,000 or more ⁹												
17 Seasonally adjusted	267.0	323.4	324.0	324.3	327.2	332.0	334.4	341.1	349.5	360.1	366.9	366.4
18 Not seasonally adjusted	272.4	324.6	330.3	330.6	335.3	337.2	335.6	340.0	344.6	350.4	359.1	361.4
IBF ADJUSTMENTS FOR SELECTED ITEMS ¹⁰												
19 Items 1 and 2			22.4	29.6	30.4	30.8	31.4	31.7	32.0	32.2	32.4	32.4
20 Items 3 and 4			1.7	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
21 Item 5			20.7	27.2	28.0	28.4	29.0	29.3	29.6	29.8	30.0	30.0
22 Item 7			3.1	4.8	4.9	4.9	5.0	5.0	5.0	5.1	5.1	5.1
23 Item 10			17.6	22.5	23.1	23.6	24.0	24.3	24.6	24.7	24.9	24.9

1. Commercial banks are those in the 50 states and the District of Columbia with national or state charters plus agencies and branches of foreign banks, New York investment companies majority owned by foreign banks, and Edge Act corporations owned by domestically chartered and foreign banks.

2. Includes seasonally adjusted federal funds, RPs, and other borrowings from nonbanks and not seasonally adjusted net Eurodollars and loans to affiliates. Includes averages of Wednesday data for domestically chartered banks and averages of current and previous month-end data for foreign-related institutions.

3. Other borrowings are borrowings on any instrument, such as a promissory note or due bill, given for the purpose of borrowing money for the banking business. This includes borrowings from Federal Reserve Banks and from foreign banks, term federal funds, overdrawn due from bank balances, loan RPs, and participations in pooled loans. Includes averages of daily figures for member banks and averages of current and previous month-end data for foreign-related institutions.

4. Loans initially booked by the bank and later sold to affiliates that are still held by affiliates. Averages of Wednesday data.

5. Averages of daily figures for member and nonmember banks.

6. Averages of daily data.

7. Based on daily average data reported by 122 large banks.

8. Includes U.S. Treasury demand deposits and Treasury tax-and-loan notes at commercial banks. Averages of daily data.

9. Averages of Wednesday figures.

10. Estimated effects of shifts of foreign assets from U.S. banking offices to international banking facilities (IBFs).

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

Billions of dollars except for number of banks

	1981	1982									
	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
DOMESTICALLY CHARTERED COMMERCIAL BANKS¹											
1 Loans and securities, excluding interbank	1,267.4	1,261.2	1,271.2	1,285.8	1,292.6	1,300.7	1,315.4	1,313.2	1,318.8	1,337.2	1,343.0
2 Loans, excluding interbank	926.4	920.1	929.1	939.9	947.2	954.3	969.1	966.6	970.6	986.0	988.5
3 Commercial and industrial	320.3	321.0	325.6	332.4	336.7	341.9	348.7	346.4	346.2	354.4	355.2
4 Other	606.1	599.1	603.5	607.5	610.5	612.4	620.4	620.3	624.4	631.6	633.3
5 U.S. Treasury securities	109.8	111.5	112.3	114.5	113.0	111.5	113.4	113.4	113.7	115.0	119.4
6 Other securities	231.3	229.6	229.8	231.4	232.4	234.9	232.9	233.2	234.5	236.1	235.1
7 Cash assets, total	173.1	155.3	151.6	164.5	153.6	153.0	165.4	154.5	160.8	157.4	162.0
8 Currency and coin	22.0	19.8	19.7	18.9	19.9	20.0	20.1	20.5	20.3	20.4	20.5
9 Reserves with Federal Reserve Banks	28.0	30.2	24.8	25.7	25.5	21.7	18.2	25.1	26.1	17.0	23.5
10 Balances with depository institutions	54.5	50.3	51.0	55.9	52.4	54.9	59.6	55.4	58.8	60.4	61.2
11 Cash items in process of collection	68.6	55.0	56.1	64.0	55.8	56.3	67.4	53.6	55.5	59.6	56.8
12 Other assets ²	211.2	197.0	201.9	219.3	206.6	209.9	223.2	224.2	231.3	234.9	237.0
13 Total assets/total liabilities and capital	1,651.8	1,613.5	1,624.7	1,669.5	1,652.9	1,663.6	1,704.0	1,692.0	1,710.9	1,729.5	1,742.1
14 Deposits	1,240.3	1,205.8	1,213.7	1,250.8	1,231.0	1,244.0	1,284.8	1,266.4	1,279.1	1,290.7	1,300.2
15 Demand	363.9	322.3	316.7	338.3	315.5	315.4	345.2	314.4	315.5	323.0	326.5
16 Savings	222.4	223.0	222.5	229.9	226.6	227.6	228.9	227.1	229.5	230.9	238.2
17 Time	654.0	660.5	674.4	682.6	688.9	701.0	710.7	724.8	734.1	736.9	735.4
18 Borrowings	190.2	191.9	191.0	196.4	201.1	195.1	189.7	195.4	196.0	202.8	203.7
19 Other liabilities	91.7	89.7	92.5	94.4	92.4	93.9	96.6	99.1	103.9	103.4	106.2
20 Residual (assets less liabilities)	129.6	126.1	127.5	128.0	128.4	130.6	133.0	131.1	131.9	132.6	132.0
MEMO:											
21 U.S. Treasury note balances included in borrowing	13.6	16.7	17.1	10.9	16.6	7.1	7.5	8.0	5.9	17.0	11.7
22 Number of banks	14,744	14,690	14,702	14,709	14,710	14,722	14,736	14,752	14,770	14,785	14,797
ALL COMMERCIAL BANKING INSTITUTIONS³											
23 Loans and securities, excluding interbank	1,330.0	1,321.6	1,331.5	1,345.8	1,350.7	1,358.5	1,374.3	1,371.3	1,376.6	1,397.4	1,401.7
24 Loans, excluding interbank	984.5	975.8	984.4	995.1	1,000.6	1,007.6	1,023.7	1,020.8	1,024.7	1,042.6	1,042.3
25 Commercial and industrial	360.8	360.3	364.6	372.4	374.7	379.3	386.7	384.4	384.5	395.0	393.1
26 Other	623.7	615.5	619.7	622.7	625.8	628.3	637.0	636.4	640.2	647.5	649.2
27 U.S. Treasury securities	112.5	114.5	115.5	117.6	116.1	114.3	116.2	115.7	115.8	117.2	122.7
28 Other securities	233.0	231.4	231.6	233.1	234.1	236.6	234.4	234.8	236.1	237.7	236.7
29 Cash assets, total	188.1	170.0	165.8	178.8	168.1	167.7	180.3	169.3	176.2	173.7	178.7
30 Currency and coin	22.0	19.8	19.7	18.9	19.9	20.0	20.2	20.5	20.4	20.4	20.5
31 Reserves with Federal Reserve Banks	29.3	31.3	26.1	26.9	26.8	23.0	19.6	26.5	27.5	18.4	25.0
32 Balances with depository institutions	67.1	62.7	63.0	68.0	64.6	67.3	72.2	67.8	71.8	74.2	75.3
33 Cash items in process of collection	69.6	56.1	57.1	65.0	56.8	57.3	68.4	54.6	56.5	60.6	57.8
34 Other assets ²	288.7	274.2	278.1	295.2	280.3	285.9	300.0	299.4	306.8	310.3	313.9
35 Total assets/total liabilities and capital	1,806.8	1,765.8	1,775.5	1,819.9	1,799.1	1,812.1	1,854.7	1,840.1	1,859.6	1,881.5	1,894.2
36 Deposits	1,288.7	1,251.5	1,258.3	1,295.0	1,272.7	1,286.2	1,325.8	1,307.3	1,321.7	1,335.6	1,345.2
37 Demand	377.7	335.1	329.4	350.8	327.9	327.9	357.4	326.8	327.7	335.1	338.9
38 Savings	222.6	223.2	222.8	230.2	226.9	227.8	229.1	227.4	229.7	231.1	238.5
39 Time	688.3	693.1	706.2	714.0	717.9	730.4	739.3	753.1	764.3	769.3	767.8
40 Borrowings	250.8	253.5	255.9	260.0	260.8	255.3	253.2	260.0	260.0	267.6	268.3
41 Other liabilities	135.6	132.8	131.8	135.0	135.3	138.2	140.8	139.8	144.1	143.9	146.9
42 Residual (assets less liabilities)	131.5	128.1	129.4	129.9	130.3	132.5	134.9	133.0	133.8	134.5	133.9
MEMO:											
43 U.S. Treasury note balances included in borrowing	13.6	16.7	17.1	10.9	16.6	7.1	7.5	8.0	5.9	17.0	11.7
44 Number of banks	15,213	15,185	15,201	15,214	15,215	15,235	15,235	15,271	15,289	15,311	15,330

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

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

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

NOTE. Figures are partly estimated. They include all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries. Data for domestically chartered commercial banks are for the last Wednesday of the month. Data for other banking institutions are for the last day of the quarter until June 1981; beginning July 1981, these data are estimates made on the last Wednesday of the month based on a weekly reporting sample of foreign-related institutions and quarter-end condition report data.

1.26 ALL LARGE WEEKLY REPORTING COMMERCIAL BANKS with Domestic Assets of \$750 Million or More on December 31, 1977, Assets and Liabilities, 1982

Millions of dollars, Wednesday figures

Account	Sept. 1	Sept 8	Sept. 15	Sept. 22	Sept. 29 ^P	Oct. 6 ^P	Oct. 13 ^P	Oct. 20 ^P	Oct. 27 ^P
1 Cash items in process of collection	58,074	53,068	56,345	46,100	47,962	47,236	56,479	51,408	45,478
2 Demand deposits due from banks in the United States	7,651	7,429	7,716	7,314	7,054	7,296	7,737	7,094	6,800
3 All other cash and due from depository institutions	34,242	31,958	34,643	34,142	28,700	31,208	34,727	39,995	35,216
4 Total loans and securities	635,651	638,439	640,957	634,933	638,174	647,198	649,690	642,409	640,739
<i>Securities</i>									
5 U.S. Treasury securities	36,996	38,618	38,690	37,892	37,900	39,552	40,901	40,464	40,890
6 Trading account	6,952	8,056	7,733	7,173	7,205	7,536	8,663	8,132	8,256
7 Investment account, by maturity	30,044	30,563	30,957	30,719	30,695	32,016	32,238	32,332	32,634
8 One year or less	10,313	10,344	10,667	10,645	10,289	10,281	10,299	10,172	10,149
9 Over one through five years	17,630	17,997	18,132	17,984	18,248	19,572	19,794	20,101	20,454
10 Over five years	2,101	2,242	2,158	2,090	2,159	2,163	2,145	2,059	2,031
11 Other securities	78,623	80,114	78,012	77,944	78,471	79,397	78,626	77,860	78,072
12 Trading account	4,152	5,884	3,872	3,655	3,967	5,228	4,329	3,909	4,214
13 Investment account	74,471	74,230	74,140	74,289	74,504	74,169	74,297	73,952	73,857
14 U.S. government agencies	15,579	15,441	15,397	15,421	15,508	15,353	15,438	15,327	15,160
15 States and political subdivisions, by maturity	55,754	55,636	55,631	55,746	55,915	55,754	55,829	55,667	55,723
16 One year or less	7,058	7,067	7,169	7,024	7,044	7,067	7,112	6,912	6,954
17 Over one year	48,696	48,569	48,462	48,722	48,872	48,687	48,717	48,754	48,769
18 Other bonds, corporate stocks and securities	3,138	3,152	3,112	3,122	3,080	3,062	3,030	2,958	2,974
<i>Loans</i>									
19 Federal funds sold ¹	41,583	41,639	43,973	39,302	39,482	43,354	43,970	38,254	39,059
20 To commercial banks	31,060	31,003	33,184	28,479	28,761	31,972	32,679	27,552	28,070
21 To nonbank brokers and dealers in securities	7,986	8,294	8,643	8,695	8,767	8,526	9,149	8,251	8,710
22 To others	2,537	2,341	2,146	2,129	1,954	2,856	2,143	2,451	2,278
23 Other loans, gross	491,760	491,425	493,630	493,118	495,562	497,965	499,258	498,913	495,828
24 Commercial and industrial	212,659	212,946	215,979	216,827	217,310	219,999	218,580	217,794	216,853
25 Bankers acceptances and commercial paper	5,130	4,649	4,982	4,688	4,850	5,104	5,059	4,940	4,850
26 All other	207,529	208,296	210,997	212,139	212,460	214,895	213,521	212,854	212,002
27 U.S. addressees	200,521	201,006	203,756	204,894	205,044	207,542	206,237	205,785	205,031
28 Non-U.S. addressees	7,008	7,290	7,241	7,245	7,416	7,353	7,285	7,069	6,972
29 Real estate	130,883	130,918	131,122	131,447	131,764	131,536	131,836	131,906	131,874
30 To individuals for personal expenditures	73,294	73,187	73,369	73,396	73,503	73,335	73,243	73,279	73,422
31 To financial institutions									
32 Commercial banks in the United States	7,206	8,456	7,059	6,708	6,778	6,672	6,960	7,173	7,103
33 Banks in foreign countries	7,277	7,479	7,498	7,255	6,905	7,041	7,586	7,084	7,120
34 Sales finance, personal finance companies, etc.	11,626	11,008	11,026	10,803	11,127	11,076	11,068	11,050	11,139
35 Other financial institutions	16,486	16,186	16,456	16,242	15,892	16,001	16,072	15,946	15,740
36 To nonbank brokers and dealers in securities	7,690	7,167	7,068	6,736	7,892	7,560	9,036	9,770	8,093
37 To others for purchasing and carrying securities ²	2,567	2,591	2,530	2,538	2,604	2,608	2,601	2,575	2,564
38 To finance agricultural production	6,565	6,502	6,478	6,514	6,571	6,545	6,544	6,525	6,514
39 All other	15,507	14,985	15,045	14,652	15,215	15,590	15,731	15,810	15,405
40 LESS: Unearned income	5,779	5,775	5,784	5,746	5,744	5,707	5,712	5,708	5,701
41 Loan loss reserve	7,532	7,582	7,564	7,578	7,498	7,362	7,354	7,374	7,409
42 Other loans, net	478,449	478,068	480,282	479,794	482,320	484,896	486,193	485,831	482,718
43 Lease financing receivables	11,067	11,087	11,111	11,089	11,097	11,070	11,075	11,058	11,032
44 All other assets	129,920	130,109	131,800	128,527	128,783	133,018	132,868	131,299	129,394
44 Total assets	876,606	872,090	882,571	862,106	861,769	877,025	892,577	883,263	868,659
<i>Deposits</i>									
45 Demand deposits	182,441	176,296	182,342	162,792	164,541	171,131	179,704	173,364	166,343
46 Mutual savings banks	654	666	606	521	526	670	668	605	510
47 Individuals, partnerships, and corporations	136,241	132,459	135,310	122,927	124,068	128,934	134,918	130,354	126,347
48 States and political subdivisions	4,843	4,624	5,568	4,875	4,479	4,950	4,541	4,468	4,532
49 U.S. government	899	1,233	6,131	2,346	1,874	1,544	1,560	2,671	1,902
50 Commercial banks in the United States	20,735	21,355	19,751	17,895	17,963	20,307	21,577	18,485	18,070
51 Banks in foreign countries	5,875	6,771	5,918	6,006	5,793	5,492	6,847	6,142	6,216
52 Foreign governments and official institutions	1,244	1,022	861	959	957	1,366	914	1,080	1,012
53 Certified and officers' checks	11,950	8,164	8,197	7,262	8,881	7,868	8,678	9,559	7,754
54 Time and savings deposits	401,138	401,173	400,671	402,188	401,320	403,591	404,202	403,985	402,527
55 Savings	80,857	81,850	81,891	80,216	79,898	83,425	83,250	83,041	82,742
56 Individuals and nonprofit organizations	77,481	78,439	78,495	76,921	76,565	80,023	79,929	79,744	79,383
57 Partnerships and corporations operated for profit	2,808	2,852	2,801	2,752	2,770	2,793	2,762	2,747	2,797
58 Domestic governmental units	548	539	578	523	546	592	542	534	546
59 All Other	20	21	18	20	17	17	17	16	16
60 Time	320,281	319,323	318,780	321,971	321,422	320,166	320,951	320,944	319,785
61 Individuals, partnerships, and corporations	280,302	279,406	278,800	281,856	281,320	280,281	280,813	281,052	279,986
62 States and political subdivisions	21,841	21,774	21,688	21,752	21,659	21,262	21,371	21,388	21,341
63 U.S. government	618	592	573	583	559	576	607	635	627
64 Commercial banks in the United States	12,558	12,648	12,834	12,794	12,948	13,126	13,322	12,975	12,888
65 Foreign governments, official institutions, and banks	4,961	4,903	4,885	4,987	4,936	4,921	4,838	4,894	4,943
<i>Liabilities for borrowed money</i>									
66 Borrowings from Federal Reserve Banks	843	45	3,304	1,356	575	7	12	957	383
67 Treasury tax-and-loan notes	2,281	2,121	3,956	9,432	13,187	9,968	8,950	8,780	8,720
68 All other liabilities for borrowed money ³	146,613	153,418	151,255	144,133	141,899	152,645	158,730	153,195	147,412
69 Other liabilities and subordinated notes and debentures	86,455	82,081	84,189	85,525	83,593	82,464	83,658	85,949	86,429
70 Total liabilities	819,772	815,135	825,717	895,425	805,115	819,805	835,255	826,230	811,815
71 Residual (total assets minus total liabilities) ⁴	56,833	56,955	56,854	56,680	56,654	57,220	57,322	57,033	56,844

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.

4. Not a measure of equity capital for use in capital adequacy analysis or for other analytic uses.

NOTE. Beginning in the week ending Dec. 9, 1981, shifts of assets and liabilities to international banking facilities (IBFs) reduced the amounts reported in some items, especially in loans to foreigners and to a lesser extent in time deposits. Based on preliminary reports, the large weekly reporting banks shifted \$4.7 billion of assets to their IBFs in the five weeks ending Jan. 13, 1982. Domestic offices net positions with IBFs are now included in net due from or net due to related institutions. More detail will be available later.

A20 Domestic Financial Statistics □ November 1982

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

Millions of dollars, Wednesday figures, 1982

Account	Sept. 1	Sept. 8	Sept. 15	Sept. 22	Sept. 29 ^P	Oct. 6 ^P	Oct. 13 ^P	Oct. 20 ^P	Oct. 27 ^P
1 Cash items in process of collection	55,234	49,964	53,255	43,395	45,517	44,564	53,150	48,619	43,012
2 Demand deposits due from banks in the United States	6,981	6,704	7,011	6,676	6,376	6,585	6,973	6,418	6,150
3 All other cash and due from depository institutions	31,590	29,638	32,049	31,326	26,227	28,658	32,033	36,950	32,517
4 Total loans and securities	595,690	597,974	600,438	594,462	597,772	605,942	608,475	601,587	599,866
<i>Securities</i>									
5 U.S. Treasury securities	33,863	35,470	35,378	34,572	34,524	36,211	37,494	37,034	37,435
6 Trading account	6,854	7,965	7,627	7,064	7,110	7,437	8,526	8,020	8,127
7 Investment account, by maturity	27,009	27,506	27,751	27,508	27,414	28,774	28,968	29,014	29,307
8 One year or less	9,238	9,269	9,525	9,492	9,117	9,152	9,158	9,015	9,047
9 Over one through five years	15,931	16,254	16,332	16,191	16,402	17,724	17,930	18,204	18,493
10 Over five years	1,840	1,983	1,894	1,825	1,894	1,898	1,881	1,795	1,767
11 Other securities	72,228	73,659	71,584	71,524	72,083	73,069	72,241	71,475	71,663
12 Trading account	4,004	5,666	3,711	3,539	3,839	5,095	4,178	3,754	4,077
13 Investment account	68,225	67,994	67,873	67,985	68,244	67,974	68,063	67,720	67,586
14 U.S. government agencies	14,409	14,270	14,221	14,235	14,336	14,179	14,274	14,155	13,948
15 States and political subdivisions, by maturity	50,910	50,804	50,752	50,838	51,038	50,938	50,959	50,808	50,870
16 One year or less	6,327	6,340	6,383	6,225	6,281	6,328	6,357	6,194	6,224
17 Over one year	44,583	44,464	44,369	44,613	44,757	44,610	44,602	44,615	44,646
18 Other bonds, corporate stocks and securities	2,906	2,920	2,900	2,912	2,870	2,857	2,829	2,757	2,769
<i>Loans</i>									
19 Federal funds sold ¹	37,510	37,161	39,810	35,262	35,745	38,661	39,500	34,254	35,089
20 To commercial banks	27,496	26,947	29,417	25,302	25,575	27,749	28,766	24,075	24,621
21 To nonbank brokers and dealers in securities	7,513	7,909	8,284	7,868	8,250	8,132	8,680	7,811	8,267
22 To others	2,500	2,305	2,109	2,091	1,920	2,780	2,053	2,368	2,201
23 Other loans, gross	464,066	464,006	465,977	465,388	467,628	470,034	471,274	470,874	467,760
24 Commercial and industrial	202,060	202,292	205,153	205,917	206,319	208,944	207,594	206,798	205,843
25 Bankers acceptances and commercial paper	4,905	4,415	4,695	4,316	4,477	4,728	4,725	4,581	4,482
26 All other	197,155	197,877	200,458	201,601	201,842	204,216	202,869	202,216	201,361
27 U.S. addressees	190,275	190,721	193,346	194,488	194,552	196,989	195,711	195,276	194,518
28 Non-U.S. addressees	6,880	7,157	7,112	7,113	7,289	7,227	7,158	6,940	6,843
29 Real estate	123,571	123,627	123,812	124,095	124,370	124,146	124,423	124,470	124,440
30 To individuals for personal expenditures	65,846	65,758	65,919	65,925	65,992	65,812	65,713	65,720	65,863
31 To financial institutions	7,028	8,290	6,875	6,555	6,613	6,514	6,752	7,008	6,946
32 Commercial banks in the United States	7,193	7,358	7,416	7,168	6,821	6,958	7,492	7,007	7,025
33 Banks in foreign countries	11,450	10,842	10,849	10,628	10,956	10,900	10,896	10,871	10,959
34 Sales finance, personal finance companies, etc.	16,066	15,776	16,041	15,830	15,494	15,586	15,658	15,514	15,306
35 Other financial institutions	7,662	7,134	7,033	6,700	7,850	7,523	9,005	9,740	8,066
36 To nonbank brokers and dealers in securities	2,338	2,360	2,301	2,309	2,371	2,377	2,373	2,348	2,332
37 To finance agricultural production	6,380	6,318	6,295	6,333	6,369	6,365	6,345	6,340	6,330
38 All other	14,771	14,251	14,283	13,928	14,450	14,906	15,001	15,054	14,649
39 LESS: Unearned income	5,138	5,132	5,140	5,096	5,094	5,064	5,070	5,066	5,062
40 Loan loss reserve	7,141	7,190	7,171	7,187	7,113	6,969	6,964	6,983	7,019
41 Other loans, net	452,088	451,684	453,666	453,104	455,420	458,000	459,240	458,824	455,679
42 Lease financing receivables	10,738	10,753	10,780	10,758	10,760	10,732	10,738	10,720	10,694
43 All other assets	126,024	126,295	128,024	124,786	125,016	129,280	129,067	127,622	125,605
44 Total assets	826,256	821,329	831,558	811,404	811,669	825,762	840,436	831,917	817,845
<i>Deposits</i>									
45 Demand deposits	170,394	164,166	169,928	151,283	153,122	159,302	167,127	161,603	154,856
46 Mutual savings banks	636	640	589	506	509	645	648	585	494
47 Individuals, partnerships, and corporations	126,826	123,095	126,026	114,425	115,121	119,764	125,120	121,235	117,375
48 States and political subdivisions	4,316	4,049	5,052	4,242	3,966	4,355	4,098	3,948	4,035
49 U.S. government	803	1,068	5,469	1,920	1,687	1,387	1,415	2,414	1,746
50 Commercial banks in the United States	19,147	19,691	18,205	16,538	16,589	18,795	19,784	17,029	16,624
51 Banks in foreign countries	5,815	6,726	5,856	5,954	5,719	5,446	6,799	6,098	6,170
52 Foreign governments and official institutions	1,239	1,020	847	951	935	1,365	913	1,072	999
53 Certified and officers' checks	11,612	7,877	7,885	6,747	8,595	7,546	8,352	9,222	7,412
54 Time and savings deposits	376,722	376,668	376,036	377,638	376,548	378,766	379,390	379,104	377,644
55 Savings	74,615	75,514	75,538	74,025	73,711	76,950	76,809	76,604	76,303
56 Individuals and nonprofit organizations	71,500	72,370	72,460	70,993	70,642	73,820	73,756	73,575	73,213
57 Partnerships and corporations operated for profit	2,585	2,627	2,566	2,530	2,545	2,569	2,534	2,516	2,569
58 Domestic governmental units	509	495	494	482	507	544	502	498	505
59 All other	20	21	18	20	17	17	17	16	16
60 Time	302,108	301,154	300,498	303,613	302,838	301,816	302,581	302,500	301,341
61 Individuals, partnerships, and corporations	264,386	263,486	262,737	265,702	264,957	264,121	264,714	264,894	263,809
62 States and political subdivisions	19,903	19,796	19,743	19,830	19,736	19,428	19,428	19,411	19,390
63 U.S. government	549	524	506	516	496	505	531	567	558
64 Commercial banks in the United States	12,308	12,444	12,626	12,577	12,712	12,893	13,069	12,733	12,641
65 Foreign governments, official institutions, and banks	4,961	4,903	4,885	4,987	4,936	4,921	4,838	4,894	4,943
<i>Liabilities for borrowed money</i>									
66 Borrowings from Federal Reserve Banks	836	.....	3,239	1,297	535	7	12	957	383
67 Treasury tax-and-loan notes	2,101	1,952	3,678	8,806	12,407	9,374	8,420	8,192	8,150
68 All other liabilities for borrowed money ²	138,675	145,215	143,290	135,828	134,507	144,244	150,209	144,687	139,156
69 Other liabilities and subordinated notes and debentures	84,214	79,907	82,055	83,387	81,423	80,390	81,503	83,873	84,338
70 Total liabilities	772,942	767,909	778,226	758,240	758,542	772,084	786,661	778,416	764,528
71 Residual (total assets minus total liabilities) ⁴	53,314	53,420	53,332	53,164	53,127	53,678	53,775	53,501	53,317

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

4. 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, 1982

Account	Sept. 1	Sept. 8	Sept. 15	Sept. 22	Sept. 29 ^P	Oct. 6 ^P	Oct. 13 ^P	Oct. 20 ^P	Oct. 27 ^P
1 Cash items in process of collection.....	22,531	16,109	18,914	14,156	16,655	14,748	17,746	18,857	15,254
2 Demand deposits due from banks in the United States.....	1,567	1,200	1,587	1,773	1,191	1,457	1,548	1,469	1,290
3 All other cash and due from depository institutions..	5,726	5,468	8,967	5,110	4,522	5,166	7,677	6,938	6,276
4 Total loans and securities¹	144,483	142,458	143,435	142,802	142,266	144,281	146,298	145,837	144,468
<i>Securities</i>									
5 U.S. Treasury securities ²									
6 Trading account ²									
7 Investment account, by maturity.....	6,437	6,678	6,708	6,602	6,556	7,786	7,731	7,649	7,689
8 One year or less.....	1,109	1,016	1,138	1,117	991	1,068	1,062	1,098	1,100
9 Over one through five years.....	4,839	5,094	5,052	4,982	4,989	6,136	6,088	6,060	6,087
10 Over five years.....	488	568	518	503	576	581	581	491	502
11 Other securities ²									
12 Trading account ²									
13 Investment account.....	14,191	14,108	13,939	13,908	13,928	13,756	13,705	13,694	13,663
14 U.S. government agencies.....	2,054	2,042	2,022	2,015	2,084	1,965	1,956	1,962	1,919
15 States and political subdivision, by maturity.....	11,160	11,081	10,951	10,931	10,920	10,865	10,848	10,824	10,825
16 One year or less.....	1,422	1,431	1,411	1,271	1,253	1,233	1,209	1,160	1,194
17 Over one year.....	9,738	9,650	9,540	9,660	9,666	9,632	9,639	9,664	9,631
18 Other bonds, corporate stocks and securities.....	977	984	966	962	924	926	901	907	918
<i>Loans</i>									
19 Federal funds sold ³	11,690	9,989	10,524	10,687	8,982	9,019	9,562	8,835	9,924
20 To commercial banks.....	6,946	4,955	5,321	5,812	4,045	4,277	4,345	4,112	4,978
21 To nonbank brokers and dealers in securities.....	3,783	4,084	4,300	3,824	4,067	3,931	4,444	3,845	4,070
22 To others.....	961	950	902	1,051	869	810	773	878	875
23 Other loans, gross.....	115,956	115,477	116,088	115,418	116,578	117,495	119,085	119,453	117,027
24 Commercial and industrial.....	59,963	59,890	61,381	61,575	61,222	62,685	62,514	62,005	61,670
25 Bankers acceptances and commercial paper.....	1,683	1,381	1,482	1,311	1,197	1,545	1,371	1,358	1,410
26 All other.....	58,280	58,508	59,899	60,264	60,025	61,140	61,143	60,647	60,261
27 U.S. addressees.....	56,912	57,117	58,528	58,749	58,410	59,640	59,612	59,206	58,787
28 Non-U.S. addressees.....	1,368	1,391	1,371	1,516	1,615	1,500	1,531	1,441	1,474
29 Real estate.....	18,812	18,823	18,919	18,969	18,941	18,833	18,861	18,837	18,891
30 To individuals for personal expenditures.....	11,524	11,535	11,531	11,590	11,594	11,578	11,605	11,619	11,636
31 To financial institutions.....									
32 Commercial banks in the United States.....	2,019	2,835	1,961	1,879	1,986	2,168	2,168	2,466	2,202
33 Banks in foreign countries.....	2,848	3,109	3,002	2,764	2,544	2,632	3,162	2,837	2,768
34 Sales finance, personal finance companies, etc.....	5,146	4,734	4,781	4,560	4,723	4,609	4,583	4,582	4,821
35 Other financial institutions.....	5,098	4,849	4,966	4,914	4,902	4,879	5,012	4,885	4,793
36 To nonbank brokers and dealers in securities.....	5,148	4,750	4,725	4,415	5,516	4,788	5,980	7,004	5,183
37 To others for purchasing and carrying securities ⁴	616	642	618	621	649	651	660	652	652
38 To finance agricultural production.....	491	428	416	413	424	420	419	417	387
39 All other.....	4,290	3,881	3,786	3,718	4,074	4,250	4,128	4,140	4,023
40 Less: Unearned income.....	1,500	1,484	1,491	1,490	1,490	1,491	1,490	1,498	1,511
41 Loan loss reserve.....	2,292	2,309	2,333	2,325	2,289	2,283	2,294	2,296	2,324
42 Other loans, net.....	112,164	111,683	112,264	111,604	112,799	113,720	115,300	115,659	113,192
43 Lease financing receivables.....	2,091	2,090	2,112	2,092	2,093	2,066	2,094	2,093	2,074
44 All other assets ⁵	52,305	52,015	51,595	50,572	50,615	53,243	53,245	52,652	52,291
44 Total assets.....	228,703	219,340	226,610	216,504	217,342	220,962	228,609	227,846	221,653
<i>Deposits</i>									
45 Demand deposits.....	54,114	48,304	51,336	43,974	45,781	47,270	49,039	50,807	45,960
46 Mutual savings banks.....	300	306	300	260	249	329	330	286	225
47 Individuals, partnerships, and corporations.....	34,783	31,976	34,330	29,440	30,445	31,245	32,390	33,546	30,813
48 States and political subdivisions.....	602	751	1,233	607	519	1,032	648	520	440
49 U.S. government.....	140	318	1,612	508	474	316	523	616	452
50 Commercial banks in the United States.....	5,529	4,828	4,491	4,495	3,877	5,294	4,476	4,779	4,408
51 Banks in foreign countries.....	4,395	5,197	4,613	4,573	4,491	4,198	5,254	4,783	4,850
52 Foreign governments and official institutions.....	950	759	595	665	686	1,112	653	801	742
53 Certified and officers' checks.....	7,416	4,171	4,162	3,426	5,042	3,745	4,766	5,475	4,030
54 Time and savings deposits.....	76,005	75,260	74,528	74,310	72,705	73,271	73,877	74,567	75,236
55 Savings.....	9,671	9,812	9,834	9,664	9,645	10,128	10,234	10,251	10,295
56 Individuals and nonprofit organizations.....	9,342	9,475	9,498	9,332	9,311	9,779	9,892	9,907	9,962
57 Partnerships and corporations operated for profit.....	241	246	237	231	228	225	222	222	227
58 Domestic governmental units.....	85	88	97	99	105	123	118	120	105
59 All other.....	2	3	2	1	1	1	1	1	1
60 Time.....	66,333	65,447	64,694	64,646	63,060	63,143	63,643	64,316	64,941
61 Individuals, partnerships, and corporations.....	55,851	55,173	54,487	54,692	53,183	52,920	53,275	54,071	54,663
62 States and political subdivisions.....	2,442	2,384	2,372	2,333	2,300	2,368	2,474	2,443	2,539
63 U.S. government.....	224	211	197	206	195	199	194	217	216
64 Commercial banks in the United States.....	5,583	5,526	5,533	5,352	5,376	5,638	5,757	5,554	5,517
65 Foreign governments, official institutions, and banks.....	2,234	2,153	2,105	2,063	2,006	2,017	1,942	2,030	2,005
<i>Liabilities for borrowed money</i>									
66 Borrowings from Federal Reserve Banks.....	670	702	1,855	891	28	2,355	2,221	2,259	2,182
67 Treasury tax-and-loan notes.....	620	702	1,103	2,805	3,134	50,398	54,977	50,120	48,340
68 All other liabilities for borrowed money ⁶	46,156	47,430	48,651	45,339	47,864	50,398	54,977	50,120	48,340
69 Other liabilities and subordinated notes and debentures.....	32,992	29,446	30,835	31,002	29,857	29,274	30,074	31,067	31,404
70 Total liabilities.....	210,557	201,142	208,309	198,321	199,369	202,569	210,188	209,495	203,495
71 Residual (total assets minus total liabilities) ⁷	18,146	18,198	18,301	18,182	17,973	18,393	18,421	18,351	18,158

1. Excludes trading account securities.

2. Not available due to confidentiality.

3. Includes securities purchased under agreements to resell.

4. Other than financial institutions and brokers and dealers.

5. Includes trading account securities.

6. Includes federal funds purchased and securities sold under agreements to repurchase.

7. Not a measure of equity capital for use in capital adequacy analysis or for other analytic uses.

1.29 LARGE WEEKLY REPORTING COMMERCIAL BANKS Balance Sheet Memoranda

Millions of dollars, Wednesday figures, 1982

Account	Sept. 1	Sept. 8	Sept. 15	Sept. 22	Sept. 29 ^P	Oct. 6 ^P	Oct. 13 ^P	Oct. 20 ^P	Oct. 27 ^P
BANKS WITH ASSETS OF \$750 MILLION OR MORE									
1 Total loans (gross) and securities adjusted ¹	610,696	612,337	614,063	613,069	615,877	621,623	623,117	620,767	618,675
2 Total loans (gross) adjusted ¹	495,076	493,605	497,360	497,233	499,506	502,675	503,590	502,442	499,714
3 Demand deposits adjusted ²	102,733	100,639	100,115	96,450	96,742	102,044	100,087	100,800	100,893
4 Time deposits in accounts of \$100,000 or more.....	205,821	204,600	203,846	206,517	205,706	205,728	206,260	206,021	204,850
5 Negotiable CDs.....	148,387	147,230	146,708	148,832	148,198	148,055	148,414	147,832	146,628
6 Other time deposits.....	57,434	57,370	57,138	57,685	57,508	57,672	57,847	58,189	58,222
7 Loans sold outright to affiliates ³	2,833	2,835	2,820	2,855	2,861	2,750	2,815	2,790	2,883
8 Commercial and industrial.....	2,272	2,280	2,260	2,274	2,281	2,196	2,227	2,244	2,264
9 Other.....	561	555	560	582	580	554	588	546	619
BANKS WITH ASSETS OF \$1 BILLION OR MORE									
10 Total loans (gross) and securities adjusted ¹	573,444	575,060	576,458	574,888	577,792	583,712	584,990	582,554	580,380
11 Total loans (gross) adjusted ¹	467,353	465,930	469,496	468,792	471,185	474,432	475,255	474,046	471,282
12 Demand deposits adjusted ²	95,211	93,444	92,999	89,429	89,329	94,556	92,778	93,542	93,474
13 Time deposits in accounts of \$100,000 or more.....	196,729	195,528	194,665	197,291	196,287	196,430	196,977	196,706	195,529
14 Negotiable CDs.....	142,998	141,905	141,309	143,426	142,623	142,585	142,991	142,432	141,180
15 Other time deposits.....	53,731	53,623	53,355	53,865	53,664	53,846	53,985	54,274	54,349
16 Loans sold outright to affiliates ³	2,754	2,751	2,741	2,787	2,784	2,679	2,738	2,716	2,808
17 Commercial and industrial.....	2,214	2,214	2,196	2,220	2,218	2,136	2,161	2,182	2,201
18 Other.....	539	537	545	567	566	543	576	534	607
BANKS IN NEW YORK CITY									
19 Total loans (gross) and securities adjusted ^{1,4}	139,310	138,462	139,976	138,925	140,013	141,609	143,570	143,053	141,123
20 Total loans (gross) adjusted ¹	118,682	117,676	119,328	118,414	119,528	120,068	122,133	121,710	119,771
21 Demand deposits adjusted ²	25,915	27,050	26,319	24,815	24,776	26,912	26,294	26,556	25,845
22 Time deposits in accounts of \$100,000 or more.....	51,591	50,613	49,866	49,801	48,155	48,339	48,911	49,667	50,341
23 Negotiable CDs.....	40,411	39,650	39,095	38,798	37,157	37,122	37,500	38,229	38,768
24 Other time deposits.....	11,180	10,963	10,771	11,005	10,998	11,217	11,411	11,439	11,573

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, non-consolidated 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.

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

Millions of dollars, Wednesday figures, 1982

Account	Sept. 1	Sept. 8	Sept. 15	Sept. 22	Sept. 29 ^P	Oct. 6 ^P	Oct. 13 ^P	Oct. 20 ^P	Oct. 27 ^P
1 Cash and due from depository institutions	6,946	7,112	6,865	7,265	7,253	7,148	7,281	7,582	7,610
2 Total loans and securities	46,072	45,792	46,556	46,164	47,712	46,767	46,024	46,163	46,082
3 U.S. Treasury securities	1,565	1,573	1,743	1,856	1,757	1,860	2,156	2,702	2,715
4 Other securities	859	854	841	840	840	857	855	856	853
5 Federal funds sold ¹	3,344	3,005	3,760	2,884	4,042	3,287	3,046	2,558	2,943
6 To commercial banks in United States	3,115	2,546	3,554	2,824	3,758	2,918	2,822	2,339	2,722
7 To others	229	459	207	60	283	369	224	220	220
8 Other loans, gross	40,304	40,360	40,212	40,584	41,074	40,763	39,966	40,047	39,571
9 Commercial and industrial	19,369	19,579	19,601	19,543	20,136	19,331	18,857	18,918	18,677
10 Bankers acceptances and commercial paper	3,105	3,158	3,145	3,097	3,286	3,060	2,956	2,931	2,826
11 All other	16,264	16,421	16,456	16,447	16,849	16,270	15,901	15,987	15,851
12 U.S. addressees	14,060	14,279	14,455	14,459	14,896	14,340	13,977	13,892	13,832
13 Non-U.S. addressees	2,204	2,142	2,001	1,988	1,953	1,931	1,924	2,095	2,020
14 To financial institutions	15,905	15,948	15,884	16,298	16,169	16,635	16,527	16,493	16,433
15 Commercial banks in United States	12,868	13,050	13,072	13,264	13,166	13,523	13,446	13,463	13,175
16 Banks in foreign countries	2,417	2,292	2,198	2,391	2,308	2,447	2,456	2,290	2,562
17 Nonbank financial institutions	619	606	614	643	694	665	625	740	696
18 For purchasing and carrying securities	477	233	352	316	433	479	413	351	310
19 All other	4,553	4,600	4,374	4,426	4,336	4,318	4,169	4,284	4,151
20 Other assets (claims on nonrelated parties)	12,606	12,421	12,361	12,068	11,859	11,459	11,772	12,070	12,046
21 Net due from related institutions	12,459	12,514	12,220	12,063	11,153	13,066	12,900	12,401	12,612
22 Total assets	78,083	77,839	78,003	77,560	77,977	78,440	77,976	78,216	78,350
23 Deposits or credit balances ²	23,030	22,592	22,454	23,462	23,771	24,192	24,482	24,304	23,487
24 Credit balances	245	239	249	178	212	245	254	206	216
25 Demand deposits	2,048	1,988	2,064	2,081	1,906	2,163	1,985	2,159	1,961
26 Individuals, partnerships, and corporations	731	721	937	860	771	821	932	943	839
27 Other	1,317	1,267	1,126	1,221	1,135	1,342	1,053	1,216	1,122
28 Total time and savings	20,736	20,365	20,141	21,203	21,653	21,784	22,243	21,939	21,310
29 Individuals, partnerships, and corporations	17,303	17,111	16,871	17,930	18,609	18,673	19,057	18,783	18,179
30 Other	3,433	3,254	3,269	3,274	3,044	3,111	3,186	3,156	3,131
31 Borrowings ³	34,340	34,360	34,192	33,316	32,624	34,301	31,990	32,406	33,016
32 Federal funds purchased ⁴	9,451	9,690	9,735	8,499	8,058	9,572	8,541	8,374	9,379
33 From commercial banks in United States	8,612	8,758	8,559	7,440	7,227	8,743	7,677	7,412	8,482
34 From others	839	933	1,176	1,059	831	829	864	962	897
35 Other liabilities for borrowed money	24,889	24,669	24,457	24,817	24,565	24,728	23,449	24,032	23,637
36 To commercial banks in United States	22,518	22,358	22,158	22,376	22,333	22,582	21,750	21,730	21,537
37 To others	2,371	2,311	2,300	2,440	2,232	2,146	1,699	2,303	2,100
38 Other liabilities to nonrelated parties	12,428	12,159	12,141	11,800	11,629	11,269	11,596	11,638	11,825
39 Net due to related institutions	8,285	8,728	9,216	8,981	9,954	8,679	9,909	9,868	10,022
40 Total liabilities	78,083	77,839	78,003	77,560	77,977	78,440	77,976	78,216	78,350
MEMO									
41 Total loans (gross) and securities adjusted ⁵	30,088	30,197	29,931	30,076	30,788	30,326	29,755	30,361	30,184
42 Total loans (gross) adjusted ⁵	27,664	27,770	27,346	27,380	28,190	27,610	26,744	26,803	26,616

1. Includes securities purchased under agreements to resell.

2. Balances due to other than directly related institutions.

3. Borrowings from other than directly related institutions.

4. Includes securities sold under agreements to repurchase.

5. Excludes loans and federal funds transactions with commercial banks in United States

NOTE. Beginning in the week ending Dec. 9, 1981, shifts of assets and liabilities to international banking facilities (IBFs) reduced the amounts reported in some items, especially in loans to foreigners and to a lesser extent in time deposits. Based on preliminary reports, the large weekly reporting branches and agencies shifted \$22.2 billion of assets to their IBFs in the six weeks ending Jan. 13, 1982. Domestic offices net positions with IBFs are now included in net due from or net due to related institutions. More detail will be available later.

A24 Domestic Financial Statistics □ November 1982

1.30 LARGE WEEKLY REPORTING COMMERCIAL BANKS Domestic Classified Commercial and Industrial Loans
Millions of dollars

Industry classification	Outstanding					Net change during				
	1982					1982				
	June 30	July 28	Aug. 25	Sept. 29	Oct. 27 ^p	Q2	Q3	Aug.	Sept.	Oct. ^p
1 Durable goods manufacturing.....	29,079	28,520	29,117	31,451	31,258	448	2,372	597	2,334	- 193
2 Nondurable goods manufacturing	25,299	24,815	24,866	25,817	24,774	2,137	518	51	951	- 1,043
3 Food, liquor, and tobacco	4,805	4,679	4,596	4,842	4,639	254	37	- 84	246	- 203
4 Textiles, apparel, and leather	4,863	5,068	5,064	4,856	4,566	328	- 7	- 4	- 209	- 290
5 Petroleum refining.....	5,095	4,840	4,717	5,323	5,464	647	228	- 123	606	141
6 Chemicals and rubber.....	5,550	5,197	5,518	5,810	5,423	412	260	321	292	- 387
7 Other nondurable goods	4,986	5,030	4,971	4,986	4,683	496	1	- 60	16	- 304
8 Mining (including crude petro- leum and natural gas).....	28,252	27,983	27,313	28,410	29,338	2,401	158	- 669	1,097	928
9 Trade	29,187	28,570	28,320	29,063	28,967	376	- 124	- 249	742	- 96
10 Commodity dealers	1,861	1,648	1,788	1,978	2,036	- 461	116	140	190	59
11 Other wholesale.....	13,773	13,632	13,488	13,978	13,732	257	205	- 143	490	- 246
12 Retail	13,552	13,290	13,044	13,107	13,198	580	- 445	- 246	62	92
13 Transportation, communication, and other public utilities	25,002	24,962	24,751	24,917	24,964	1,372	- 84	- 212	167	46
14 Transportation	9,227	8,868	8,964	8,976	8,913	73	- 250	97	12	- 63
15 Communication	4,779	4,832	4,905	5,155	5,255	537	376	73	250	101
16 Other public utilities.....	10,997	11,263	10,882	10,786	10,795	762	- 210	- 382	- 95	9
17 Construction	7,761	7,922	7,825	7,684	7,626	509	- 76	- 97	- 141	- 58
18 Services	28,752	28,859	28,960	29,353	29,740	1,611	601	101	393	387
19 All other ¹	17,246	17,330	17,536	17,857	17,849	- 21	611	205	321	- 8
20 Total domestic loans	190,577	188,962	188,689	194,552	194,518	8,832	3,975	- 273	5,863	- 34
21 MEMO: Term loans (original maturity more than 1 year) included in domestic loans ..	89,809	87,207	87,010	89,177	89,264	2,606	- 632	- 196	2,166	87

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

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

1.31 GROSS DEMAND DEPOSITS of Individuals, Partnerships, and Corporations¹

Billions of dollars, estimated daily-average balances

Type of holder	Commercial banks								
	1978 Dec.	1979 ² Dec.	1980	1981				1982	
			Dec.	Mar. ³	June ⁴	Sept.	Dec.	Mar.	June
1 All holders—Individuals, partnerships, and corporations	294.6	302.2	315.5	280.8	↑ n.a. ↓	277.5	288.9	268.9	271.5
2 Financial business	27.8	27.1	29.8	30.8		28.2	28.0	27.8	28.6
3 Nonfinancial business	152.7	157.7	162.3	144.3		148.6	154.8	138.7	141.4
4 Consumer	97.4	99.2	102.4	86.7		82.1	86.6	84.6	83.7
5 Foreign	2.7	3.1	3.3	3.4		3.1	2.9	3.1	2.9
6 Other	14.1	15.1	17.2	15.6		15.5	16.7	14.6	15.0
Weekly reporting banks									
	1978 Dec.	1979 ⁵ Dec.	1980	1981				1982	
			Dec.	Mar. ³	June ⁴	Sept.	Dec.	Mar.	June
7 All holders—Individuals, partnerships, and corporations	147.0	139.3	147.4	133.2	↑ n.a. ↓	131.3	137.5	126.8	127.9
8 Financial business	19.8	20.1	21.8	21.9		20.7	21.0	20.2	20.2
9 Nonfinancial business	79.0	74.1	78.3	69.8		71.2	75.2	67.1	67.7
10 Consumer	38.2	34.3	35.6	30.6		28.7	30.4	29.2	29.7
11 Foreign	2.5	3.0	3.1	3.2		2.9	2.8	2.9	2.8
12 Other	7.5	7.8	8.6	7.7		7.9	8.0	7.3	7.5

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

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

3. Demand deposit ownership data for March 1981 are subject to greater than normal errors reflecting unusual reporting difficulties associated with funds shifted to negotiable order of withdrawal (NOW) accounts authorized at year-end 1980. For the household 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.

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

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 banks and are not comparable with earlier data. The following estimates in billions of dollars for December 1978 have been constructed for the new large-bank panel: financial business, 18.2; nonfinancial business, 67.2; consumer, 32.8; foreign, 2.5; other, 6.8.

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Instrument	1977 Dec.	1978 Dec.	1979 ¹ Dec.	1980 Dec.	1981 Dec.	1982					
						Apr.	May	June	July	Aug.	Sept.
	Commercial paper (seasonally adjusted)										
1 All issuers	65,051	83,438	112,803	124,524	165,508	171,866	176,210	178,842	180,669	177,182	173,836
Financial companies ²											
Dealer-placed paper ³											
2 Total	8,796	12,181	17,359	19,790	30,188	32,848	34,683	36,685	37,961	38,066	36,692
3 Bank-related (not seasonally adjusted)	2,132	3,521	2,784	3,561	6,045	7,905	8,003	7,188	6,427	6,038	5,924
Directly placed paper ⁴											
4 Total	40,574	51,647	64,757	67,854	81,660	81,585	82,390	84,774	85,684	81,707	81,347
5 Bank-related (not seasonally adjusted)	7,102	12,314	17,598	22,382	26,914	29,434	30,576	30,828	31,141	28,901	27,761
6 Nonfinancial companies ⁵	15,681	19,610	30,687	36,880	53,660	57,433	59,137	57,383	57,024	57,409	55,797
	Bankers dollar acceptances (not seasonally adjusted unless noted otherwise)										
7 Total	25,450	33,700	45,321	54,744	69,226	71,128	71,601	71,765	72,559	72,709	↑ n.a. ↓
Holder											
8 Accepting banks	10,434	8,579	9,865	10,564	10,857	12,675	11,104	10,362	11,164	11,805	
9 Own bills	8,915	7,653	8,327	8,963	9,743	11,409	9,879	9,175	9,734	10,740	
10 Bills bought	1,519	927	1,538	1,601	1,115	1,266	1,225	1,188	1,431	1,065	
Federal Reserve Banks											
11 Own account	954	1	704	776	0	0	0	0	0	0	
12 Foreign correspondents	362	664	1,382	1,791	1,442	1,329	1,234	1,348	1,250	1,239	
13 Others	13,700	24,456	33,370	41,614	56,926	57,124	59,262	60,054	60,145	59,664	
Basis											
14 Imports into United States	6,378	8,574	10,270	11,776	14,765	15,303	14,979	15,213	15,094	14,921	
15 Exports from United States	5,863	7,586	9,640	12,712	15,400	16,887	16,255	15,649	16,167	15,883	
16 All other	13,209	17,540	25,411	30,257	39,061	38,937	40,458	40,842	41,298	41,898	

1. A change in reporting instructions results in offsetting shifts in the dealer-placed and directly placed financial 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.

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

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

Percent per annum

Effective date	Rate	Effective Date	Rate	Month	Average rate	Month	Average rate
1981—Nov. 3	17.50	July 20	16.00	1981—May	19.61	1982—Jan.	15.75
9	17.00	29	15.50	June	20.03	Feb.	16.56
17	16.50	Aug. 2	15.00	July	20.39	Mar.	16.50
20	17.00	16	14.50	Aug.	20.50	Apr.	16.50
24	16.50	18	14.00	Sept.	20.08	May	16.50
Dec. 1	16.00	23	13.50	Oct.	18.45	June	16.50
1982—Feb. 2	15.75	Oct. 7	13.00	Nov.	16.84	July	16.26
18	16.50	14	12.00	Dec.	15.75	Aug.	14.39
23	17.00					Sept.	13.50
	16.50					Oct.	12.52

1.34 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, August 2-7, 1982▲

Item	All sizes	Size of loan (in thousands of dollars)						
		1-24	25-49	50-99	100-499	500-999	1,000 and over	
SHORT-TERM COMMERCIAL AND INDUSTRIAL LOANS								
1 Amount of loans (thousands of dollars)	37,561,878	936,686	665,314	816,533	1,982,909	911,670	32,248,746	
2 Number of loans	165,698	115,899	20,423	12,555	10,543	1,397	4,882	
3 Weighted-average maturity (months)	1.2	3.8	4.0	3.8	4.0	3.5	.8	
4 Weighted-average interest rate (percent per annum) ..	13.27	17.89	17.22	17.25	16.81	15.92	12.66	
5 Interquartile range ¹	11.91-13.62	17.00-18.74	16.99-17.94	16.13-18.00	16.08-18.12	15.25-17.05	11.85-12.83	
Percentage of amount of loans								
6 With floating rate	23.1	34.0	41.4	50.8	60.7	68.1	18.2	
7 Made under commitment	63.6	37.3	32.6	37.3	45.5	67.3	66.7	
8 With no stated maturity	9.8	15.0	14.2	21.0	23.2	33.1	7.8	
LONG-TERM COMMERCIAL AND INDUSTRIAL LOANS								
		1-99			350,030	158,684	3,126,644	
9 Amount of loans (thousands of dollars)	3,907,991	272,632						
10 Number of loans	25,774	23,334						
11 Weighted-average maturity (months)	46.5	36.0						
12 Weighted-average interest rate (percent per annum) ..	15.22	18.90			16.78	16.20	14.68	
13 Interquartile range ¹	12.33-16.96	17.23-19.56			16.50-17.35	15.87-17.23	12.16-16.25	
Percentage of amount of loans								
14 With floating rate	60.0	39.3			93.1	79.9	57.0	
15 Made under commitment	61.2	45.0			43.8	81.4	63.5	
CONSTRUCTION AND LAND DEVELOPMENT LOANS								
		1-24	25-49	50-99	500 and over			
16 Amount of loans (thousands of dollars)	1,371,559	166,552	80,023	89,757	326,158	709,068		
17 Number of loans	32,185	26,780	2,149	1,533	1,453	271		
18 Weighted-average maturity (months)	7.9	5.1	5.0	5.9	7.9	9.3		
19 Weighted-average interest rate (percent per annum) ..	17.19	18.29	17.79	18.59	19.19	15.77		
20 Interquartile range ¹	15.75-18.97	17.55-19.26	17.32-18.12	17.94-19.86	17.81-20.62	14.09-17.69		
Percentage of amount of loans								
21 With floating rate	63.9	26.3	92.1	21.0	94.0	61.2		
22 Secured by real estate	73.7	47.3	93.1	22.1	87.9	77.6		
23 Made under commitment	68.6	24.8	91.7	19.7	89.6	72.9		
24 With no stated maturity	5.6	.8	3.7	3.4	2.8	8.4		
Type of construction								
25 1- to 4-family	21.0	37.5	82.7	44.4	9.9	12.3		
26 Multifamily	6.7	4.6	2.6	5.4	10.1	6.2		
27 Nonresidential	72.4	57.9	14.7	50.2	80.0	81.5		
LOANS TO FARMERS								
		All sizes	1-9	10-24	25-49	50-99	100-249	250 and over
28 Amount of loans (thousands of dollars)	1,217,411	144,565	158,245	121,973	140,376	194,110	458,141	
29 Number of loans	59,556	41,163	10,914	3,734	2,105	1,251	388	
30 Weighted-average maturity (months)	5.4	5.6	5.8	5.7	6.4	6.0	4.7	
31 Weighted-average interest rate (percent per annum) ..	16.81	17.48	17.31	17.66	17.49	17.45	15.72	
32 Interquartile range ¹	16.33-17.99	16.87-18.12	16.63-18.03	17.17-18.28	17.00-17.98	17.05-17.99	15.00-17.23	
By purpose of loan								
33 Feeder livestock	16.76	17.67	17.26	18.18	17.13	17.22	15.87	
34 Other livestock	15.56	17.02	17.74	17.47	*	*	*	
35 Other current operating expenses	16.95	17.47	17.27	17.51	17.66	17.38	14.92	
36 Farm machinery and equipment	17.27	17.75	16.78	18.22	*	*	*	
37 Other	16.92	17.54	18.02	17.64	17.89	17.84	16.23	

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

2. Fewer than 10 sample loans.

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

▲ Write to the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551 about the differences in statistics because of changes in the reporting form.

1.35 INTEREST RATES Money and Capital Markets

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

Instrument	1979	1980	1981	1982				1982, week ending				
				July	Aug.	Sept.	Oct.	Oct. 1	Oct. 8	Oct. 15	Oct. 22	Oct. 29
MONEY MARKET RATES												
1 Federal funds ^{1,2}	11.19	13.36	16.38	12.59	10.12	10.31	9.71	10.12	10.77	9.60	9.53	9.44
2 Commercial paper ^{3,4}												
3 1-month	10.86	12.76	15.69	12.62	9.50	9.96	9.08	9.86	9.95	8.73	8.63	8.74
4 3-month	10.97	12.66	15.32	12.94	10.15	10.36	9.20	10.17	10.14	8.82	8.70	8.86
5 6-month	10.91	12.29	14.76	13.00	10.80	10.86	9.21	10.45	10.17	8.73	8.67	8.93
6 Finance paper, directly placed ^{5,4}												
7 1-month	10.78	12.44	15.30	12.42	9.32	9.89	8.89	9.77	9.80	8.50	8.39	8.57
8 3-month	10.47	11.49	14.08	12.24	9.62	9.65	8.60	9.42	9.28	8.31	8.24	8.36
9 6-month	10.25	11.28	13.73	12.15	9.93	9.63	8.60	9.42	9.28	8.31	8.25	8.36
10 Bankers acceptances ^{4,5}												
11 3-month	11.04	12.78	15.32	12.90	10.34	10.40	9.24	10.16	10.09	8.90	8.78	8.93
12 6-month	n.a.	n.a.	14.66	12.91	10.90	10.82	9.21	10.33	10.00	8.76	8.79	8.99
13 Certificates of deposit, secondary market ⁶												
14 1-month	11.03	12.91	15.91	12.88	10.07	10.23	9.36	10.08	10.15	9.10	8.96	9.01
15 3-month	11.22	13.07	15.91	13.44	10.61	11.66	9.51	10.43	10.46	9.16	9.02	9.14
16 6-month	11.44	12.99	15.77	13.80	11.53	11.46	9.67	10.86	10.62	9.19	9.14	9.42
17 Eurodollar deposits, 3-month ²	11.96	14.00	16.79	14.37	11.57	11.74	10.43	11.61	11.59	10.55	10.03	9.95
18 U.S. Treasury bills ⁴												
19 Secondary market ⁷												
20 3-month	10.07	11.43	14.03	11.35	8.68	7.92	7.71	7.52	7.93	7.48	7.54	7.93
21 6-month	10.06	11.37	13.80	11.88	9.88	9.37	8.29	8.85	8.86	7.82	7.93	8.39
22 1-year	9.75	10.89	13.14	11.90	10.37	9.92	8.63	9.51	9.24	8.19	8.28	8.58
23 Auction average ⁸												
24 3-month	10.041	11.506	14.077	11.914	9.006	8.196	7.750	7.801	8.102	7.429	7.437	8.031
25 6-month	10.017	11.374	13.811	12.236	10.105	9.539	8.299	9.196	9.229	7.734	7.762	8.472
26 1-year	9.817	10.748	13.159	12.318	11.195	10.286	9.521		9.521			
CAPITAL MARKET RATES												
U.S. Treasury notes and bonds ⁹												
Constant maturities ¹⁰												
27 1-year	10.67	12.05	14.78	13.24	11.43	10.85	9.32	10.34	10.05	8.82	8.89	9.26
28 2-year	10.12	11.77	14.56	13.80	12.32	11.78	10.19	11.37	10.95	9.80	9.80	9.93
29 2-1/2-year ¹¹									11.10		10.20	
30 3-year	9.71	11.55	14.44	14.00	12.62	12.03	10.62	11.60	11.19	10.27	10.28	10.52
31 5-year	9.52	11.48	14.24	14.07	13.00	12.25	10.80	11.74	11.29	10.46	10.50	10.73
32 7-year	9.48	11.43	14.06	14.07	13.14	12.36	10.88	11.77	11.32	10.55	10.63	10.84
33 10-year	9.44	11.46	13.91	13.95	13.06	12.34	10.91	11.78	11.33	10.57	10.67	10.87
34 20-year	9.33	11.39	13.72	13.76	12.91	12.16	10.97	11.65	11.35	10.62	10.77	10.97
35 30-year	9.29	11.30	13.44	13.55	12.77	12.07	11.17	11.76	11.56	10.87	10.93	11.16
36 Composite ¹²												
37 Over 10 years (long-term)	8.74	10.81	12.87	12.97	12.15	11.48	10.51	11.18	10.94	10.20	10.27	10.44
State and local notes and bonds												
Moody's series ¹³												
38 Aaa	5.92	7.85	10.43	11.47	10.68	9.76	8.94	10.00	9.30	8.25	8.80	9.40
39 Baa	6.73	9.01	11.76	13.17	12.36	11.75	10.51	11.25	10.70	10.20	10.40	10.75
40 Bond Buyer series ¹⁴	6.52	8.59	11.33	12.28	11.23	10.66	9.69	10.48	9.75	9.25	9.69	10.05
Corporate bonds												
Seasoned issues ¹⁵												
41 All industries	10.12	12.75	15.06	15.70	15.06	14.34	13.54	14.09	13.91	13.40	13.35	13.40
42 Aaa	9.63	11.94	14.17	14.61	13.71	12.94	12.12	12.66	12.49	11.94	11.95	12.00
43 Aa	9.94	12.50	14.75	15.21	14.48	13.72	12.97	13.44	13.29	12.86	12.80	12.86
44 A	10.20	12.89	15.29	16.20	15.70	15.07	14.34	14.84	14.66	14.29	14.16	14.15
45 Baa	10.69	13.67	16.04	16.80	16.32	15.63	14.73	15.40	15.21	14.53	14.48	14.57
46 Aaa utility bonds ¹⁶												
47 New issue	10.03	12.74	15.56	15.61	13.95	13.50	12.20	13.31	12.35	11.77	11.94	12.20
48 Recently offered issues	10.02	12.70	15.56	15.61	14.47	13.57	12.34	13.30	12.43	12.22	12.06	12.15
MEMO: Dividend/price ratio ¹⁷												
49 Preferred stocks	9.07	10.57	12.36	13.24	12.78	12.41	11.71	12.35	12.21	11.60	11.55	11.46
50 Common stocks	5.46	5.25	5.41	6.31	6.32	5.63	5.12	5.66	5.46	5.03	4.93	5.05

1. Weekly and monthly figures are averages of all calendar days, where the rate for a weekend or holiday is taken to be the rate prevailing on the preceding business day. The daily rate is the average of the rates on a given day weighted by the volume of transactions at these rates.

2. Weekly figures are statement week averages—that is, averages for the week ending Wednesday.

3. Unweighted average of offering rates quoted by at least five dealers (in the case of commercial paper), or finance companies (in the case of finance paper). Before November 1979, maturities for data shown are 30–59 days, 90–119 days, and 120–179 days for commercial paper; and 30–59 days, 90–119 days, and 150–179 days for finance paper.

4. Yields are quoted on a bank-discount basis, rather than an investment yield basis (which would give a higher figure).

5. Dealer closing offered rates for top-rated banks. Most representative rate (which may be, but need not be, the average of the rates quoted by the dealers).

6. Unweighted average of offered rates quoted by at least five dealers early in the day.

7. Unweighted average of closing bid rates quoted by at least five dealers.

8. Rates are recorded in the week in which bills are issued.

9. Yields are based on closing bid prices quoted by at least five dealers.

10. Yields adjusted to constant maturities by the U.S. Treasury. That is, yields are read from a yield curve at fixed maturities. Based on only recently issued, actively traded securities.

11. Each 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 rate is used to determine the maximum interest rate payable in the following two-week period on small saver certificates. (See table 1.16.)

12. Unweighted averages of yields (to maturity or call) 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.

14. General obligations only, with 20 years to maturity, issued by 20 state and local governmental units of mixed quality. Based on figures for Thursday.

15. Daily figures from Moody's Investors Service. Based on yields to maturity on selected long-term bonds.

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

17. Standard and Poor's corporate series. Preferred stock ratio based on a sample of ten issues: four public utilities, four industrials, one financial, and one transportation. Common stock ratios on the 500 stocks in the price index.

1.36 STOCK MARKET Selected Statistics

Indicator	1979	1980	1981	1982									
				Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	
Prices and trading (averages of daily figures)													
Common stock prices													
1 New York Stock Exchange (Dec. 31, 1965 = 50)	55.67	68.06	74.02	66.16	63.86	66.97	67.07	63.10	62.82	62.91	70.21	76.10	
2 Industrial	61.82	78.64	85.44	74.78	71.51	75.59	75.97	71.59	71.37	70.98	80.08	86.67	
3 Transportation	45.20	60.52	72.61	59.09	55.19	57.91	56.84	53.07	53.40	53.98	61.39	66.64	
4 Utility	36.46	37.35	38.90	38.32	38.57	39.20	39.40	37.34	37.20	38.19	40.36	42.67	
5 Finance	58.65	64.28	73.52	70.50	69.08	71.44	69.16	63.19	61.59	62.84	69.66	80.59	
6 Standard & Poor's Corporation (1941-43 = 10) ¹	107.94	118.71	128.05	114.50	110.84	116.31	116.35	109.70	109.38	109.65	122.43	132.66	
7 American Stock Exchange (Aug. 31, 1973 = 100)	186.56	300.94	343.58	275.10	255.08	271.15	272.88	254.72	250.63	253.54	286.22	308.74	
Volume of trading (thousands of shares)													
8 New York Stock Exchange	32,233	44,867	46,967	51,169	55,227	54,116	51,328	50,481	54,530 ^r	76,031	73,710	98,508	
9 American Stock Exchange	4,182	6,377	5,346	4,400	4,329	3,937	4,292	3,720	3,611	5,567	5,064	7,828	
Customer financing (end-of-period balances, in millions of dollars)													
10 Regulated margin credit at brokers-dealers ²	11,619	14,721	14,411	13,023	12,095	12,202	12,237	11,783	11,729	11,396	11,208	↑ n.a. ↓	
11 Margin stock ³	11,450	14,500	14,150	12,770	11,840	11,950	11,990	11,540	11,470	11,150	10,950		
12 Convertible bonds	167	219	259	251	249	251	246	242	258	245	257		
13 Subscription issues	2	2	2	2	6	1	1	1	1	1	1		
Free credit balances at brokers ⁴													
14 Margin-account	1,105	2,105	3,515	3,755	3,895	4,145	4,175	4,215	4,410	4,470	4,990	↑ n.a. ↓	
15 Cash-account	4,060	6,070	7,150	6,595	6,510	6,270	6,355	6,345	6,730	7,550	7,475		
Margin-account debt at brokers (percentage distribution, end of period)													
16 Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	↑ n.a. ↓	
By equity class (in percent) ⁵													
17 Under 40	16.0	14.0	37.0	44.0	39.0	34.0	40.0	43.0	44.0	30.0	27.0		
18 40-49	29.0	30.0	21.0	22.0	24.0	25.0	24.0	21.0	23.0	26.0	26.0		
19 50-59	27.0	25.0	22.0	15.0	16.0	18.0	15.0	16.0	13.0	18.0	20.0		
20 60-69	14.0	14.0	10.0	8.0	10.0	10.0	9.0	9.0	9.0	12.0	12.0		
21 70-79	8.0	9.0	6.0	6.0	6.0	7.0	6.0	6.0	6.0	8.0	8.0		
22 80 or more	7.0	8.0	6.0	5.0	5.0	6.0	5.0	5.0	5.0	6.0	7.0		
Special miscellaneous-account balances at brokers (end of period)													
23 Total balances (millions of dollars) ⁶	16,150	21,690	25,870	26,850	28,030	28,252	28,521	29,798	29,773	31,102	31,644	↑ n.a. ↓	
Distribution by equity status (percent)													
24 Net credit status	44.2	47.8	58.0	58.0	59.0	57.0	58.0	59.0	59.0	60.0	61.0		
25 Debt status, equity of	47.0	44.4	31.0	30.0	28.0	29.0	29.0	28.0	26.0	28.0	27.0		
26 60 percent or more	8.8	7.7	11.0	12.0	13.0	13.0	13.0	13.0	14.0	12.0	12.0		
Margin requirements (percent of market value and effective date) ⁷													
	Mar. 11, 1968	June 8, 1968	May 6, 1970	Dec. 6, 1971	Nov. 24, 1972	Jan. 3, 1974							
27 Margin stocks	70	80	65	55	65	50							
28 Convertible bonds	50	60	50	50	50	50							
29 Short sales	70	80	65	55	65	50							

1. Effective July 1976, includes a new financial group, banks and insurance companies. With this change the index includes 400 industrial stocks (formerly 425), 20 transportation (formerly 15 rail), 40 public utility (formerly 60), and 40 financial.

2. Margin credit includes all credit extended to purchase or carry stocks or related equity instruments and secured at least in part by stock. Credit extended is end-of-month data for member firms of the New York Stock Exchange.

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

3. A distribution of this total by equity class is shown on lines 17-22.

4. Free credit balances are in accounts with no unfulfilled commitments to the brokers and are subject to withdrawal by customers on demand.

5. Each customer's equity in his collateral (market value of collateral less net debit balance) is expressed as a percentage of current collateral values.

6. Balances that may be used by customers as the margin deposit required for additional purchases. Balances may arise as transfers based on loan values of other collateral in the customer's margin account or deposits of cash (usually sales proceeds) occur.

7. Regulations G, T, and U of the Federal Reserve Board of Governors, prescribed in accordance with the Securities Exchange Act of 1934, limit the amount of credit to purchase and carry margin stocks that may be extended on securities as collateral by prescribing a maximum loan value, which is a specified percentage of the market value of the collateral at the time the credit is extended. Margin requirements are the difference between the market value (100 percent) and the maximum loan value. The term "margin stocks" is defined in the corresponding regulation.

1.37 SELECTED FINANCIAL INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1979	1980	1981	1982								
			Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug. ^r	Sept. ^p
Savings and loan associations												
1 Assets	578,962	630,712	663,844	667,600	671,895	678,039	681,368	686,942	692,245	697,354	703,061	692,389
2 Mortgages	475,688	503,192	518,350	517,493	516,284	515,896	514,475	513,807	512,746	510,413	509,500	495,408
3 Cash and investment securities ¹	46,341	57,928	62,756	64,089	66,585	67,758	67,859	69,931	70,451	72,477	73,761	74,590
4 Other	56,933	69,592	82,738	86,018	89,026	94,835	99,034	103,204	109,228	114,464	119,800	122,391
5 Liabilities and net worth	578,962	630,712	663,844	667,600	671,895	678,039	681,368	686,942	692,425	697,354	703,061	692,389
6 Savings capital	470,004	511,636	524,374	526,382	529,064	535,566	532,899	534,517	537,965	539,127	541,941	546,949
7 Borrowed money	55,232	64,586	89,097	89,099	89,465	91,013	93,883	94,440	97,177	98,762	99,134	100,016
8 FHLBB	40,441	47,045	62,794	62,581	62,690	63,639	65,347	65,216	66,925	67,019	66,374	65,465
9 Other	14,791	17,541	26,303	26,518	26,775	27,374	28,536	29,224	30,252	31,743	32,760	34,551
10 Loans in process	9,582	8,767	6,369	6,249	6,144	6,399	6,550	6,748	7,087	7,231	7,471	8,002
11 Other	11,506	12,394	15,612	18,356	20,145	18,574	22,012	25,819	24,732	27,433	30,023	21,043
12 Net worth ²	32,638	33,329	28,392	27,514	27,077	26,487	26,024	25,418	25,454	24,801	24,492	24,381
13 MEMO: Mortgage loan commitments outstanding ³	16,007	16,102	15,225	15,131	15,397	15,582	16,375	16,622	16,828	15,924	16,943	17,264
Mutual savings banks ⁴												
14 Assets	163,405	171,564	175,728	175,938	175,763	174,776	174,813	174,952	175,091	175,563	175,563	↑

For notes see bottom of opposite page.

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year 1980	Fiscal year 1981	Fiscal year 1982	Calendar year					
				1981		1982	1982		
				H1	H2	H1	July	Aug.	Sept.
<i>U.S. budget</i>									
1 Receipts ¹	517,112	599,272	617,766	317,304	301,777	322,478	44,675	44,924	59,694
2 Outlays ^{1,2}	576,675	657,204	728,424	333,115	358,558	348,678	64,506	59,628	61,403
3 Surplus, or deficit (-)	-59,563	-57,932	-110,658	-15,811	-56,780	-26,200	-19,831	-14,704	-1,708
4 Trust funds	8,801	6,817	5,456	5,797	-8,085	-17,690	-6,171	-1,997	10,246
5 Federal funds ³	-68,364	-64,749	-116,115	-21,608	-48,697	-43,889	-13,660	-12,707	-11,954
<i>Off-budget entities (surplus, or deficit (-))</i>									
6 Federal Financing Bank outlays	-14,549	-20,769	-14,142	-11,046	-8,728	-7,942	-939	-1,336	-1,371
7 Other ⁴	303	-236	-3,190	-900	-1,752	227	-192	-711	-1,495
<i>U.S. budget plus off-budget, including Federal Financing Bank</i>									
8 Surplus, or deficit (-)	-73,808	-78,936	-127,989	-27,757	-67,260	-33,914	-20,962	-16,751	-4,575
<i>Source or financing</i>									
9 Borrowing from the public	70,515	79,329	134,912	33,213	54,081	41,728	14,348	21,086	22,129
10 Cash and monetary assets (decrease, or increase (-)) ⁵	-355	-1,878	-11,936	2,873	-1,111	-408	1,061	2,338	-20,648
11 Other ⁶	3,648	1,485	5,013	-8,328	14,290	-7,405	5,553	-6,673	3,094
<i>MEMO:</i>									
12 Treasury operating balance (level, end of period)	20,990	18,670	29,164	16,389	12,046	10,999	10,398	8,019	29,164
13 Federal Reserve Banks	4,102	3,520	10,975	2,923	4,301	4,099	3,275	3,234	10,975
14 Tax and loan accounts	16,888	15,150	18,189	13,466	7,745	6,900	7,123	4,785	18,189

1. The *Budget of the U.S. Government, Fiscal Year 1983*, has reclassified supplemental medical insurance premiums and voluntary hospital insurance premiums, previously included in other social insurance receipts, as offsetting receipts in the health function.

2. Effective Oct. 1, 1980, the Pension Benefit Guaranty Corporation was reclassified from an off-budget agency to an on-budget agency in the Department of Labor.

3. Half-year figures are calculated as a residual (total surplus/deficit less trust fund surplus/deficit).

4. Other off-budget includes Postal Service Fund; Rural Electrification and Telephone Revolving Fund; and Rural Telephone Bank; it also includes petroleum acquisition and transportation and strategic petroleum reserve effective November 1981.

5. Includes U.S. Treasury operating cash accounts; special drawing rights; gold tranche drawing rights; loans to International Monetary Fund; and other cash and monetary assets.

6. Includes accrued interest payable to the public; allocations of special drawing rights; deposit funds; miscellaneous liability (including checks outstanding) and asset accounts; seigniorage; increment on gold; net gain/loss for U.S. currency valuation adjustment; net gain/loss for IMF valuation adjustment; and profit on the sale of gold.

SOURCE: "Monthly Treasury Statement of Receipts and Outlays of the U.S. Government," *Treasury Bulletin*, and the *Budget of the United States Government, Fiscal Year 1983*.

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 NAMS reports that, effective April 1979, balance sheet data are not strictly comparable with previous months. Beginning April 1979, data are reported on a net-of-valuation-reserves basis. Before that date, data were reported on a gross-of-valuation-reserves basis.

5. Beginning April 1979, includes obligations of U.S. government agencies. Before that date, this item was included in "Corporate and other."

6. Includes securities of foreign governments and international organizations and, before April 1979, nonguaranteed issues of U.S. government agencies.

7. Excludes checking, club, and school accounts.

8. Commitments outstanding (including loans in process) of banks in New York State as reported to the Savings Banks Association of the state of New York.

9. Direct and guaranteed obligations. Excludes federal agency issues not guaranteed, which are shown in the table under "Business" securities.

10. Issues of foreign governments and their subdivisions and bonds of the International Bank for Reconstruction and Development.

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

Mutual savings banks: Estimates of National Association of Mutual Savings Banks for all savings banks in the United States.

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

Credit unions: Estimates by the National Credit Union Administration for a group of federal and 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 1980	Fiscal year 1981	Fiscal year 1982	Calendar year					
				1981		1982	1982		
				H1	H2	H1	July	Aug.	Sept.
RECEIPTS									
1 All sources ¹	517,112	599,272	617,766	317,304	301,777	322,478	44,675	44,924	59,694
2 Individual income taxes, net	244,069	285,917	298,111	142,889	147,035	150,565	23,987	20,867	32,592
3 Withheld	223,763	256,332	267,474	126,101	134,199	133,575	23,769	20,521	21,814
4 Presidential Election Campaign Fund	39	41	39	36	5	34	4	1	0
5 Nonwithheld	63,746	76,844	85,096	59,907	17,391	66,174	2,233	1,529	11,429
6 Refunds	43,479	47,299	54,498	43,155	4,559	49,217	2,019	1,185	651
Corporation income taxes									
7 Gross receipts	72,380	73,733	65,991	44,048	31,056	37,836	2,445	1,694	8,118
8 Refunds	7,780	12,596	16,784	6,565	738	8,028	1,844	1,271	1,972
9 Social insurance taxes and contributions, net	157,803	182,720	201,131	101,316	91,592	108,079	14,874	17,961	15,608
10 Payroll employment taxes and contributions ²	133,042	156,953	172,744	83,851	82,984	88,795	13,860	14,823	14,283
11 Self-employment taxes and contributions ³	5,723	6,041	7,941	6,240	244	7,357	-649	0	790
12 Unemployment insurance	15,336	16,129	16,234	9,205	6,355	9,809	1,292	2,743	167
13 Other net receipts ^{1,4}	3,702	3,598	4,212	2,020	2,009	2,119	370	396	368
14 Excise taxes	24,329	40,839	36,311	21,945	22,097	17,525	2,774	2,828	2,732
15 Customs deposits	7,174	8,083	8,854	3,926	4,661	4,310	773	747	688
16 Estate and gift taxes	6,389	6,787	7,991	3,259	3,742	4,208	624	681	595
17 Miscellaneous receipts ⁵	12,748	13,790	16,161	6,487	8,441	7,984	1,042	1,418	1,333
OUTLAYS									
18 All types ^{1,6}	576,675	657,204	728,424	333,115	358,558	346,286	64,506	59,628	61,403
19 National defense	135,856	159,765	187,397	80,005	87,421	93,154	16,757	15,318	16,983
20 International affairs	10,733	11,130	9,983	5,999	4,655	5,183	460	395	1,435
21 General science, space, and technology	5,722	6,359	7,096	3,314	3,388	3,370	552	620	519
22 Energy	6,313	10,277	4,844	5,677	4,394	2,814	171	256	71
23 Natural resources and environment	13,812	13,525	13,086	6,476	7,296	5,636	1,161	1,172	1,311
24 Agriculture	4,762	5,572	14,808	3,101	5,181	7,087	831	707	1,044
25 Commerce and housing credit	7,788	3,946	3,843	2,073	1,825	1,410	996	-385	-402
26 Transportation	21,120	23,381	20,589	11,991	10,753	9,915	1,608	1,836	2,054
27 Community and regional development	10,068	9,394	7,410	4,621	4,269	3,193	502	675	708
28 Education, training, employment, social services	30,767	31,402	25,411	15,928	13,878	12,595	1,838	2,408	1,696
29 Health ¹	55,220	65,982	74,018	33,113	35,322	37,213	6,275	6,356	6,499
30 Income security ⁶	193,100	225,099	248,807	113,490	129,269	112,782	22,385	20,346	21,612
31 Veterans benefits and services	21,183	22,988	23,973	10,531	12,880	10,865	3,099	997	1,928
32 Administration of justice	4,570	4,698	4,648	2,344	2,290	2,334	376	427	401
33 General government	4,505	4,614	4,833	2,692	2,311	2,410	207	630	365
34 General-purpose fiscal assistance	8,584	6,856	6,161	3,015	3,043	3,325	1,165	38	32
35 Interest	64,504	82,537	100,777	41,178	47,667	50,070	7,158	8,871	6,931
36 Undistributed offsetting receipts ⁷	-21,933	-30,320	-29,261	-12,432	-17,281	-14,680	-1,036	-1,038	-1,785

1. The *Budget of the U.S. Government, Fiscal Year 1983* has reclassified supplemental medical insurance premiums and voluntary hospital insurance premiums, previously included in other social insurance receipts, as offsetting receipts in the health function.

2. Old-age, disability, and hospital insurance, and railroad retirement accounts.

3. Old-age, disability, and hospital insurance.

4. Federal employee retirement contributions and civil service retirement and disability fund.

5. Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts.

6. 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.

7. Consists of interest received by trust funds, rents and royalties on the outer continental shelf, and U.S. government contributions for employee retirement.

SOURCE: "Monthly Treasury Statement of Receipts and Outlays of the U.S. Government" and the *Budget of the U.S. Government, Fiscal Year 1983*.

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars

Item	1980			1981				1982	
	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30
1 Federal debt outstanding	884.4	914.3	936.7	970.9	977.4	1,003.9	1,034.7	1,066.4	1,084.7
2 Public debt securities	877.6	907.7	930.2	964.5	971.2	997.9	1,028.7	1,061.3	1,079.6
3 Held by public	682.7	710.0	737.7	773.7	771.3	789.8	825.5	858.9	867.9
4 Held by agencies	194.9	197.7	192.5	190.9	199.9	208.1	203.2	202.4	211.7
5 Agency securities	6.8	6.6	6.5	6.4	6.2	6.1	6.0	5.1	5.0
6 Held by public	5.3	5.1	5.0	4.9	4.7	4.6	4.6	3.9	3.9
7 Held by agencies	1.5	1.5	1.5	1.5	1.5	1.5	1.4	1.2	1.1
8 Debt subject to statutory limit	878.7	908.7	931.2	965.5	972.2	998.8	1,029.7	1,062.2	1,080.5
9 Public debt securities	877.0	907.1	929.6	963.9	970.6	997.2	1,028.1	1,060.7	1,079.0
10 Other debt ¹	1.7	1.6	1.6	1.6	1.6	1.6	1.6	1.5	1.5
11 MEMO: Statutory debt limit	925.0	925.0	935.1	985.0	985.0	999.8	1,079.8	1,079.8	1,143.1

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

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

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

Billions of dollars, end of period

Type and holder	1978	1979	1980	1981	1982				
					June	July	Aug.	Sept.	Oct.
1 Total gross public debt	789.2	845.1	930.2	1,028.7	1,079.6	1,089.6	1,109.2	1,142.0	1,142.8
By type									
2 Interest-bearing debt	782.4	844.0	928.9	1,027.3	1,078.4	1,083.3	1,108.1	1,140.9	1,136.8
3 Marketable	487.5	530.7	623.2	720.3	764.0	774.1	801.4	824.4	824.7
4 Bills	161.7	172.6	216.1	245.0	256.0	262.0	273.1	277.9	283.9
5 Notes	265.8	283.4	321.6	375.3	406.9	411.1	457.4	442.9	438.1
6 Bonds	60.0	74.7	85.4	99.9	101.1	101.0	100.9	103.6	102.7
7 Nonmarketable ¹	294.8	313.2	305.7	307.0	314.4	309.2	306.7	316.5	312.2
8 Convertible bonds ²	2.2	2.2							
9 State and local government series	24.3	24.6	23.8	23.0	23.4	23.4	23.5	23.6	23.8
10 Foreign issues ³	29.6	28.8	24.0	19.0	17.5	16.6	15.6	14.6	14.6
11 Government	28.0	23.6	17.6	14.9	13.8	13.6	12.5	12.2	12.2
12 Public	1.6	5.3	6.4	4.1	3.6	3.1	3.1	2.4	2.4
13 Savings bonds and notes	80.9	79.9	72.5	68.1	67.4	67.4	67.4	67.5	67.8
14 Government account series ⁴	157.5	177.5	185.1	196.7	206.0	201.5	119.9	210.5	205.7
15 Non-interest-bearing debt	6.8	1.2	1.3	1.4	1.2	1.1	1.1	1.2	6.0
By holder ⁵									
16 U.S. government agencies and trust funds	170.0	187.1	192.5	203.3	211.7	206.7	205.8		
17 Federal Reserve Banks	109.6	117.5	121.3	131.0	127.0	129.4			
18 Private investors	508.6	540.5	616.4	694.5	740.9	749.6			
19 Commercial banks	93.2	96.4	116.0	109.4	117.0	110.0			
20 Mutual savings banks	5.0	4.7	5.4	5.2	5.7	5.6			
21 Insurance companies	15.7	16.7	20.1	19.1	22.2	22.6			
22 Other companies	19.6	22.9	25.7	37.8	38.9	39.9	n.a.	n.a.	n.a.
23 State and local governments	64.4	69.9	78.8	85.6	91.2	88.7			
Individuals									
24 Savings bonds	80.7	79.9	72.5	68.0	67.4	67.4			
25 Other securities	30.3	36.2	56.7	75.6	78.8	79.0			
26 Foreign and international ⁶	137.8	124.4	127.7	141.4	141.9	143.3			
27 Other miscellaneous investors ⁷	58.9	90.1	106.9	152.3	177.8	193.1			

1. Includes (not shown separately): Securities issued to the Rural Electrification Administration, depository bonds, retirement plan bonds, and individual retirement bonds.

2. These nonmarketable bonds, also known as Investment Series B Bonds, may be exchanged (or converted) at the owner's option for 1½ percent, 5-year marketable Treasury notes. Convertible bonds that have been so exchanged are removed from this category and recorded in the notes category (line 5).

3. Nonmarketable dollar-denominated and foreign currency-denominated series held by foreigners.

4. Held almost entirely by U.S. government agencies and trust funds.

5. Data for Federal Reserve Banks and U.S. government agencies and trust funds are actual holdings; data for other groups are Treasury estimates.

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

7. Includes savings and loan associations, nonprofit institutions, corporate pension trust funds, dealers and brokers, certain government deposit accounts, and government sponsored agencies.

NOTE: Gross public debt excludes guaranteed agency securities. Data by type of security from *Monthly Statement of the Public Debt of the United States* (U.S. Treasury Department); data by holder from *Treasury Bulletin*.

1.42 U.S. GOVERNMENT MARKETABLE SECURITIES Ownership, by maturity—Series discontinued.

A34 Domestic Financial Statistics □ November 1982

1.43 U.S. GOVERNMENT SECURITIES DEALERS Transactions

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

Item	1979	1980	1981	1982			1982, week ending Wednesday				
				July ¹	Aug. ¹	Sept.	Sept. 22 ¹	Sept. 29	Oct. 6	Oct. 13	Oct. 20
Immediate delivery ¹											
1 U.S. government securities.....	13,183	18,331	24,728	34,328	40,729	38,127	41,177	40,467	36,716	46,381	30,005
<i>By maturity</i>											
2 Bills.....	7,915	11,413	14,768	21,385	23,423	21,039	22,122	18,803	20,804	23,467	15,194
3 Other within 1 year.....	454	421	621	898	1,093	1,179	1,323	1,118	936	1,031	784
4 1-5 years.....	2,417	3,330	4,360	6,102	8,713	7,344	10,266	8,569	7,393	10,283	6,201
5 5-10 years.....	1,121	1,464	2,451	3,659	4,181	4,920	3,930	6,498	4,024	6,027	4,102
6 Over 10 years.....	1,276	1,704	2,528	2,285	3,319	3,644	3,537	5,480	3,559	5,573	3,724
<i>By type of customer</i>											
7 U.S. government securities dealers.....	1,448	1,484	1,640	1,867	1,984	1,844	1,908	1,574	1,807	1,576	1,408
8 U.S. government securities brokers.....	5,170	7,610	11,750	16,766	19,621	17,855	18,698	19,317	18,525	22,771	14,901
9 All others ²	6,564	9,237	11,337	15,695	19,123	18,428	20,572	19,577	16,383	22,035	13,696
10 Federal agency securities.....	2,723	3,258	3,306	4,251	4,977	4,653	4,925	5,356	4,775	7,398	6,005
11 Certificates of deposit.....	1,764	2,472	4,477	6,395	5,381	4,542	4,808	4,547	4,794	7,738	5,026
12 Bankers acceptances.....			1,807	3,056	2,787	2,376	2,316	2,471	2,476	3,941	3,173
13 Commercial paper.....			6,128	7,877	7,685	7,669	7,708	6,857	8,315	7,708	7,050
Futures transactions ³											
14 Treasury bills.....			3,523	5,271	6,404	5,603	6,382	4,234	4,328	6,261	4,093
15 Treasury coupons.....			1,330	1,094	1,573	2,327	3,363	2,657	2,882	3,583	2,711
16 Federal agency securities.....	n.a.	n.a.	234	292	331	262	311	225	281	455	298
Forward transactions ⁴											
17 U.S. government securities.....			365	495	1,043	1,752	2,444	1,744	614	878	713
18 Federal agency securities.....			1,370	634	815	987	1,104	897	813	1,275	1,162

1. Before 1981, data for immediate transactions include forward transactions.

2. Includes, among others, all other dealers and brokers in commodities and securities, nondealer departments of commercial banks, foreign banking agencies, and the Federal Reserve System.

3. Futures contracts are standardized agreements arranged on an organized exchange in which parties commit to purchase or sell securities for delivery at a future date.

4. Forward transactions are agreements arranged in the over-the-counter market in which securities are purchased (sold) for delivery after 5 business days from the

date of the transaction for government securities (Treasury bills, notes, and bonds) or after 30 days for mortgage-backed agency issues.

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

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

1.44 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing

Averages of daily figures, in millions of dollars

Item	1979	1980	1981	1982			1982, week ending Wednesday				
				July ¹	Aug. ¹	Sept.	Sept. 1 ¹	Sept. 8	Sept. 15	Sept. 22	Sept. 29
Positions											
Net immediate ¹											
1 U.S. government securities.....	3,223	4,306	9,033	9,214	4,957	2,068	1,215	3,717	3,383	904	1,012
2 Bills.....	3,813	4,103	6,485	5,768	1,330	242	-1,642	1,532	3,042	-383	-2,219
3 Other within 1 year.....	-325	-1,062	-1,526	-583	-632	-534	-655	-521	-664	-641	-403
4 1-5 years.....	-455	434	1,488	2,555	2,642	1,419	2,018	741	114	1,677	2,797
5 5-10 years.....	160	166	292	-417	-264	-327	-25	250	-342	-886	-385
6 Over 10 years.....	30	665	2,294	1,890	-1,880	1,268	1,518	1,714	1,233	1,137	1,223
7 Federal agency securities.....	1,471	797	2,277	2,872	3,556	4,416	3,423	3,866	4,091	4,509	5,036
8 Certificates of deposit.....	2,794	3,115	3,435	7,726	7,834	6,467	6,539	6,438	6,462	6,710	6,292
9 Bankers acceptances.....			1,746	3,026	3,210	2,778	2,988	3,082	2,828	2,644	2,554
10 Commercial paper.....	↑	↑	2,658	3,779	3,658	3,555	3,448	3,513	3,418	3,463	3,642
Futures positions											
11 Treasury bills.....	n.a.	n.a.	-8,934	-1,498	6,200	5,262	7,512	7,830	7,750	3,496	2,486
12 Treasury coupons.....			-2,733	-1,983	-2,112	-1,448	-1,863	-1,682	-1,124	-1,286	-1,739
13 Federal agency securities.....			522	32	-285	-569	-438	-483	-499	-546	-718
Forward positions											
14 U.S. government securities.....	↓	↓	-603	-444	-654	-2,117	-2,001	-2,938	-3,951	-2,639	659
15 Federal agency securities.....			-451	-1,227	-1,222	-1,689	-1,289	-1,202	-1,598	-1,879	-1,997
Financing ²											
Reverse repurchase agreements ³	↑	↑									
16 Overnight and continuing.....			14,568	27,391	29,374	30,477	32,046	28,674	29,207	31,499	30,961
17 Term agreements.....			32,048	44,136	50,497	49,870	49,411	48,508	50,648	51,022	49,760
Repurchase agreements ⁴											
18 Overnight and continuing.....	n.a.	n.a.	35,919	54,660	50,318	45,342	47,107	41,203	45,704	46,568	46,128
19 Term agreements.....	↓	↓	29,449	37,821	48,692	50,617	50,409	51,316	50,764	49,980	50,617

For notes see opposite page.

1.45 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1978	1979	1980	1982						
				Feb.	Mar.	Apr.	May	June	July	Aug.
1 Federal and federally sponsored agencies¹	137,063	163,290	193,229	226,539	228,749	232,274	234,593	238,787	242,565	n.a.
2 Federal agencies	23,488	24,715	28,606	30,806	31,408	31,613	31,551	32,274	32,302	32,280
3 Defense Department ²	968	738	610	460	454	447	434	419	408	399
4 Export-Import Bank ^{3,4}	8,711	9,191	11,250	12,861	13,421	13,475	13,416	13,939	13,938	13,918
5 Federal Housing Administration ⁵	588	537	477	397	382	376	363	358	353	345
6 Government National Mortgage Association participation certificates ⁶	3,141	2,979	2,817	2,165	2,165	2,165	2,165	2,165	2,165	2,165
7 Postal Service ⁷	2,364	1,837	1,770	1,538	1,538	1,538	1,471	1,471	1,471	1,471
8 Tennessee Valley Authority	7,460	8,997	11,190	13,187	13,250	13,410	13,500	13,715	13,760	13,775
9 United States Railway Association ⁷	356	436	492	198	198	202	202	207	207	207
10 Federally sponsored agencies ¹	113,575	138,575	164,623	195,733	197,341	200,661	203,042	206,513	210,263	n.a.
11 Federal Home Loan Banks	27,563	33,330	41,258	57,743	58,839	59,937	60,772	61,883	62,058	n.a.
12 Federal Home Loan Mortgage Corporation	2,262	2,771	2,536	2,604	2,500	2,500	2,500	3,099	3,099	n.a.
13 Federal National Mortgage Association	41,080	48,486	55,185	59,018	59,270	60,478	61,996	62,660	65,563	65,733
14 Federal Land Banks	20,360	16,006	12,365	8,717	8,217	8,217	8,217	8,217	7,652	7,652
15 Federal Intermediate Credit Banks	11,469	2,676	1,821	1,388	1,388	926	926	926	926	926
16 Banks for Cooperatives	4,843	584	584	220	220	220	220	220	220	220
17 Farm Credit Banks ¹	5,081	33,216	48,153	61,041	61,405	63,381	63,409	64,506	65,743	65,657
18 Student Loan Marketing Association ⁸	915	1,505	2,720	5,000	5,000	5,000	5,000	5,000	5,000	5,000
19 Other	2	1	1	2	2	2	2	2	2	2
MEMO:										
20 Federal Financing Bank debt^{1,9}	51,298	67,383	87,460	112,367	113,567	114,961	117,475	120,241	121,261	122,623
<i>Lending to federal and federally sponsored agencies</i>										
21 Export-Import Bank ⁴	6,898	8,353	10,654	12,741	13,305	13,305	13,305	13,829	13,829	13,823
22 Postal Service ⁷	2,114	1,587	1,520	1,288	1,288	1,288	1,221	1,221	1,221	1,221
23 Student Loan Marketing Association ⁸	915	1,505	2,720	5,000	5,000	5,000	5,000	5,000	5,000	5,000
24 Tennessee Valley Authority	5,635	7,272	9,465	11,462	11,525	11,685	11,775	11,990	12,035	12,050
25 United States Railway Association ⁷	356	436	492	198	198	202	202	207	207	207
<i>Other Lending¹⁰</i>										
26 Farmers Home Administration	23,825	32,050	39,431	49,081	48,681	49,356	51,056	52,346	52,711	53,311
27 Rural Electrification Administration	4,604	6,484	9,196	13,989	14,452	14,716	15,046	15,454	15,688	15,916
28 Other	6,951	9,696	13,982	18,608	19,118	19,409	19,870	20,194	20,570	21,095

1. In September 1977 the Farm Credit Banks issued their first consolidated bonds, and in January 1979 they began issuing these bonds on a regular basis to replace the financing activities of the Federal Land Banks, the Federal Intermediate Credit Banks, and the Banks for Cooperatives. Line 17 represents those consolidated bonds outstanding, as well as any discount notes that have been issued. Lines 1 and 10 reflect the addition of this item.

2. Consists of 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.

NOTES TO TABLE 1.44

1. Immediate positions are net amounts (in terms of par values) of securities owned by nonbank dealer firms and dealer departments of commercial banks on a commitment, that is, trade-date basis, including any such securities that have been sold under agreements to repurchase (RPs). The maturities of some repurchase agreements are sufficiently long, however, to suggest that the securities involved are not available for trading purposes. Securities owned, and hence dealer positions, do not include securities to resell (reverse RPs). Before 1981, data for immediate positions include forward positions.

2. Figures cover financing involving U.S. government and federal agency securities, negotiable CDs, bankers acceptances, and commercial paper.

3. Includes all reverse repurchase agreements, including those that have been arranged to make delivery on short sales and those for which the securities obtained have been used as collateral on borrowings, 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.

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1.46 NEW SECURITY ISSUES of State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1979	1980	1981	1982						
				Feb.	Mar.	Apr.	May ¹	June ¹	July ¹	Aug.
1 All issues, new and refunding¹	43,365	48,367	47,732	3,720	5,661	6,709¹	5,614	5,693	5,527	6,422
<i>Type of issue</i>										
2 General obligation	12,109	14,100	12,394	1,054	1,733	2,223 ¹	1,506	1,811	967	1,679
3 U.S. government loans ²	53	38	34	0	9	10	10	16	22	25
4 Revenue	31,256	34,267	35,338	2,666	3,928	4,486	4,108	3,882	4,560	4,743
5 U.S. government loans ²	67	57	55	6	5	32	38	45	49	52
<i>Type of issuer</i>										
6 State	4,314	5,304	5,288	234	432	1,061	601	1,074	257	835
7 Special district and statutory authority	23,434	26,972	27,499	2,187	2,993	3,880 ¹	2,969	2,779	3,696	3,612
8 Municipalities, counties, townships, school districts	15,617	16,090	14,945	1,299	2,236	1,768	2,044	1,840	1,574	1,975
9 Issues for new capital, total	41,505	46,736	46,530	3,679	4,798	6,682¹	5,483	5,603	5,340	5,999
<i>Use of proceeds</i>										
10 Education	5,130	4,572	4,547	266	405	460	483	724	288	511
11 Transportation	2,441	2,621	3,447	207	363	284	293	185	117	767
12 Utilities and conservation	8,594	8,149	10,037	1,284	754	1,333	1,362	829	1,271	675
13 Social welfare	15,968	19,958	12,729	837	1,773	2,339	2,021	2,293	2,734	2,460
14 Industrial aid	3,836	3,974	7,651	501	636	667	350	396	493	707
15 Other purposes	5,536	7,462	8,119	584	867	1,599	974	1,176	437	879

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

2. Consists of tax-exempt issues guaranteed by the Farmers Home Administration.

SOURCE: Public Securities Association.

1.47 NEW SECURITY ISSUES of Corporations

Millions of dollars

Type of issue or issuer, or use	1979	1980	1981	1982						
				Feb.	Mar.	Apr.	May	June	July	Aug.
1 All issues¹	51,533	73,694	69,992¹	3,519¹	6,655	4,819	7,106	4,546	5,428	7,975
2 Bonds	40,208	53,206	44,643	1,879	4,512	2,575	4,420	2,836	3,337	6,003
<i>Type of offering</i>										
3 Public	25,814	41,587	37,653	1,464	3,540	2,100	3,973	2,398	2,868	5,357
4 Private placement	14,394	11,619	6,989	415	972	475	447	438	469	646
<i>Industry group</i>										
5 Manufacturing	9,678	15,409	12,325	262	708	497	608	211	1,290	1,550
6 Commercial and miscellaneous	3,948	6,693	5,229	59	691	139	490	329	492	1,147
7 Transportation	3,119	3,329	2,054	3	224	26	74	79	40	402
8 Public utility	8,153	9,557	8,963	345	1,568	888	1,186	699	536	813
9 Communication	4,219	6,683	4,280	364	84	16	315	174	75	158
10 Real estate and financial	11,094	11,534	11,793	845	1,236	1,010	1,748	1,344	905	1,933
11 Stocks	11,325	20,489	25,349¹	1,640¹	2,143¹	2,244	2,686	1,710	2,091	1,972
<i>Type</i>										
12 Preferred	3,574	3,631	1,797 ¹	185	199	172	888	67	645	622
13 Common	7,751	16,858	23,522 ¹	1,455 ¹	1,944 ¹	2,072	1,798	1,643	1,446	1,350
<i>Industry group</i>										
14 Manufacturing	1,679	4,839	5,073 ¹	270 ¹	546 ¹	259	458	444	269	531
15 Commercial and miscellaneous	2,623	5,245	7,557 ¹	448 ¹	657 ¹	770	578	397	615	355
16 Transportation	255	549	779 ¹	73	27	15	35	52	5	62
17 Public utility	5,171	6,230	5,577 ¹	743	600 ¹	766	477	277	267	636
18 Communication	303	567	1,778	2	3	3	44	8	96	31
19 Real estate and financial	1,293	3,059	4,585 ¹	104	310 ¹	431	1,094	532	889	357

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, intra-corporate transactions, and sales to foreigners.

SOURCE: Securities and Exchange Commission.

1.48 OPEN-END INVESTMENT COMPANIES Net Sales and Asset Position

Millions of dollars

Item	1980	1981	1982							
			Feb.	Mar.	Apr.	May	June	July	Aug. ⁷	Sept.
INVESTMENT COMPANIES ¹										
1 Sales of own shares ²	15,266	20,596	2,049	3,325	2,754	2,345	3,061	3,304	4,322	4,827
2 Redemptions of own shares ³	12,012	15,866	1,456	2,056	2,293	1,854	2,038	2,145	2,335	3,185
3 Net sales	3,254	4,730	593	1,269	461	491	1,023	1,159	1,987	1,642
4 Assets ⁴	58,400	55,207	52,695	53,001	56,026	54,889	54,238	54,592	62,212	63,783
5 Cash position ⁵	5,321	5,277	5,540	5,752	6,083	5,992	6,298	5,992	6,039	5,555
6 Other	53,079	49,930	47,155	47,249	49,943	48,896	47,940	48,600	56,173	58,228

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	1979	1980	1981	1980	1981					1982	
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	
1 Corporate profits with inventory valuation and capital consumption adjustment	194.8	181.6	190.6	181.2	200.3	185.1	193.1	183.9	157.1	155.4	
2 Profits before tax	252.7	242.4	232.1	245.9	253.1	225.4	233.3	216.5	171.6	171.7	
3 Profits tax liability	87.6	84.6	81.2	87.8	91.5	79.2	82.4	71.6	56.7	55.3	
4 Profits after tax	165.1	157.8	150.9	158.1	161.6	146.2	150.9	144.9	114.9	116.4	
5 Dividends	52.7	58.1	65.1	59.6	61.5	64.0	66.8	68.1	68.8	69.3	
6 Undistributed profits	112.4	99.7	85.8	98.5	100.1	82.2	84.1	76.8	46.1	47.0	
7 Inventory valuation	-43.1	-43.0	-24.6	-45.5	-35.5	-22.8	-23.0	-17.1	-4.4	-9.4	
8 Capital consumption adjustment	-14.8	-17.8	-16.8	-19.2	-17.3	-17.5	-17.1	-15.5	-10.1	-6.9	

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

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1.50 NONFINANCIAL CORPORATIONS Current Assets and Liabilities

Billions of dollars, except for ratio

Account	1976	1977	1978	1979	1980	1981			1982	
						Q2	Q3	Q4	Q1	Q2
1 Current assets	827.4	912.7	1,043.7	1,218.2	1,333.5	1,388.3	1,410.9	1,427.1	1,423.6	1,419.4
2 Cash	88.2	97.2	105.5	118.0	127.1	126.2	125.1	131.7	121.3	123.4
3 U.S. government securities	23.5	18.2	17.3	17.0	19.3	19.9	18.0	17.9	17.1	17.4
4 Notes and accounts receivable	292.9	330.3	388.0	461.1	510.6	533.1	542.4	536.7	537.8	534.4
5 Inventories	342.5	376.9	431.6	505.5	543.7	565.3	577.0	587.1	593.8	589.2
6 Other	80.3	90.1	101.3	116.7	132.7	143.8	148.3	153.6	153.6	155.0
7 Current liabilities	495.1	557.1	669.3	807.8	890.9	931.5	967.2	980.0	985.7	982.6
8 Notes and accounts payable	282.1	317.6	382.9	461.2	515.2	525.9	549.5	562.9	555.0	554.9
9 Other	213.0	239.6	286.4	346.6	375.7	405.5	417.7	417.1	430.8	427.8
10 Net working capital	332.4	355.5	374.4	410.5	442.6	456.8	443.7	447.1	437.9	436.8
11 MEMO: Current ratio ¹	1.671	1.638	1.559	1.508	1.497	1.490	1.459	1.456	1.444	1.445

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

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

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

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 ¹	1980	1981	1982 ¹	1981			1982			
				Q2	Q3	Q4	Q1	Q2	Q3 ¹	Q4 ¹
1 Total nonfarm business	295.63	321.49	323.66	316.73	328.25	327.83	327.72	323.22	320.24	324.47
<i>Manufacturing</i>										
2 Durable goods industries	58.91	61.84	59.50	63.10	62.58	60.78	60.84	59.03	59.98	58.80
3 Nondurable goods industries.....	56.90	64.95	64.74	62.40	67.53	66.14	67.48	64.74	63.10	64.09
<i>Nonmanufacturing</i>										
4 Mining	13.51	16.86	16.48	16.80	17.55	16.81	17.60	16.56	15.66	16.02
5 Transportation	4.25	4.24	4.51	4.38	4.18	4.18	4.56	4.73	4.10	4.64
6 Railroad	4.01	3.81	3.86	3.29	3.34	4.82	3.20	3.54	3.79	4.85
7 Other	3.82	4.00	3.95	4.04	4.09	4.12	4.23	4.06	3.50	4.07
Public utilities										
8 Electric	28.12	29.74	32.29	29.32	30.54	31.14	30.95	32.26	32.67	33.15
9 Gas and other	7.32	8.65	8.61	8.53	9.01	8.60	9.17	9.14	7.87	8.50
10 Trade and services	81.79	86.33	87.40	85.88	87.55	88.33	87.80	88.85	86.71	86.07
11 Communication and other ²	36.99	41.06	42.33	39.02	41.89	42.92	41.89	40.33	42.85	44.09

1. Anticipated by business.

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

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

1.52 DOMESTIC FINANCE COMPANIES Assets and Liabilities

Billions of dollars, end of period

Account	1977	1978	1979	1980	1981				1982	
					Q1	Q2	Q3	Q4	Q1	Q2
ASSETS										
Accounts receivable, gross										
1 Consumer	44.0	52.6	65.7	73.6	76.1	79.0	84.5	85.5	85.1	88.0
2 Business	55.2	63.3	70.3	72.3	72.7	78.2	76.9	80.6	80.9	82.6
3 Total	99.2	116.0	136.0	145.9	148.7	157.2	161.3	166.1	166.0	170.6
4 Less: Reserves for unearned income and losses	12.7	15.6	20.0	23.3	24.3	25.7	27.7	28.9	29.1	30.2
5 Accounts receivable, net	86.5	100.4	116.0	122.6	124.5	131.4	133.6	137.2	136.9	140.4
6 Cash and bank deposits	2.6	3.5	24.9 ¹	27.5	30.8	31.6	34.5	34.2	35.0	37.3
7 Securities .....	.9	1.3								
8 All other	14.3	17.3								
9 Total assets	104.3	122.4	140.9	150.1	155.3	163.0	168.1	171.4	171.9	177.8
LIABILITIES										
10 Bank loans	5.9	6.5	8.5	13.2	13.1	14.4	14.7	15.4	15.4	14.5
11 Commercial paper	29.6	34.5	43.3	43.4	44.2	49.0	51.2	51.2	46.2	50.3
Debt										
12 Short-term, n.e.c.	6.2	8.1	8.2	7.5	8.2	8.5	11.9	9.6	9.0	9.3
13 Long-term, n.e.c.	36.0	43.6	46.7	52.4	51.6	52.6	50.7	54.8	59.0	60.3
14 Other	11.5	12.6	14.2	14.3	17.3	17.0	17.1	17.8	19.0	18.9
15 Capital, surplus, and undivided profits	15.1	17.2	19.9	19.4	20.9	21.5	22.4	22.8	23.3	24.5
16 Total liabilities and capital	104.3	122.4	140.9	150.1	155.3	163.0	168.1	171.4	171.9	177.8

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

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

1.53 DOMESTIC FINANCE COMPANIES Business Credit

Millions of dollars, seasonally adjusted except as noted

Type	Accounts receivable outstanding Aug. 31, 1982 ¹	Changes in accounts receivable			Extensions			Repayments		
		1982			1982			1982		
		June	July	Aug.	June	July	Aug.	June	July	Aug.
1 Total	81,665	1,064	868	849	21,355	20,284	21,549	20,271	19,416	20,700
2 Retail automotive (commercial vehicles)	12,185	149	-118	24	1,056	802	938	907	920	914
3 Wholesale automotive	12,930	1,020	1,035	1,101	6,364	5,878	6,397	5,344	4,843	5,296
4 Retail paper on business, industrial, and farm equipment	27,929	-184	-11	-114	1,331	1,365	1,448	1,515	1,376	1,562
5 Loans on commercial accounts receivable and factored commercial accounts receivable	9,298	-111	85	-9	10,611	10,571	11,163	10,722	10,486	11,172
6 All other business credit	19,323	190	-123	-153	1,973	1,668	1,603	1,783	1,791	1,756

1. Not seasonally adjusted.

1.54 MORTGAGE MARKETS

Millions of dollars; exceptions noted.

Item	1979	1980	1981	1982						
				Mar.	Apr.	May	June	July	Aug.	Sept.
	Terms and yields in primary and secondary markets									
PRIMARY MARKETS										
Conventional mortgages on new homes										
Terms ¹										
1 Purchase price (thousands of dollars)	74.4	83.4	90.4	90.0	95.7	86.4	89.4	98.4	91.4	93.8
2 Amount of loan (thousands of dollars)	53.3	59.2	65.3	65.4	70.4	64.8	66.2	73.1	66.5	70.7
3 Loan/price ratio (percent)	73.9	73.2	74.8	75.7	77.2	77.4	77.0	77.3	74.1	78.7
4 Maturity (years)	28.5	28.2	27.7	27.4	28.6	25.9	27.4	28.4	26.4	28.2
5 Fees and charges (percent of loan amount) ²	1.66	2.09	2.67	2.90	3.28	3.16	3.00	3.15	2.87	3.05
6 Contract rate (percent per annum)	10.48	12.25	14.16	14.93	15.13	15.11	14.74	15.01	15.05	14.34
Yield (percent per annum)										
7 FHLBB series ³	10.77	12.65	14.74	15.67	15.84	15.89	15.40	15.70	15.68	14.99
8 HUD series ⁴	11.15	13.95	16.52	16.80	16.65	16.50	16.75	16.50	15.40	15.05
SECONDARY MARKETS										
Yield (percent per annum)										
9 FHA mortgages (HUD series) ⁵	10.92	13.44	16.29	16.41	16.31	16.19	16.73	16.29	14.61	14.03
10 GNMA securities ⁶	10.22	12.55	15.29	15.54	15.40	15.30	15.84	15.56	14.74	14.23
11 FNMA auctions ⁷	11.17	14.11	16.70	17.29	16.66	16.27	16.22	16.85	15.78	15.36
12 Government-underwritten loans	11.77	14.43	16.64	17.09	16.66	16.33	16.73	16.85	15.78	15.36
12 Conventional loans	11.77	14.43	16.64	17.09	16.66	16.33	16.73	16.85	15.78	15.36
Activity in secondary markets										
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
Mortgage holdings (end of period)										
13 Total	48,050	55,104	58,675	62,544	63,132	63,951	65,008	66,158	67,810	68,841
14 FHA/VA-insured	33,673	37,365	39,341	39,893	39,834	39,808	39,829	39,853	39,922	39,871
15 Conventional	14,377	17,725	19,334	22,654	23,298	24,143	25,179	26,305	27,888	28,970
Mortgage transactions (during period)										
16 Purchases	10,812	8,099	6,112	604	755	1,006	1,223	1,354	1,931	1,670
17 Sales	0	0	2	0	0	0	0	0	0	0
Mortgage commitments ⁸										
18 Contracted (during period)	10,179	8,083	9,331	1,903	2,482	1,550	1,583	2,016	1,820	1,482
19 Outstanding (end of period)	6,409	3,278	3,717	4,990	6,586	7,016	7,206	7,674	6,900	6,587
Auction of 4-month commitments to buy										
Government-underwritten loans										
20 Offered	8,860.4	8,605.4	2,487.2	45.7	7.0	35.7	33.1	8.9	43.3	16.4
21 Accepted	3,920.9	4,002.0	1,478.0	29.6	0.0	7.4	7.4	0.0	5.7	0.0
Conventional loans										
22 Offered	4,495.3	3,639.2	2,524.7	65.0	29.5	37.8	59.0	37.2	70.1	27.5
23 Accepted	2,343.6	1,748.5	1,392.3	32.3	22.0	23.0	33.1	23.6	42.9	0.0
FEDERAL HOME LOAN MORTGAGE CORPORATION										
Mortgage holdings (end of period) ⁹										
24 Total	3,543	4,362	5,245	5,320	5,274	5,279	5,295	5,309	5,201	5,207
25 FHA/VA	1,995	2,116	2,236	2,227	2,226	2,232	2,225	2,232	2,216	2,225
26 Conventional	1,549	2,246	3,010	3,094	3,048	3,047	3,069	3,017	2,985	2,982
Mortgage transactions (during period)										
27 Purchases	5,717	3,723	3,789	1,479	2,143	1,214	1,581	2,237	2,529	1,799
28 Sales	4,544	2,527	3,531	1,564	2,177	1,194	1,562	2,204	2,619	1,923
Mortgage commitments ¹⁰										
29 Contracted (during period)	5,542	3,859	6,974	2,523	2,824	2,692	3,166	2,189	2,768	2,892
30 Outstanding (end of period)	797	447	3,518	5,461	6,041	7,420	8,970	8,544	9,318	10,211

1. Weighted averages based on sample surveys of mortgages originated by major institutional lender groups. Compiled by the Federal Home Loan Bank Board in cooperation with the Federal Deposit Insurance Corporation.

2. Includes all fees, commissions, discounts, and "points" paid (by the borrower or the seller) to obtain a loan.

3. Average effective interest rates on loans closed, assuming prepayment at the end of 10 years.

4. Average contract rates on new commitments for conventional first mortgages, rounded to the nearest 5 basis points; from Department of Housing and Urban Development.

5. Average gross yields on 30-year, minimum-downpayment, Federal Housing Administration-insured first mortgages for immediate delivery in the private secondary market. Any gaps in data are due to periods of adjustment to changes in maximum permissible contract rates.

6. Average net yields to investors on Government National Mortgage Association guaranteed, mortgage-backed, fully modified pass-through securities,

assuming prepayment in 12 years on pools of 30-year FHA/VA mortgages carrying the prevailing ceiling rate. Monthly figures are unweighted averages of Monday quotations for the month.

7. Average gross yields (before deduction of 38 basis points for mortgage servicing) on accepted bids in Federal National Mortgage Association's auctions of 4-month commitments to purchase home mortgages, assuming prepayment in 12 years for 30-year mortgages. No adjustments are made for FNMA commitment fees or stock related requirements. Monthly figures are unweighted averages for auctions conducted within the month.

8. Includes some multifamily and nonprofit hospital loan commitments in addition to 1- to 4-family loan commitments accepted in FNMA's free market auction system, and through the FNMA-GNMA tandem plans.

9. Includes participation as well as whole loans.

10. Includes conventional and government-underwritten loans.

1.55 MORTGAGE DEBT OUTSTANDING

Millions of dollars, end of period

Type of holder, and type of property	1979	1980	1981	1981			1982		
				Q2	Q3	Q4	Q1	Q2	Q3
1 All holders	1,337,748 ^r	1,471,786 ^r	1,583,535 ^r	1,533,196 ^r	1,561,606 ^r	1,583,535 ^r	1,603,121 ^r	1,624,169 ^r	1,636,027 ^r
2 1- to 4-family	891,066 ^r	986,979 ^r	1,060,469 ^r	1,028,297 ^r	1,047,626 ^r	1,060,469 ^r	1,071,889 ^r	1,085,182 ^r	1,093,054 ^r
3 Multifamily	128,433	137,134	141,427 ^r	139,280	140,228	141,427 ^r	142,904 ^r	143,806 ^r	144,852 ^r
4 Commercial	235,572	255,655	279,912 ^r	268,095	273,746	279,912 ^r	284,411 ^r	289,690 ^r	291,163 ^r
5 Farm	82,677	92,018	101,727 ^r	97,524	100,006	101,727 ^r	103,917 ^r	105,491 ^r	106,918 ^r
6 Major financial institutions	938,567	997,168	1,040,630	1,023,133	1,033,825	1,040,630	1,041,487	1,042,663	1,028,840
7 Commercial banks ¹	245,187	263,030	284,536	273,225	279,017	284,536	289,365	294,022	298,342
8 1- to 4-family	149,460	160,326	170,013	164,873	167,550	170,013	171,350	172,596	175,126
9 Multifamily	11,180	12,924	15,132	13,800	14,481	15,132	15,338	15,431	15,666
10 Commercial	75,957	81,081	91,026	86,091	88,588	91,026	94,256	97,522	99,050
11 Farm	8,590	8,699	8,365	8,461	8,398	8,365	8,421	8,473	8,500
12 Mutual savings banks	98,908	99,865	99,997	99,993	99,994	99,997	97,464	96,346 ^r	94,246
13 1- to 4-family	66,140	67,489	68,187	68,035	68,116	68,187	66,301	65,381	63,955
14 Multifamily	16,557	16,058	15,960	15,909	15,939	15,960	15,536	15,338	15,004
15 Commercial	16,162	16,278	15,810	15,999	15,909	15,810	15,594	15,598	15,258
16 Farm	49	40	40	50	30	40	29	40	29
17 Savings and loan associations	475,688	503,192	518,350	515,256	518,778	518,350	515,896	512,745	495,408
18 1- to 4-family	394,345	419,763	432,978	430,702	433,750	432,978	430,928	428,194	413,715
19 Multifamily	37,579	38,142	37,684	38,077	37,975	37,684	37,506	36,866	35,620
20 Commercial	43,764	45,287	47,688	46,477	47,053	47,688	47,462	47,665	46,073
21 Life insurance companies	118,784	131,081	137,747	134,659	136,036	137,747	138,762	139,539	140,844
22 1- to 4-family	16,193	17,943	17,201	17,549	17,376	17,201	17,086	16,451	16,579
23 Multifamily	19,274	19,514	19,283	19,495	19,441	19,283	19,199	18,982	19,130
24 Commercial	71,137	80,666	88,163	84,571	86,070	88,163	89,529	91,113	92,125
25 Farm	12,180	12,958	13,100	13,044	13,149	13,100	12,948	12,993	13,010
26 Federal and related agencies	97,084	114,300	126,112	119,124	121,772	126,112	128,721	132,188 ^r	137,033
27 Government National Mortgage Association	3,852	4,642	4,765	4,972	4,382	4,765	4,438	4,669	4,697
28 1- to 4-family	763	704	693	698	696	696	689	688	687
29 Multifamily	3,089	3,938	4,072	4,274	3,686	4,072	3,749	3,981	4,010
30 Farmers Home Administration	1,274	3,492	2,235	2,662	1,562	2,235	2,469	2,038	2,188
31 1- to 4-family	417	916	914	1,151	500	914	715	792	842
32 Multifamily	71	610	473	464	242	473	615	198	223
33 Commercial	174	411	506	357	325	506	499	444	469
34 Farm	612	1,555	342	690	495	342	640	604	654
35 Federal Housing and Veterans Administration	5,555	5,640	5,999	5,895	6,005	5,999	6,003	5,908 ^r	5,921
36 1- to 4-family	1,955	2,051	2,289	2,172	2,240	2,289	2,266	2,218 ^r	2,171
37 Multifamily	3,600	3,589	3,710	3,723	3,765	3,710	3,737	3,690 ^r	3,750
38 Federal National Mortgage Association	51,091	57,327	61,412	57,657	59,682	61,412	62,544	65,008	68,841
39 1- to 4-family	45,488	51,775	55,986	52,181	54,227	55,986	57,142	59,631	63,495
40 Multifamily	5,603	5,552	5,426	5,476	5,455	5,426	5,402	5,377	5,346
41 Federal Land Banks	31,277	38,131	46,446	42,681	44,708	46,446	47,947	49,270	50,180
42 1- to 4-family	1,552	2,099	2,788	2,401	2,605	2,788	2,874	2,954	3,030
43 Farm	29,725	36,032	43,658	40,280	42,103	43,658	45,073	46,316	47,150
44 Federal Home Loan Mortgage Corporation	4,035	5,068	5,255	5,257	5,433	5,255	5,320	5,295	5,206
45 1- to 4-family	3,059	3,873	4,018	4,025	4,166	4,018	4,075	4,042	3,944
46 Multifamily	976	1,195	1,237	1,232	1,267	1,237	1,245	1,253	1,262
47 Mortgage pools or trusts ²	118,664	142,258	162,990	152,308	158,140	162,990	172,292	182,945	196,337
48 Government National Mortgage Association	75,787	93,874	105,790	100,558	103,750	105,790	108,592	111,459	114,396
49 1- to 4-family	73,853	91,602	103,007	98,057	101,068	103,007	105,701	108,487	111,348
50 Multifamily	1,934	2,272	2,783	2,501	2,682	2,783	2,891	2,972	3,048
51 Federal Home Loan Mortgage Corporation	15,180	16,854	19,843	17,565	17,936	19,843	23,959	28,693	35,121
52 1- to 4-family	12,149	13,471	15,888	14,115	14,401	15,888	18,995	22,637	27,553
53 Multifamily	3,031	3,383	3,955	3,450	3,535	3,955	4,964	6,056	7,568
54 Federal National Mortgage Association ³	n.a.	n.a.	717	n.a.	n.a.	717	2,786	4,556	8,133
55 1- to 4-family	n.a.	n.a.	717	n.a.	n.a.	717	2,786	4,556	8,133
56 Farmers Home Administration	27,697	31,530	36,640	34,185	36,454	36,640	36,955	38,273	38,687
57 1- to 4-family	14,884	16,683	18,378	17,165	18,407	18,378	18,740	19,056	19,256
58 Multifamily	2,163	2,612	3,426	3,097	3,488	3,426	3,447	4,026	4,076
59 Commercial	4,328	5,271	6,161	5,750	6,040	6,161	6,351	6,574	6,624
60 Farm	6,322	6,964	8,675	8,173	8,519	8,675	8,417	8,581	8,731
61 Individual and others ⁴	183,433 ^r	218,060 ^r	253,803 ^r	238,631 ^r	247,869 ^r	253,803 ^r	260,621 ^r	266,384 ^r	273,817
62 1- to 4-family ⁵	110,808 ^r	138,284 ^r	167,412 ^r	155,173 ^r	162,524 ^r	167,412 ^r	172,237 ^r	177,499 ^r	183,260
63 Multifamily	23,376	27,345	28,286 ^r	27,782	28,272	28,286 ^r	29,275 ^r	29,636 ^r	30,149
64 Commercial	24,050	26,661	30,558 ^r	28,850	29,761	30,558 ^r	30,754 ^r	30,754 ^r	31,564
65 Farm	25,199	25,770	27,547 ^r	26,826	27,312	27,547 ^r	28,389 ^r	28,495 ^r	28,844

1. Includes loans held by nondeposit trust companies but not bank trust departments.

2. Outstanding principal balances of mortgages backing securities insured or guaranteed by the agency indicated.

3. Outstanding balances on FNMA's issues of securities backed by pools of conventional mortgages held in trust. The program was implemented by FNMA in October 1981.

4. Other holders include mortgage companies, real estate investment trusts, state and local credit agencies, state and local retirement funds, noninsured pension funds, credit unions, and U.S. agencies for which amounts are small or for which separate data are not readily available.

5. Includes a new estimate of residential mortgage credit provided by individuals.

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

1.56 CONSUMER INSTALLMENT CREDIT¹ Total Outstanding, and Net Change

Millions of dollars

Holder, and type of credit	1979	1980	1981	1982						
				Mar.	Apr.	May	June	July	Aug.	Sept.
Amounts outstanding (end of period)										
1 Total	312,024	313,472	333,375	327,131	328,363	329,338	331,851	332,471	333,808	335,948
By major holder										
2 Commercial banks	154,177	147,013	149,300	146,454	146,616	146,147	146,775	146,745	147,275	148,280
3 Finance companies	68,318	76,756	89,818	89,591	90,674	91,958	93,009	93,353	93,207	93,357
4 Credit unions	46,517	44,041	45,954	45,632	45,450	45,472	45,882	45,698	46,154	46,846
5 Retailers ¹	28,119	28,448	29,551	26,530	26,537	26,536	26,645	26,710	26,751	26,829
6 Savings and loans	8,424	9,911	11,598	11,926	12,081	12,202	12,312	12,520	12,833	13,051
7 Gasoline companies	3,729	4,468	4,403	4,229	4,227	4,218	4,398	4,600	4,714	4,669
8 Mutual savings banks	2,740	2,835	2,751	2,769	2,778	2,805	2,830	2,845	2,874	2,916
By major type of credit										
9 Automobile	116,362	116,838	126,431	125,559	126,201	127,220	128,415	128,359	128,281	129,085
10 Commercial banks	67,367	61,536	59,181	58,510	58,458	58,099	58,140	58,131	58,222	58,762
11 Indirect paper	38,338	35,233	35,097	34,888	34,920	34,791	34,903	34,979	34,996	35,449
12 Direct loans	29,029	26,303	24,084	23,622	23,538	23,308	23,237	23,152	23,226	23,313
13 Credit unions	22,244	21,060	21,975	21,821	21,733	21,744	21,940	21,852	22,071	22,402
14 Finance companies	26,751	34,242	45,275	45,228	46,010	47,377	48,335	48,376	47,988	47,921
15 Revolving	56,937	58,352	63,049	58,491	58,641	58,647	59,302	59,824	60,475	60,932
16 Commercial banks	29,862	29,765	33,110	31,532	31,638	31,619	31,974	32,205	32,691	33,104
17 Retailers	23,346	24,119	25,536	22,730	22,776	22,810	22,930	23,019	23,070	23,159
18 Gasoline companies	3,729	4,468	4,403	4,229	4,227	4,218	4,398	4,600	4,714	4,669
19 Mobile home	16,838	17,322	18,486	18,363	18,402	18,479	18,543	18,601	18,741	18,778
20 Commercial banks	10,647	10,371	10,300	10,037	9,974	9,960	9,924	9,857	9,790	9,723
21 Finance companies	3,390	3,745	4,494	4,548	4,608	4,666	4,731	4,801	4,916	4,953
22 Savings and loans	2,307	2,737	3,203	3,293	3,336	3,369	3,400	3,458	3,544	3,604
23 Credit unions	494	469	489	486	484	484	488	486	491	498
24 Other	121,887	120,960	125,409	124,718	125,119	124,992	125,591	125,687	126,311	127,153
25 Commercial banks	46,301	45,341	46,709	46,375	46,546	46,469	46,737	46,552	46,572	46,691
26 Finance companies	38,177	38,769	40,049	39,815	40,056	39,915	39,943	40,176	40,303	40,483
27 Credit unions	23,779	22,512	23,490	23,326	23,233	23,244	23,454	23,360	23,592	23,946
28 Retailers	4,773	4,329	4,015	3,800	3,761	3,726	3,715	3,691	3,681	3,670
29 Savings and loans	6,117	7,174	8,395	8,633	8,745	8,833	8,912	9,063	9,289	9,447
30 Mutual savings banks	2,740	2,835	2,751	2,769	2,778	2,805	2,830	2,845	2,874	2,916
Net change (during period) ³										
31 Total	38,381	1,448	19,894	990	1,175	1,399	1,349	570	66	1,092
By major holder										
32 Commercial banks	18,161	-7,163	2,284	166	96	-13	-100	-66	-252	481
33 Finance companies	14,020	8,438	13,062	673	544	1,126	874	195	-142	115
34 Credit unions	2,185	-2,475	1,913	-122	132	-39	38	-69	179	346
35 Retailers ²	2,132	329	1,103	-124	181	68	304	297	-109	60
36 Savings and loans	1,327	1,485	1,682	251	205	221	187	196	268	181
37 Gasoline companies	509	739	-65	-150	-6	-20	38	3	65	-115
38 Mutual savings banks	47	95	-85	1	23	56	8	14	57	24
By major type of credit										
39 Automobile	14,715	477	9,595	-28	233	959	655	61	-402	505
40 Commercial banks	6,857	-5,830	-2,355	-248	-159	-305	-240	101	-146	435
41 Indirect paper	4,488	-3,104	-136	-130	2	-52	-52	225	-129	332
42 Direct loans	2,369	-2,726	-2,219	-118	-161	-253	-188	-124	-17	103
43 Credit unions	1,044	-1,184	914	-55	54	-34	28	-26	65	159
44 Finance companies	6,814	7,491	11,033	275	338	1,298	867	-14	-321	-89
45 Revolving	8,628	1,415	4,697	307	499	537	507	612	143	210
46 Commercial banks	5,521	-97	3,345	296	285	436	219	266	162	243
47 Retailers	2,598	773	1,417	161	220	121	250	343	-84	82
48 Gasoline companies	509	739	-65	-150	-6	-20	38	3	65	-115
49 Mobile home	1,603	483	1,161	15	51	70	67	63	141	10
50 Commercial banks	1,102	-276	-74	-82	-48	-41	-58	-57	-62	-67
51 Finance companies	238	355	749	52	53	44	64	73	108	20
52 Savings and loans	240	430	466	47	43	67	60	47	94	54
53 Credit unions	23	-25	20	-2	3	0	1	0	1	3
54 Other	13,435	-927	4,441	696	392	-167	120	-166	184	367
55 Commercial banks	4,681	-960	1,368	200	18	-103	-21	-376	-206	-130
56 Finance companies	6,968	592	1,280	346	153	-216	-57	136	71	184
57 Credit unions	1,118	-1,266	975	-65	75	-5	9	-43	113	184
58 Retailers	-466	-444	-314	10	-39	-53	54	-46	-25	-22
59 Savings and loans	1,087	1,056	1,217	204	162	154	127	149	174	127
60 Mutual savings banks	47	95	-85	1	23	56	8	14	57	24

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.

NOTE: Total consumer noninstallment credit outstanding—credit scheduled to be repaid in a lump sum, including single-payment loans, charge accounts, and service credit—amounted to, not seasonally adjusted \$71.3 billion at the end of 1979, \$74.8 billion at the end of 1980, and \$80.2 billion at the end of 1981.

1.57 CONSUMER INSTALLMENT CREDIT Extensions and Liquidations

Millions of dollars; monthly data are seasonally adjusted.

Holder, and type of credit	1979	1980	1981	1982						
				Mar.	Apr.	May	June	July	Aug.	Sept.
	Extensions									
1 Total	324,777	306,076	336,341	27,462	28,648	29,197	29,737	27,514	27,579	28,268
By major holder										
2 Commercial banks	154,733	134,960	146,186	12,519	12,790	12,765	13,460	12,485	12,499	12,750
3 Finance companies	61,518	60,801	66,344	5,002	5,343	6,135	5,700	4,607	4,685	4,894
4 Credit unions	34,926	29,594	35,444	2,631	3,010	2,902	2,887	2,711	2,904	3,092
5 Retailers ¹	47,676	49,942	53,430	4,536	4,618	4,449	4,762	4,785	4,396	4,684
6 Savings and loans	5,901	6,621	8,142	788	823	841	785	803	863	786
7 Gasoline companies	18,005	22,253	24,902	1,835	1,915	1,880	1,969	1,944	2,021	1,876
8 Mutual savings banks	2,018	1,905	1,893	151	185	225	174	179	211	186
By major type of credit										
9 Automobile	93,901	83,454	94,404	7,183	7,871	8,429	8,182	7,332	7,112	7,546
10 Commercial banks	53,554	41,109	42,792	3,393	3,499	3,317	3,404	3,687	3,454	3,702
11 Indirect paper	29,623	22,558	24,941	1,875	2,079	1,954	2,036	2,324	1,957	2,077
12 Direct loans	23,931	18,551	17,851	1,518	1,420	1,363	1,368	1,363	1,497	1,625
13 Credit unions	17,397	15,294	18,084	1,420	1,542	1,483	1,497	1,389	1,499	1,579
14 Finance companies	22,950	27,051	33,527	2,370	2,830	3,629	3,281	2,256	2,159	2,265
15 Revolving	120,174	128,068	140,135	12,143	12,416	12,528	13,361	12,551	12,497	12,464
16 Commercial banks	61,048	61,593	67,370	6,235	6,309	6,604	7,141	6,237	6,512	6,336
17 Retailers	41,121	44,222	47,863	4,073	4,192	4,044	4,251	4,370	3,964	4,252
18 Gasoline companies	18,005	22,253	24,902	1,835	1,915	1,880	1,969	1,944	2,021	1,876
19 Mobile home	6,471	5,093	6,028	411	544	478	459	441	581	452
20 Commercial banks	4,542	2,937	3,106	156	253	201	180	173	194	191
21 Finance companies	797	898	1,313	120	122	114	129	133	193	105
22 Savings and loans	948	1,146	1,432	126	151	151	137	123	181	140
23 Credit unions	184	113	176	9	18	12	13	12	13	16
24 Other	104,231	89,461	95,774	7,725	7,853	7,762	7,735	7,190	7,389	7,806
25 Commercial banks	35,589	29,321	32,918	2,735	2,729	2,643	2,735	2,388	2,339	2,521
26 Finance companies	37,771	32,852	31,504	2,512	2,391	2,392	2,290	2,218	2,333	2,524
27 Credit unions	17,345	14,187	17,182	1,202	1,450	1,407	1,377	1,310	1,392	1,497
28 Retailers	6,555	5,720	5,567	463	426	405	511	415	432	432
29 Savings and loans	4,953	5,476	6,710	662	672	690	648	680	682	646
30 Mutual savings banks	2,018	1,905	1,893	151	185	225	174	179	211	186
	Liquidations									
31 Total	286,396	304,628	316,447	26,472	27,509	27,798	28,388	26,944	27,513	27,176
By major holder										
32 Commercial banks	136,572	142,123	143,902	12,353	12,694	12,778	13,560	12,551	12,751	12,269
33 Finance companies	47,498	52,363	53,282	4,329	4,799	5,009	4,826	4,412	4,827	4,779
34 Credit unions	32,741	32,069	33,531	2,753	2,878	2,941	2,849	2,780	2,725	2,746
35 Retailers ¹	45,544	49,613	52,327	4,365	4,437	4,381	4,458	4,488	4,505	4,624
36 Savings and loans	4,574	5,136	6,640	537	618	620	598	607	595	605
37 Gasoline companies	17,496	21,514	24,967	1,985	1,921	1,900	1,931	1,941	1,956	1,991
38 Mutual savings banks	1,971	1,810	1,978	150	162	169	166	165	154	162
By major type of credit										
39 Automobile	79,186	82,977	84,809	7,211	7,638	7,470	7,527	7,271	7,514	7,041
40 Commercial banks	46,697	46,939	45,147	3,641	3,658	3,622	3,644	3,586	3,600	3,267
41 Indirect paper	25,135	25,662	25,077	2,005	2,077	2,006	2,088	2,099	2,086	1,745
42 Direct loans	21,562	21,277	20,070	1,636	1,581	1,616	1,556	1,487	1,514	1,522
43 Credit unions	16,353	16,478	17,169	1,475	1,488	1,517	1,469	1,415	1,434	1,420
44 Finance companies	16,136	19,560	22,494	2,095	2,492	2,331	2,414	2,270	2,480	2,354
45 Revolving	111,546	126,653	135,438	11,836	11,917	11,991	12,854	11,939	12,354	12,254
46 Commercial banks	55,527	61,690	64,025	5,939	6,024	6,168	6,922	5,971	6,350	6,093
47 Retailers	38,523	43,449	46,446	3,912	3,972	3,923	4,001	4,027	4,048	4,170
48 Gasoline companies	17,496	21,514	24,967	1,985	1,921	1,900	1,931	1,941	1,956	1,991
49 Mobile home	4,868	4,610	4,867	396	493	408	392	378	440	442
50 Commercial banks	3,440	3,213	3,180	238	301	242	238	230	256	258
51 Finance companies	559	543	564	68	69	70	65	60	85	85
52 Savings and loans	708	716	966	79	108	84	77	76	87	86
53 Credit unions	161	138	156	11	15	12	12	12	12	13
54 Other	90,796	90,388	91,333	7,029	7,461	7,929	7,615	7,356	7,205	7,439
55 Commercial banks	30,908	30,281	31,550	2,535	2,711	2,746	2,756	2,764	2,545	2,651
56 Finance companies	30,803	32,260	30,224	2,166	2,238	2,608	2,347	2,082	2,262	2,340
57 Credit unions	16,227	15,453	16,207	1,267	1,375	1,412	1,368	1,353	1,279	1,313
58 Retailers	7,021	6,164	5,881	453	465	458	457	461	457	454
59 Savings and loans	3,866	4,420	5,493	458	510	536	521	531	508	519
60 Mutual savings banks	1,971	1,810	1,978	150	162	169	166	165	154	162

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.

Transaction category, sector	1976	1977	1978	1979	1980	1981	1979	1980		1981		1982
							H2	H1	H2	H1	H2	H1
Nonfinancial sectors												
1 Total funds raised	273.5	334.3	401.7	402.0	397.1	406.9	406.6	363.0	431.2	438.2	375.7	385.2
2 Excluding equities	262.7	331.2	402.3	409.1	382.2	418.4	411.0	354.2	410.2	436.7	400.2	385.6
<i>By sector and instrument</i>												
3 U.S. government	69.0	56.8	53.7	37.4	79.2	87.4	46.1	63.3	95.1	81.9	92.9	99.0
4 Treasury securities	69.1	57.6	55.1	38.8	79.8	87.8	46.6	63.9	95.7	82.4	93.2	98.6
5 Agency issues and mortgages	-1	-9	-1.4	-1.4	-6	-5	-5	-6	-6	-5	-4	.4
6 All other nonfinancial sectors	204.5	277.5	348.0	364.7	317.9	319.6	360.5	299.8	336.1	356.3	282.8	286.3
7 Corporate equities	10.8	3.1	-6	-7.1	15.0	-11.5	-4.3	8.9	21.0	1.6	-24.5	-4
8 Debt instruments	193.6	274.4	348.7	371.7	303.0	331.0	364.9	290.9	315.0	354.8	307.3	286.6
9 Private domestic nonfinancial sectors	184.9	263.6	314.8	343.6	288.7	292.3	332.2	268.8	308.5	321.7	262.9	272.7
10 Corporate equities	10.5	2.7	-1	-7.8	12.9	-11.5	-6.1	6.9	18.8	9	-23.8	-1
11 Debt instruments	174.3	260.9	314.9	351.5	275.8	303.7	338.3	261.9	289.7	320.8	286.7	272.8
12 Debt capital instruments	123.6	169.8	198.7	216.0	204.1	175.0	213.1	203.8	204.4	196.5	153.5	157.6
13 State and local obligations	15.7	21.9	28.4	29.8	35.9	32.9	32.8	30.7	41.0	35.1	30.6	46.8
14 Corporate bonds	22.8	21.0	20.1	22.5	33.2	23.9	22.6	37.3	29.0	24.7	23.0	18.5
15 Mortgages												
16 Home mortgages	63.9	94.3	112.1	120.1	96.7	78.6	113.9	96.5	96.9	95.2	62.0	66.7
17 Multifamily residential	3.9	7.1	9.2	7.8	8.8	4.6	6.9	8.1	9.5	5.1	4.1	5.6
18 Commercial	11.6	18.4	21.7	23.9	20.2	25.3	25.4	20.3	20.1	27.4	23.2	14.0
19 Farm	5.7	7.1	7.2	11.8	9.3	9.8	11.5	10.9	7.8	9.0	10.5	6.1
20 Other debt instruments	50.7	91.1	116.2	135.5	71.7	128.8	125.2	58.1	85.4	124.3	133.2	115.2
21 Consumer credit	25.4	40.2	48.8	45.4	4.9	25.3	41.0	-3.3	13.0	29.4	21.2	16.0
22 Bank loans n.e.c.	4.4	26.7	37.1	49.2	35.4	51.1	39.6	18.0	52.7	47.7	54.6	84.6
23 Open market paper	4.0	2.9	5.2	11.1	6.6	19.2	17.4	20.3	-7.1	10.7	27.6	3.4
24 Other	16.9	21.3	25.1	29.7	24.9	33.1	27.2	23.0	26.7	36.5	29.8	11.2
25 By borrowing sector	184.9	263.6	314.8	343.6	288.7	292.3	332.2	268.8	308.5	321.7	262.9	272.7
26 State and local governments	15.2	15.4	19.1	20.2	27.3	22.3	22.5	21.8	32.8	25.1	19.5	34.3
27 Households	89.5	137.3	169.3	176.5	117.5	120.4	165.8	115.2	119.8	141.0	99.9	102.2
28 Farm	80.2	110.9	126.3	146.9	143.9	149.5	143.9	131.8	155.9	155.6	143.5	136.1
29 Nonfarm noncorporate	10.2	12.3	14.6	21.4	14.4	16.4	22.7	15.7	13.0	19.9	12.8	4.8
30 Corporate	15.4	28.3	32.4	34.4	33.8	40.5	37.0	27.5	40.2	41.8	39.3	25.6
31 Foreign	54.5	70.4	79.3	91.2	95.7	92.6	84.2	88.6	102.7	93.9	91.4	105.8
32 Corporate equities	19.6	13.9	33.2	21.0	29.3	27.3	28.3	31.0	27.5	34.6	19.9	13.6
33 Debt instruments .....	.3	.4	-5	.8	2.1	*	1.7	1.9	2.2	.7	-7	-2
34 Bonds	19.3	13.5	33.8	20.2	27.2	27.3	26.6	29.0	25.3	34.0	20.6	13.8
35 Bank loans n.e.c.	8.6	5.1	4.2	3.9	.8	5.5	4.9	2.0	-4	3.3	7.6	2.1
36 Open market paper	5.6	3.1	19.1	2.3	11.5	3.7	2.6	5.9	17.2	5.0	2.3	-2.0
37 U.S. government loans	1.9	2.4	6.6	11.2	10.1	13.9	16.3	15.7	4.5	20.6	7.1	11.3
Financial sectors												
37 Total funds raised	22.5	52.2	77.5	83.9	68.5	89.3	78.7	65.1	71.9	95.5	83.0	107.4
<i>By instrument</i>												
38 U.S. government related	14.3	21.9	36.7	47.3	43.6	45.1	50.8	47.3	39.8	42.5	47.8	61.1
39 Sponsored credit agency securities	2.5	7.0	23.1	24.3	24.4	30.1	25.8	27.1	21.7	26.9	33.3	21.9
40 Mortgage pool securities	12.2	16.1	13.6	23.1	19.2	15.0	25.0	20.2	18.1	15.6	14.5	39.2
41 Loans from U.S. government	8.2	30.3	40.8	36.6	24.9	44.1	27.9	17.7	32.0	53.0	35.3	46.3
42 Private financial sectors	-2	3.4	2.5	3.2	7.2	8.6	2.6	7.5	6.9	9.7	7.5	16.1
43 Corporate equities	8.4	26.9	38.3	33.4	17.7	35.6	25.3	10.3	25.2	43.4	27.8	30.2
44 Debt instruments	9.8	10.1	7.5	7.8	7.1	-8	7.7	9.9	4.4	-2.1	.4	-3.3
45 Corporate bonds	2.1	3.1	.9	-1.2	-9	-2.9	-2.9	-5.3	3.5	-2.3	-3.5	1.7
46 Mortgages	-3.7	-3	2.8	-4	-4	2.2	.5	-1	-9	3.7	.7	2.2
47 Bank loans n.e.c.	2.2	9.6	14.6	18.0	4.8	20.9	10.8	-1	9.7	24.8	17.0	15.8
48 Open market paper and RPs	-2.0	4.3	12.5	9.2	7.1	16.2	9.2	5.8	8.5	19.3	13.2	13.8
49 Loans from Federal Home Loan Banks	22.5	52.2	77.5	83.9	68.5	89.3	78.7	65.1	71.9	95.5	83.0	107.4
<i>By sector</i>												
50 Sponsored credit agencies	2.1	5.8	23.1	24.3	24.4	30.1	25.8	27.1	21.7	26.9	33.3	21.9
51 Mortgage pools	12.2	16.1	13.6	23.1	19.2	15.0	25.0	20.2	18.1	15.6	14.5	39.2
52 Private financial sectors	8.2	30.3	40.8	36.6	24.9	44.1	27.9	17.7	32.0	53.0	35.3	46.3
53 Commercial banks	2.3	1.1	1.3	1.6	.5	.4	1.8	.8	.3	.2	.5	1.0
54 Bank affiliates	5.4	2.0	7.2	6.5	6.9	8.3	4.9	5.8	8.0	6.9	9.7	9.3
55 Savings and loan associations .....	.1	9.9	14.3	11.4	6.6	13.1	10.2	.1	13.2	19.2	6.9	16.4
56 Other insurance companies .....	.9	1.4	.8	.9	1.1	1.1	.9	1.0	1.1	1.1	1.1	1.0
57 Finance companies	4.3	16.9	18.1	16.6	6.3	14.1	11.0	6.0	6.5	17.3	11.0	4.1
58 REITs	-2.2	-1.9	-9	-3	-1.5	-5	-1	-1.4	-1.7	-6	-3	*
59 Open-end investment companies	-2.4	.9	-1	.1	5.0	7.7	-8	5.5	4.5	8.9	6.5	14.5
All sectors												
60 Total funds raised, by instrument	296.0	386.5	479.2	485.9	465.6	496.2	485.3	428.1	503.1	533.7	458.7	492.6
61 Investment company shares	-2.4	.9	-1	.1	5.0	7.7	-8	5.5	4.5	8.9	6.5	14.5
62 Other corporate equities	13.1	5.6	1.9	-3.9	17.1	-10.6	-9	10.8	23.4	2.3	-23.5	1.2
63 Debt instruments	285.4	379.9	477.4	489.7	443.5	499.1	487.1	411.8	475.2	522.5	475.7	476.9
64 U.S. government securities	83.8	79.9	90.5	84.8	122.9	132.6	97.0	110.7	135.1	124.5	140.7	160.1
65 State and local obligations	15.7	21.9	28.4	29.8	35.9	32.9	32.8	30.7	41.0	35.1	30.6	46.8
66 Corporate and foreign bonds	41.2	36.1	31.8	34.2	41.1	28.5	35.2	49.3	33.0	26.0	30.9	17.3
67 Mortgages	87.1	129.9	151.0	162.4	134.0	115.2	154.7	130.4	137.7	134.3	96.2	94.0
68 Consumer credit	25.4	40.2	48.8	45.4	4.9	25.3	41.0	-3.3	13.0	29.4	21.2	16.0
69 Bank loans n.e.c.	6.2	29.5	59.0	51.0	46.5	57.0	42.7	24.0	69.0	56.4	57.6	84.8
70 Open market paper and RPs	8.1	15.0	26.4	40.3	21.6	54.0	44.5	35.9	7.2	56.2	51.8	30.5
71 Other loans	17.8	27.4	41.5	41.8	36.6	53.7	39.2	34.1	39.2	60.7	46.6	27.4

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	1976	1977	1978	1979	1980	1981	1979	1980		1981		1982
							H2	H1	H2	H1	H2	H1
1 Total funds advanced in credit markets to nonfinancial sectors	262.7	331.2	402.3	409.1	382.2	418.4	411.0	354.2	410.2	436.7	400.2	385.6
<i>By public agencies and foreign</i>												
2 Total net advances	49.8	79.2	101.9	74.6	95.8	95.9	101.0	104.6	87.0	98.7	93.2	91.6
3 U.S. government securities	23.1	34.9	36.1	-6.3	15.7	17.2	16.6	20.5	10.9	15.9	18.5	1.1
4 Residential mortgages	12.3	20.0	25.7	35.8	31.7	23.4	36.7	34.9	28.5	21.4	25.5	47.1
5 FHLB advances to savings and loans	-2.0	4.3	12.5	9.2	7.1	16.2	9.2	5.8	8.5	19.3	13.2	13.8
6 Other loans and securities	16.4	20.1	27.6	35.9	41.3	39.1	38.6	43.4	39.1	42.1	36.0	29.7
<i>Total advanced, by sector</i>												
7 U.S. government	7.9	10.0	17.1	19.0	23.7	24.2	18.7	24.6	22.8	27.1	21.2	10.6
8 Sponsored credit agencies	16.8	22.4	39.9	52.4	44.4	46.0	56.9	45.2	43.7	44.3	47.7	61.8
9 Monetary authorities	9.8	7.1	7.0	7.7	4.5	9.2	14.0	14.9	-5.9	-3.7	22.1	-6.5
10 Foreign	15.2	39.6	38.0	-4.6	23.2	16.6	11.3	19.9	26.5	30.9	2.2	25.8
11 Agency borrowing not included in line 1	14.3	21.9	36.7	47.3	43.6	45.1	50.8	47.3	39.8	42.5	47.8	61.1
<i>Private domestic funds advanced</i>												
12 Total net advances	227.1	273.9	337.1	381.8	329.9	367.6	360.8	296.9	362.9	380.5	354.7	355.1
13 U.S. government securities	60.7	45.1	54.3	91.1	107.2	115.4	80.5	90.2	124.2	108.5	122.3	159.1
14 State and local obligations	15.7	21.9	28.4	29.8	35.9	32.9	32.8	30.7	41.0	35.1	30.6	46.8
15 Corporate and foreign bonds	30.5	22.2	22.4	23.7	25.8	20.6	24.1	31.6	20.1	18.6	22.7	4.4
16 Residential mortgages	55.4	81.4	95.5	92.0	73.7	59.7	84.0	69.6	77.8	78.8	40.5	25.0
17 Other mortgages and loans	62.9	107.6	149.1	154.3	94.4	155.3	148.7	80.6	108.3	158.7	151.8	133.5
18 Less: Federal Home Loan Bank advances	-2.0	4.3	12.5	9.2	7.1	16.2	9.2	5.8	8.5	19.3	13.2	13.8
<i>Private financial intermediation</i>												
19 Credit market funds advanced by private financial institutions	190.9	261.7	302.9	292.2	257.9	301.3	260.7	245.4	270.4	326.3	276.3	289.4
20 Commercial banking	59.6	87.6	128.7	121.1	99.7	103.5	108.1	64.7	134.8	107.8	99.2	123.3
21 Savings institutions	70.2	81.6	73.6	55.5	54.1	24.6	48.9	34.9	73.2	43.9	5.3	30.6
22 Insurance and pension funds	49.7	69.0	75.0	66.4	74.4	75.8	60.1	84.3	64.4	75.8	75.8	93.3
23 Other finance	11.4	23.5	25.6	49.2	29.8	97.4	43.6	61.5	-1.9	98.8	95.9	42.3
24 Sources of funds	190.9	261.7	302.9	292.2	257.9	301.3	260.7	245.4	270.4	326.3	276.3	289.4
25 Private domestic deposits	124.4	138.9	141.1	142.5	167.8	211.2	145.9	162.5	173.1	212.0	210.3	172.0
26 Credit market borrowing	8.4	26.9	38.3	33.4	17.7	35.6	25.3	10.3	25.2	43.4	27.8	30.2
27 Other sources	58.0	96.0	123.5	116.4	72.4	54.6	89.5	72.7	72.1	70.9	38.2	87.1
28 Foreign funds	-4.7	1.2	6.3	25.6	-23.0	-8.8	3.4	-20.0	-26.0	-7	-16.8	-30.6
29 Treasury balances	-1	4.3	6.8	4	-2.6	-1.1	-7	-6.1	1.0	6.0	-8.2	-5.2
30 Insurance and pension reserves	34.3	51.4	62.2	49.1	65.4	70.8	43.8	70.3	60.5	66.0	75.6	78.5
31 Other, net	28.5	39.1	48.3	41.3	32.6	-6.4	43.0	28.6	36.6	-4	-12.3	44.4
<i>Private domestic nonfinancial investors</i>												
32 Direct lending in credit markets	44.7	39.0	72.5	122.9	89.7	101.9	125.4	61.7	117.7	97.5	106.2	95.9
33 U.S. government securities	15.9	24.6	36.3	61.4	38.3	50.4	54.9	23.3	53.3	43.0	57.7	60.2
34 State and local obligations	3.3	-8	3.6	9.4	12.6	20.3	11.5	6.2	18.9	22.8	17.8	27.2
35 Corporate and foreign bonds	11.8	-5.1	-2.9	10.2	9.3	-7.9	16.9	7.8	10.8	-9.2	-6.6	-23.0
36 Commercial paper	1.9	9.6	15.6	12.1	-3.4	3.5	14.6	-8.1	1.4	-1.4	8.4	6.9
37 Other	11.8	10.7	19.9	29.8	32.9	35.6	27.6	32.5	33.3	42.3	29.0	24.7
38 Deposits and currency	133.4	148.5	152.3	151.9	179.2	221.0	149.9	172.4	186.1	218.6	223.4	170.0
39 Currency	7.3	8.3	9.3	7.9	10.3	9.5	6.3	9.3	11.3	5.8	13.2	2.0
40 Checkable deposits	10.4	17.2	16.3	19.2	4.2	18.3	22.5	-2.5	11.0	26.5	10.1	7.0
41 Small time and savings accounts	123.7	93.5	63.7	61.0	79.5	46.6	50.7	73.4	85.7	26.9	66.3	90.0
42 Money market fund shares	*	2	6.9	34.4	29.2	107.5	38.6	61.9	-3.4	104.1	110.8	39.7
43 Large time deposits	-12.0	25.8	46.6	21.2	48.3	36.3	39.4	24.4	72.1	46.8	25.7	48.3
44 Security RPs	2.3	2.2	7.5	6.6	6.5	2.5	-5.3	5.3	7.8	7.7	-2.6	-12.9
45 Foreign deposits	1.7	1.3	2.0	1.5	1.1	.3	-2.3	.6	1.7	.8	-2	-4.1
46 Total of credit market instruments, deposits and currency	178.1	187.5	224.9	274.8	269.0	322.8	275.3	234.1	303.8	316.1	329.6	265.9
47 Public support rate (in percent)	19.0	23.9	25.3	18.2	25.1	22.9	24.6	29.5	21.2	22.6	23.3	23.8
48 Private financial intermediation (in percent)	84.0	95.6	89.9	76.5	78.2	82.0	72.3	82.7	74.5	85.8	77.9	81.5
49 Total foreign funds	10.5	40.8	44.3	21.0	.2	7.8	14.8	*	.5	30.3	-14.6	-4.7
MEMO: Corporate equities not included above												
50 Total net issues	10.6	6.5	1.9	-3.8	22.1	-2.9	-1.7	16.3	27.9	11.2	-17.0	15.7
51 Mutual fund shares	-2.4	.9	-1	.1	5.0	7.7	-8	5.5	4.5	8.9	6.5	14.5
52 Other equities	13.1	5.6	1.9	-3.9	17.1	-10.6	-9	10.8	23.4	2.3	-23.5	1.2
53 Acquisitions by financial institutions	12.5	7.4	4.6	10.4	14.6	22.9	14.2	8.6	20.7	25.3	20.5	22.2
54 Other net purchases	-1.9	-8	-2.7	-14.2	7.5	-25.8	-15.9	7.7	7.2	-14.1	-37.5	-6.5

NOTES BY LINE NUMBER.

1. Line 2 of table 1.58.
2. Sum of lines 3-6 or 7-10.
6. Includes farm and commercial mortgages.
11. Credit market funds raised by federally sponsored credit agencies, and net issues of federally related mortgage pool securities.
12. Line 1 less line 2 plus line 11. Also line 19 less line 26 plus line 32. Also sum of lines 27, 32, and 38 less lines 39 and 45.
17. Includes farm and commercial mortgages.
25. Line 38 less lines 39 and 45.
26. Excludes equity issues and investment company shares. Includes line 18.
28. Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates.
29. Demand deposits at commercial banks.
30. Excludes net investment of these reserves in corporate equities.

31. Mainly retained earnings and net miscellaneous liabilities.

32. Line 12 less line 19 plus line 26.

33-37. Lines 13-17 less amounts acquired by private finance. Line 37 includes mortgages.

39. Mainly an offset to line 9.

46. Lines 32 plus 38, or line 12 less line 27 plus 39 and 45.

47. Line 2/line 1.

48. Line 19/line 12.

49. Sum of lines 10 and 28.

50, 52. Includes issues by financial institutions.

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

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

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

Measure	1979	1980	1981	1982								
				Feb.	Mar.	Apr.	May	June	July ^r	Aug. ^r	Sept. ^p	Oct.
1 Industrial production ¹	152.5	147.0	151.0	142.9	141.7	140.2	139.2	138.7	138.8	138.4	137.4	136.3
Market groupings												
2 Products, total	150.0	146.7	150.6	144.6	143.7	142.9	142.3	142.1	142.6	141.8	140.8	139.6
3 Final, total	147.2	145.3	149.5	144.1	143.3	142.6	142.2	142.1	142.5	141.1	140.0	138.5
4 Consumer goods	150.8	145.4	147.9	141.8	141.5	142.1	143.6	144.8	145.8	144.4	143.6	142.5
5 Equipment	142.2	145.2	151.5	147.3	145.9	143.4	140.4	138.4	138.0	136.7	135.0	133.0
6 Intermediate	160.5	151.9	154.4	146.3	145.2	143.7	142.6	141.9	142.8	144.5	144.0	143.7
7 Materials	156.4	147.6	151.6	140.4	138.5	136.2	134.3	133.5	133.0	133.0	132.0	131.2
Industry groupings												
8 Manufacturing	153.6	146.7	150.4	140.9	140.1	138.7	137.9	137.7	138.1	138.0	137.2	135.8
Capacity utilization (percent) ^{1,2}												
9 Manufacturing	85.7	79.1	78.5	72.2	71.6	70.8	70.2	70.0	70.0	69.8	69.2	68.4
10 Industrial materials industries	87.4	80.0	79.9	72.9	71.8	70.5	69.4	68.8	68.5	68.4	67.7	67.2
11 Construction contracts (1977 = 100) ³	121.0	106.0	107.0	115.0 ^r	105.0	88.0	94.0	111.0	98.0	112.0	117.0	n.a.
12 Nonagricultural employment, total ⁴	136.5	137.4	138.5	137.5	137.2	136.9	137.0	136.5	136.1	135.7	135.5	135.1
13 Goods-producing, total	113.5	110.3	110.2	105.7	104.9	104.2	104.1	102.9	102.3	101.5	101.0	99.9
14 Manufacturing, total	108.2	104.3	103.7	100.0	99.3	98.6	98.3	97.3	96.7	96.0	95.5	94.3
15 Manufacturing, production-worker	105.3	99.4	98.5	92.9	92.1	91.2	90.9	89.8	89.2	88.4	87.9	86.5
16 Service-producing	149.1	152.6	155.0	154.9	155.0	154.8	155.1	154.9	154.6	154.5	154.5	154.5
17 Personal income, total	309.7	342.9	383.5	399.0	399.8	402.5	405.7	407.3	411.4	412.2	413.4	n.a.
18 Wages and salary disbursements	289.8	317.6	349.9	362.2	361.3	362.2	365.4	366.0	367.6	367.6	367.5	n.a.
19 Manufacturing	249.0	264.3	288.1	289.0	286.4	286.3	288.1	288.4	287.7	286.4	284.0	n.a.
20 Disposable personal income ⁵	301.2	332.9	370.3	386.5	387.7	391.7	392.9	393.4	401.2	401.7	403.0	n.a.
21 Retail sales ⁶	281.6	303.8	330.6	334.9	333.5	337.4	347.1	336.4	341.8	338.2	340.2	342.2
Prices ⁷												
22 Consumer	217.4	246.8	272.4	283.4	283.1	284.3	287.1	290.6	292.2	292.8	293.3	n.a.
23 Producer finished goods	217.7	247.0	269.8	277.9	277.3	277.3	277.8	279.9	281.7	282.4	281.4	n.a.

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*. Seasonally adjusted data for changes in the price indexes may be obtained from the Bureau of Labor Statistics, U.S. Department of Labor.NOTE. Basic data (not index numbers) for series mentioned in notes 4, 5, and 6, and indexes for series mentioned in notes 3 and 7 may also be found in the *Survey of Current Business*.

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

2.11 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION

Seasonally adjusted

Series	1981	1982				1981	1982				1981	1982			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3			
	Output (1967 = 100)				Capacity (percent of 1967 output)				Utilization rate (percent)						
1 Manufacturing	145.0	139.8	138.1	137.8	193.9	195.2	196.4	197.7	74.8	71.6	70.3	69.7			
2 Primary processing	143.5	137.1	132.3	132.2	197.5	198.6	199.5	200.4	72.7	69.1	66.3	65.9			
3 Advanced processing	145.8	141.6	141.2	140.6	192.0	193.5	194.9	196.2	75.9	73.2	72.5	71.7			
4 Materials	144.0	138.7	134.7	132.7	191.5	192.6	193.7	194.6	75.2	72.0	69.6	68.2			
5 Durable goods	140.2	130.9	127.1	124.8	195.3	196.4	197.3	198.3	71.8	66.7	64.4	62.9			
6 Metal materials	99.5	90.9	77.0	72.7	142.1	142.3	142.4	142.3	70.1	63.9	54.1	51.1			
7 Nondurable goods	164.5	161.0	156.8	154.5	213.1	214.6	216.1	217.4	77.2	75.0	72.6	71.0			
8 Textile, paper, and chemical	169.4	164.5	160.5	157.4	223.9	225.6	227.3	228.8	75.7	72.9	70.6	68.8			
9 Textile	106.8	101.3	101.8	101.9	141.6	142.1	142.4	142.8	75.4	71.3	71.5	71.4			
10 Paper	147.0	146.1	142.0	145.0	162.8	163.8	164.6	165.4	90.3	89.2	86.3	87.6			
11 Chemical	206.2	200.0	194.0	187.1	284.4	287.3	289.6	291.9	72.5	69.6	67.0	64.1			
12 Energy materials	127.9	129.8	125.5	124.8	155.8	156.5	157.0	157.6	82.1	82.9	79.9	79.2			

2.11 Continued

Series	Previous cycle ¹		Latest cycle ²		1981	1982								
	High	Low	High	Low	Oct.	Feb.	Mar.	Apr.	May	June	July ^r	Aug. ^r	Sept. ^r	Oct.
Capacity utilization rate (percent)														
13 Manufacturing.....	88.0	69.0	87.2	74.9	76.6	72.2	71.6	70.8	70.2	70.0	70.0	69.8	69.2	68.4
14 Primary processing.....	93.8	68.2	90.1	71.0	75.7	70.0	68.6	67.2	66.1	65.7	65.7	66.0	66.1	65.8
15 Advanced processing.....	85.5	69.4	86.2	77.2	77.0	73.6	73.2	72.6	72.5	72.3	72.3	71.8	70.9	69.8
16 Materials.....	92.6	69.4	88.8	73.8	77.7	72.9	71.8	70.5	69.4	68.8	68.5	68.4	67.7	67.2
17 Durable goods.....	91.5	63.6	88.4	68.2	74.7	67.4	66.4	65.0	64.2	64.0	63.7	63.1	62.0	61.0
18 Metal materials.....	98.3	68.6	96.0	59.6	73.9	64.7	61.1	56.2	53.9	52.2	50.7	51.4	51.1	n.a.
19 Nondurable goods.....	94.5	67.2	91.6	77.5	80.3	76.5	75.3	74.4	72.5	70.9	70.2	71.1	71.8	71.5
20 Textile, paper, and chemical.....	95.1	65.3	92.2	75.3	79.1	74.4	73.7	72.5	70.6	68.8	68.0	68.8	69.5	69.6
21 Textile.....	92.6	57.9	90.6	80.9	78.8	71.9	73.5	73.4	71.5	69.6	69.8	71.9	72.4	n.a.
22 Paper.....	99.4	72.4	97.7	89.3	92.1	90.7	89.4	87.4	86.1	85.3	86.0	88.0	88.9	n.a.
23 Chemical.....	95.5	64.2	91.3	70.7	76.2	71.3	70.2	69.0	66.9	65.0	63.7	63.9	64.6	n.a.
24 Energy materials.....	94.6	84.8	88.3	82.7	82.5	83.2	81.8	80.2	79.9	79.8	80.0	79.5	77.9	78.5

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.

Category	1979	1980	1981	1982						
				Apr.	May	June	July	Aug. ^r	Sept. ^r	Oct. ^p
HOUSEHOLD SURVEY DATA										
1 Noninstitutional population ¹	166,951	169,847	172,272	174,019	174,201	174,363	174,544	174,707	174,888	175,069
2 Labor force (including Armed Forces) ¹ ...	107,050	109,042	110,812	111,823	112,841	112,364	112,702	112,840	113,178	112,832
3 Civilian labor force	104,962	106,940	108,670	109,648	110,666	110,191	110,522	110,644	110,980	110,644
4 <i>Employment</i>										
5 Nonagricultural industries ²	95,477	95,938	97,030	96,032	96,629	96,406	96,272	96,404	96,352	95,667
6 Agriculture	3,347	3,364	3,368	3,309	3,488	3,357	3,460	3,435	3,368	3,426
7 <i>Unemployment</i>										
8 Number	6,137	7,637	8,273	10,307	10,549	10,427	10,790	10,805	11,260	11,551
9 Rate (percent of civilian labor force) .	5.8	7.1	7.6	9.4	9.5	9.5	9.8	9.8	10.1	10.4
10 Not in labor force	59,901	60,805	61,460	62,196	61,360	61,999	61,842	61,867	61,710	62,237
ESTABLISHMENT SURVEY DATA										
9 Nonagricultural payroll employment ³	89,823	90,564	91,548	90,083	90,166	89,839	89,535	89,312	89,188	88,925 ^p
10 Manufacturing	21,040	20,300	20,264	19,169	19,115	18,930	18,813	18,672	18,580	18,348 ^p
11 Mining	958	1,020	1,104	1,182	1,152	1,124	1,100	1,086	1,074	1,064 ^p
12 Contract construction	4,463	4,399	4,307	3,938	3,988	3,940	3,927	3,899	3,881	3,867 ^p
13 Transportation and public utilities	5,136	5,143	5,152	5,094	5,101	5,078	5,044	5,025	5,032	5,022 ^p
14 Trade	20,192	20,386	20,736	20,584	20,652	20,595	20,615	20,550	20,480	20,438 ^p
15 Finance	4,975	5,168	5,330	5,335	5,342	5,352	5,359	5,360	5,370	5,362 ^p
16 Service	17,112	17,901	18,598	18,929	18,963	18,988	19,042	19,048	19,076	19,107 ^p
17 Government	15,947	16,249	16,056	15,852	15,853	15,832	15,635	15,672	15,695	15,717 ^p

1. Persons 16 years of age and over. Monthly figures, which are based on sample data, relate to the calendar week that contains the 12th day; annual data are averages of monthly figures. By definition, seasonality does not exist in population figures. Based on data from *Employment and Earnings* (U.S. Department of Labor).

2. Includes self-employed, unpaid family, and domestic service workers.

3. Data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th day of the month, and exclude proprietors, self-employed persons, domestic servants, unpaid family workers, and members of the Armed Forces. Data are adjusted to the March 1979 benchmark and only seasonally adjusted data are available at this time. Based on data from *Employment and Earnings* (U.S. Department of Labor).

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value

Monthly data are seasonally adjusted.

Grouping	1967 pro- por- tion	1981 aver- age	1981			1982									
			Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept. ^P	Oct. ^e
Index (1967 = 100)															
MAJOR MARKET															
1 Total index.....	100.00	151.0	149.1	146.3	143.4	140.7	142.9	141.7	140.2	139.2	138.7	138.8	138.4	137.4	136.3
2 Products.....	60.71	150.6	149.4	147.5	146.2	142.9	144.6	143.7	142.9	142.3	142.1	142.6	141.8	140.8	139.6
3 Final products.....	47.82	149.5	148.9	147.2	146.3	142.8	144.1	143.3	142.6	142.2	142.1	142.5	141.1	140.0	138.5
4 Consumer goods.....	27.68	147.9	146.5	144.0	142.0	139.6	141.8	141.5	142.1	143.6	144.8	145.8	144.4	143.6	142.5
5 Equipment.....	20.14	151.8	152.1	151.5	152.1	147.2	147.3	145.9	143.4	140.4	138.4	138.0	136.7	135.0	133.0
6 Intermediate products.....	12.89	154.4	151.4	148.7	145.9	143.4	146.3	145.2	143.7	142.6	141.9	142.8	144.5	144.0	143.7
7 Materials.....	39.29	151.6	148.5	144.6	139.0	137.2	140.4	138.5	136.2	134.3	133.5	133.0	133.0	132.0	131.2
Consumer goods															
8 Durable consumer goods.....	7.89	140.5	136.3	129.7	123.2	120.1	125.9	128.1	130.7	132.6	134.6	137.3	133.4	131.8	127.9
9 Automotive products.....	2.83	137.9	132.8	121.7	119.2	109.2	117.5	125.0	129.9	138.9	143.0	149.7	137.3	136.1	123.5
10 Autos and utility vehicles.....	2.03	111.2	101.7	88.9	87.5	71.6	82.0	93.6	100.5	111.8	117.1	127.7	109.6	107.7	90.3
11 Autos.....	1.90	103.4	92.5	81.1	78.1	61.3	70.5	79.8	87.2	96.1	101.9	114.6	96.0	96.3	80.6
12 Auto parts and allied goods.....	80	205.6	211.8	205.0	199.7	204.4	207.8	204.5	204.6	206.7	208.6	205.4	207.6	208.1	207.8
13 Home goods.....	5.06	142.0	138.2	134.1	125.4	126.3	130.6	129.9	131.1	129.1	129.9	130.4	131.3	129.4	130.4
14 Appliances, A/C, and TV.....	1.40	119.6	116.7	107.7	85.7	100.6	103.5	97.0	102.7	100.5	106.4	102.7	104.6	99.6	105.9
15 Appliances and TV.....	1.33	121.2	118.7	108.7	86.6	101.6	104.1	97.4	103.1	101.5	108.8	106.1	108.6	104.4	.....
16 Carpeting and furniture.....	1.07	158.0	152.6	146.9	144.4	137.9	147.8	151.3	151.8	145.9	149.0	151.4	152.0	153.0	.....
17 Miscellaneous home goods.....	2.59	147.4	143.9	143.2	139.1	135.4	138.1	138.9	138.0	137.7	134.9	136.7	137.2	135.7	134.9
18 Nondurable consumer goods.....	19.79	150.9	150.5	149.7	149.5	147.4	148.1	146.8	146.6	147.9	148.8	149.1	148.7	148.4	148.3
19 Clothing.....	4.29	119.8	117.8	116.1	113.8	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
20 Consumer staples.....	15.50	159.5	159.6	159.0	159.4	158.9	159.2	149.6	158.3	159.0	159.9	159.7	159.6	159.0	159.0
21 Consumer foods and tobacco.....	8.33	150.3	150.7	150.4	150.9	150.0	151.1	168.0	148.1	149.9	150.9	149.9	149.9	.....	.....
22 Nonfood staples.....	7.17	170.0	169.9	169.1	169.3	169.1	168.7	217.8	170.0	169.5	170.4	171.2	170.8	170.4	170.1
23 Consumer chemical products.....	2.63	223.1	223.0	220.3	220.1	220.1	218.2	127.8	218.3	216.6	219.8	222.3	222.4	219.7	.....
24 Consumer paper products.....	1.92	127.9	126.9	125.7	127.2	127.0	130.2	147.6	128.7	126.7	126.7	128.1	129.4	128.7	.....
25 Consumer energy products.....	2.62	147.7	148.2	149.4	149.1	148.9	147.2	170.4	151.9	153.6	152.8	151.4	149.3	151.4	.....
26 Residential utilities.....	1.45	166.3	166.2	167.4	167.5	172.3	171.6	169.0	174.5	173.7	171.1	167.7	169.7	.....	.....
Equipment															
27 Business.....	12.63	181.1	180.5	179.0	179.0	172.2	171.6	151.2	164.9	159.9	156.7	154.9	153.1	149.5	146.0
28 Industrial.....	6.77	166.4	166.9	165.1	164.0	158.1	155.9	256.9	145.9	138.9	134.0	131.3	128.6	124.0	118.3
29 Building and mining.....	1.44	286.2	295.6	293.8	294.6	289.0	274.9	116.3	242.2	224.4	209.0	200.4	190.8	181.3	163.7
30 Manufacturing.....	3.85	127.9	125.7	123.6	122.0	116.9	116.8	139.0	114.0	109.7	107.5	106.0	104.4	100.9	97.8
31 Power.....	1.47	149.7	148.4	147.1	145.5	137.4	141.1	189.5	134.8	131.5	129.9	129.6	130.9	128.1	127.1
32 Commercial transit, farm.....	5.86	198.0	196.2	195.0	196.3	188.5	189.9	257.8	186.9	184.1	183.0	182.2	181.4	179.0	178.0
33 Commercial.....	3.26	258.7	259.8	260.6	262.9	256.1	256.4	110.5	253.1	247.7	247.5	248.8	250.2	249.4	248.5
34 Transit.....	1.93	125.4	120.6	116.6	117.5	109.0	110.4	84.9	110.9	110.9	108.3	106.3	102.0	96.7	94.2
35 Farm.....	.67	112.0	104.6	101.7	98.9	88.4	95.1	107.0	83.5	85.8	84.1	76.9	75.8	73.8	.....
36 Defense and space.....	7.51	102.7	104.5	105.3	107.0	105.2	106.5	125.6	107.2	107.7	107.6	109.5	109.1	110.7	111.3
Intermediate products															
37 Construction supplies.....	6.42	141.9	135.2	130.1	127.0	124.2	127.5	164.6	123.6	122.2	123.1	124.1	126.8	126.2	125.9
38 Business supplies.....	6.47	166.7	167.5	167.1	164.6	162.4	165.1	184.5	163.7	162.8	160.6	161.4	162.0	161.6	.....
39 Commercial energy products.....	1.14	176.4	174.3	177.0	177.3	181.7	184.1	130.7	183.5	180.3	178.3	179.8	178.0	177.5	.....
Materials															
40 Durable goods materials.....	20.35	149.1	145.6	141.0	134.0	129.7	132.4	130.7	128.1	126.6	126.6	126.0	125.2	123.1	121.4
41 Durable consumer parts.....	4.58	114.5	107.6	102.8	92.9	86.9	92.2	94.1	94.7	98.9	103.1	103.8	100.7	97.7	94.0
42 Equipment parts.....	5.44	191.2	190.3	188.7	183.3	177.2	180.1	177.5	173.9	170.0	168.3	166.1	164.1	158.6	156.9
43 Durable materials n.e.c.....	10.34	142.3	138.9	132.9	126.1	123.6	125.1	122.2	118.8	116.1	115.1	114.8	115.5	115.6	114.8
44 Basic metal materials.....	5.57	112.0	106.5	101.6	94.8	94.5	94.3	88.6	82.3	79.4	77.4	75.7	76.4	76.5	.....
45 Nondurable goods materials.....	10.47	174.6	170.6	164.7	158.3	156.8	164.2	162.0	160.3	156.6	153.5	152.3	154.6	156.6	156.2
46 Textile, paper, and chemical materials.....	7.62	181.4	176.4	169.9	161.9	159.1	167.9	166.6	164.4	160.4	156.7	155.3	157.4	159.5	159.9
47 Textile materials.....	1.85	113.0	111.6	106.9	102.0	97.3	102.2	104.5	104.5	101.8	99.1	99.6	102.7	103.5	.....
48 Paper materials.....	1.62	150.6	149.6	150.2	141.2	143.2	148.5	146.7	143.5	141.8	140.7	142.1	145.5	147.3	.....
49 Chemical materials.....	4.15	224.0	215.9	205.8	196.8	193.0	204.9	202.2	199.3	193.9	188.7	185.4	186.5	189.3	.....
50 Containers, nondurable.....	1.70	169.3	166.7	163.5	161.9	162.4	166.7	161.3	159.8	157.2	158.5	158.1	162.8	165.3	.....
51 Nondurable materials n.e.c.....	1.14	137.4	137.1	131.9	128.6	132.4	136.0	132.4	134.2	130.6	124.8	123.4	123.4	124.1	.....
52 Energy materials.....	8.48	129.0	128.3	128.1	127.4	130.9	130.3	128.2	125.8	125.4	125.4	126.0	125.4	123.0	124.1
53 Primary energy.....	4.65	115.0	116.4	115.6	115.9	119.2	119.5	119.2	117.3	116.9	116.6	117.2	115.8	111.9	.....
54 Converted fuel materials.....	3.82	145.9	142.8	143.4	141.4	145.1	143.4	139.1	136.1	135.7	136.0	136.7	137.1	136.4	.....
Supplementary groups															
55 Home goods and clothing.....	9.35	131.8	128.8	125.9	120.1	117.0	120.1	118.9	118.9	119.5	120.2	121.4	121.3	120.5	120.9
56 Energy, total.....	12.23	137.4	136.9	137.2	136.7	139.5	138.9	137.6	136.7	136.5	136.2	136.4	135.4	134.1	135.4
57 Products.....	3.76	156.4	156.1	157.8	157.7	158.8	158.4	158.8	161.5	161.7	160.5	160.0	158.0	159.3	.....
58 Materials.....	8.48	129.0	128.3	128.1	127.4	130.9	130.3	128.2	125.8	125.4	125.4	126.0	125.4	123.0	124.1

2.13 Continued

Grouping	SIC code	1967 proportion	1981 avg.	1981				1982									
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept. ^p	Oct. ^e
Index (1967 = 100)																	
MAJOR INDUSTRY																	
1 Mining and utilities		12.05	155.0	155.8	156.1	155.4	154.7	157.4	155.6	153.1	151.6	148.8	145.2	142.6	141.8	140.3	141.0
2 Mining		6.36	142.2	145.0	145.3	143.3	142.6	144.5	142.4	138.1	134.1	128.9	123.5	120.1	118.1	114.9	115.7
3 Utilities		5.69	169.1	167.8	168.1	168.9	168.2	171.8	170.4	170.0	171.0	170.9	169.4	167.7	168.2	168.7	169.1
4 Electric		3.88	190.9	188.3	189.4	190.9	190.2	195.2	192.5	191.7	193.1	193.4	191.6	189.2	189.8	190.7	191.4
5 Manufacturing		87.95	150.4	151.1	148.0	145.0	142.0	138.5	140.9	140.1	138.7	137.9	137.7	138.1	138.0	137.2	135.8
6 Nondurable		35.97	164.8	165.9	162.8	160.3	157.4	155.1	157.8	157.3	156.1	155.0	155.3	155.7	156.8	156.8	156.5
7 Durable		51.98	140.5	140.9	137.8	134.4	131.3	127.1	129.3	128.2	126.7	126.1	125.5	125.9	124.9	123.5	121.5
Mining																	
8 Metal	10	.51	123.1	121.5	119.8	115.4	110.9	121.3	120.8	109.9	108.8	90.0	71.8	58.1	56.8	53.0	.....
9 Coal	11.12	.69	141.3	161.9	166.9	160.8	145.5	147.9	155.6	155.6	146.2	149.2	144.4	140.3	139.9	127.9	145.2
10 Oil and gas extraction	13	4.40	146.8	148.8	148.9	148.4	150.5	151.5	146.6	141.4	137.7	132.7	129.1	127.0	124.0	121.7	120.0
11 Stone and earth minerals	14	.75	129.4	123.4	122.0	116.7	115.7	115.8	120.5	121.6	119.6	114.6	106.6	103.8	105.7	105.6	.....
Nondurable manufactures																	
12 Foods	20	8.75	152.1	150.7	151.4	153.0	152.8	151.1	151.7	150.8	149.7	150.5	151.0	151.0	150.5	.....	.....
13 Tobacco products	21	.67	122.2	122.4	124.3	119.6	112.6	112.7	126.7	126.7	116.1	118.6	123.6	121.4	121.4	.....	.....
14 Textile mill products	22	2.68	135.7	136.3	132.5	126.1	122.8	120.0	125.8	126.0	126.3	123.5	123.7	124.3	125.3	125.1	.....
15 Apparel products	23	3.31	120.4	122.5	117.8	113.8	114.1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
16 Paper and products	26	3.21	155.0	158.6	153.3	152.6	146.6	148.3	151.5	150.6	149.8	146.5	146.8	147.0	152.4	152.7	150.8
17 Printing and publishing	27	4.72	144.2	145.9	145.6	143.4	145.3	145.6	146.4	145.9	144.2	143.8	142.6	143.9	145.3	144.7	144.6
18 Chemicals and products	28	7.74	215.6	216.3	208.8	204.6	199.8	196.7	201.3	200.3	198.6	193.6	193.2	194.1	195.6	195.7	.....
19 Petroleum products	29	1.79	129.7	129.1	128.3	128.0	128.3	123.3	119.5	121.3	120.8	122.2	124.3	124.7	121.4	124.2	125.5
20 Rubber and plastic products	30	2.24	274.0	282.2	276.0	264.1	247.3	244.7	251.8	253.4	255.1	257.0	258.9	256.8	261.1	262.0	.....
21 Leather and products	31	.86	69.3	69.7	71.2	70.8	65.6	63.1	64.0	61.2	60.6	61.1	62.3	62.9	60.8	60.5	.....
Durable manufactures																	
22 Ordnance, private and government	19.91	3.64	81.1	82.3	82.5	84.3	85.5	84.1	83.8	83.8	85.2	86.3	86.5	87.1	87.8	88.5	89.1
23 Lumber and products	24	1.64	119.1	113.2	109.6	104.7	104.8	99.2	104.9	103.5	106.2	110.6	112.2	116.9	119.3	117.8	.....
24 Furniture and fixtures	25	1.37	157.2	159.9	157.2	153.7	149.4	144.3	148.4	150.2	151.8	151.1	152.5	154.5	156.1	155.3	.....
25 Clay, glass, stone products	32	2.74	147.9	147.3	143.4	135.9	131.5	128.5	135.0	131.5	127.0	125.0	126.1	126.9	128.8	130.6	.....
26 Primary metals	33	6.57	107.9	108.6	102.3	96.6	89.6	89.7	88.5	83.0	76.4	75.2	72.8	72.9	72.5	73.3	72.6
27 Iron and steel	331.2	4.21	99.8	99.2	92.2	87.2	79.2	79.6	78.5	73.0	65.1	62.4	58.0	58.1	57.4	56.3	.....
28 Fabricated metal products	34	5.93	136.4	136.8	133.8	130.2	126.1	120.7	121.4	121.1	119.1	115.8	115.0	115.5	114.2	113.1	111.9
29 Nonelectrical machinery	35	9.15	171.2	173.9	169.7	167.9	167.4	160.9	160.0	157.3	153.7	150.0	147.4	147.1	146.7	143.2	139.1
30 Electrical machinery	36	8.05	178.4	180.0	179.6	175.7	170.7	168.2	172.9	172.6	172.2	170.9	170.8	170.3	169.9	167.8	167.7
31 Transportation equipment	37	9.27	116.1	114.2	110.6	106.1	103.7	96.6	102.0	104.4	105.9	110.0	111.6	112.7	107.5	105.8	100.7
32 Motor vehicles and parts	371	4.50	122.3	120.4	113.8	105.5	100.4	90.4	98.6	105.6	110.7	119.8	124.0	127.2	117.9	114.1	103.4
33 Aerospace and miscellaneous transportation equipment	372-9	4.77	110.2	108.5	107.5	106.8	106.8	102.4	105.3	103.2	101.3	100.8	99.9	99.0	97.8	97.9	98.1
34 Instruments	38	2.11	170.3	169.7	168.6	167.1	166.8	162.2	164.5	163.0	162.8	163.8	164.8	165.2	165.5	162.2	159.1
35 Miscellaneous manufactures	39	1.51	154.7	154.2	151.5	151.7	147.9	144.9	144.5	145.3	144.6	141.7	136.8	134.7	133.7	132.2	132.7
Gross value (billions of 1972 dollars, annual rates)																	
MAJOR MARKET																	
36 Products, total		507.4	612.3	611.5	605.0	597.6	592.8	577.4	588.1	586.8	582.1	586.1	584.1	585.8	580.4	573.4	570.9
37 Final		390.9	474.1	473.0	470.1	465.2	462.3	448.8	457.1	456.6	453.5	458.3	456.7	457.2	451.5	444.6	442.1
38 Consumer goods		277.5	318.0	317.7	314.3	310.5	307.2	298.9	306.3	306.9	306.7	312.3	313.1	314.9	311.3	307.3	305.6
39 Equipment		113.4	156.1	155.3	155.8	154.7	155.1	149.9	150.8	149.7	146.8	146.0	143.5	142.3	140.2	137.3	136.5
40 Intermediate		116.6	138.2	138.4	134.9	132.4	130.5	128.7	131.1	130.2	128.6	127.8	127.4	128.7	128.9	128.9	128.8

1. 1972 dollar value.

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

2.14 HOUSING AND CONSTRUCTION

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

Item	1979	1980	1981	1982							
				Feb.	Mar.	Apr.	May	June	July	Aug. ^r	Sept.
	Private residential real estate activity (thousands of units)										
NEW UNITS											
1 Permits authorized	1,552	1,191	986	792	851	879	944	929	1,062	888	1,038
2 1-family	981	710	564 ^r	436	460	450	488	516	500	497	576
3 2-or-more-family	570	480	421	356	391	429	456	413	562	391	462
4 Started	1,745	1,292	1,084	945	931	882	1,066	908	1,193 ^r	1,002	1,146
5 1-family	1,194	852	705	568	621	566	631	621	628 ^r	622	663
6 2-or-more-family	551	440	379	377	310	316	435	287	565 ^r	380	483
7 Under construction, end of period ¹	1,140	896	682	688	682	673	664	660 ^r	674 ^r	671	n.a.
8 1-family	639	515	382	400	399	393	382	384 ^r	378 ^r	374	n.a.
9 2-or-more-family	501	382	301	288	283	280	282	276 ^r	297	297	n.a.
10 Completed	1,855	1,502	1,266	920	926	962	1,138	939 ^r	1,007 ^r	991	n.a.
11 1-family	1,286	957	818	545	585	596	684	582 ^r	693 ^r	622	n.a.
12 2-or-more-family	569	545	447	375	341	366	454	357 ^r	314 ^r	369	n.a.
13 Mobile homes shipped	277	222	241	251	252	255	246	257	246	234	n.a.
Merchant builder activity in 1-family units											
14 Number sold	709	545	436	376	380	335	395	369 ^r	354 ^r	375	464
15 Number for sale, end of period ¹	402	342	278	274	269	264	259	254 ^r	250	248	246
Price (thousands of dollars) ²											
Median											
16 Units sold	62.8	64.7	68.8	65.7	67.2	70.2	69.3	69.3 ^r	70.9 ^r	72.1	69.0
Average											
17 Units sold	71.9	76.4	83.1	80.7	83.7	85.0	86.5	84.9 ^r	86.2 ^r	89.1	82.3
EXISTING UNITS (1-family)											
18 Number sold	3,701	2,881	2,350	1,950	1,990	1,910	1,900	1,980	1,890	1,820	1,820
Price of units sold (thousands of dollars) ²											
Median											
19 Median	55.5	62.1	66.1	66.9	67.0	67.1	67.8	69.4	69.2	68.9	68.1
Average											
20 Average	64.0	72.7	78.0	78.8	79.1	79.4	80.6	82.3	82.0	82.0	81.0
	Value of new construction ³ (millions of dollars)										
CONSTRUCTION											
21 Total put in place	230,412	230,748	238,198	222,615	224,583	226,095	228,745	231,589	228,775 ^r	230,204	229,841
22 Private	181,622	175,701	185,221	173,026	173,605	175,142	179,941	182,651	180,336 ^r	179,429	179,437
23 Residential	99,028	87,261	86,566	69,161	70,040	72,300	75,453	75,251	76,234 ^r	76,726	76,734
24 Nonresidential, total	82,594	88,440	98,655	103,865	103,565	102,842	104,488	107,400	104,102 ^r	102,703	102,703
Buildings											
25 Industrial	14,953	13,839	17,031	17,211	16,641	15,882	17,118	18,424	16,404	16,691	16,464
26 Commercial	24,919	29,940	34,243	36,841	38,362	38,437	36,818	38,048	37,512	36,091	36,348
27 Other	7,427	8,654	9,543	10,002	9,880	9,897	10,427	10,579	10,130	10,499	10,649
28 Public utilities and other	35,295	36,007	37,838	39,811	38,682	38,626	40,125	40,349	40,056 ^r	39,422	39,242
29 Public	48,790	55,047	52,977	49,589	50,978	50,953	48,804	48,938	48,439	50,775	50,404
30 Military	1,648	1,880	1,966	1,459	2,317	1,706	2,140	1,901	1,891	1,997	2,064
31 Highway	11,997	13,808	13,304	12,422	13,307	12,113	11,655	13,073	14,119	13,327	13,671
32 Conservation and development	4,586	5,089	5,225	5,301	5,056	5,493	5,223	5,051	5,060	5,036	4,749
33 Other	30,559	34,270	32,482	30,407	30,298	31,641	29,786	28,913	27,369	30,415	29,920

1. Not at annual rates.

2. Not seasonally adjusted.

3. Value of new construction data in recent periods may not be strictly comparable with data in prior periods because of changes by the Bureau of the Census in its estimating techniques. For a description of these changes see *Construction Reports* (C-30-76-5), issued by the Bureau in July 1976.

NOTE. Census Bureau estimates for all series except (a) mobile homes, which are private, domestic shipments as reported by the Manufactured Housing Institute and seasonally adjusted by the Census Bureau, and (b) sales and prices of existing units, which are published by the National Association of Realtors. All back and current figures are available from originating agency. Permit authorizations are those reported to the Census Bureau from 16,000 jurisdictions beginning with 1978.

2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data, except as noted

Item	12 months to		3 months (at annual rate) to				1 month to					Index level Sept. 1982 (1967 = 100) ¹
	1981 Sept.	1982 Sept.	1981	1982			1982					
			Dec.	Mar.	June	Sept.	May	June	July	Aug.	Sept.	
CONSUMER PRICES ²												
1 All items	11.0	5.0	5.4	1.0	9.3	4.2	1.0	1.0	.6	.3	.2	293.3
2 Commodities	7.8	3.5	3.6	.8	7.8	3.4	.9	1.3	.6	.0	.2	266.6
3 Food	6.5	3.5	1.7	3.9	7.3	.6	.8	.6	.1	.3	.5	287.6
4 Commodities less food	8.3	3.4	4.3	-2.6	7.9	4.7	.9	1.5	.8	.2	.2	253.9
5 Durable	8.0	4.9	1.2	3.5	14.1	1.5	1.4	1.3	.3	.3	-.2	244.1
6 Nondurable	8.8	1.7	3.8	-4.9	1.9	6.1	.7	2.0	1.1	.2	.2	264.6
7 Services	15.5	7.1	7.8	3.5	11.3	5.4	.9	.8	.6	.6	.1	339.7
8 Rent	8.6	7.1	9.0	5.9	5.6	8.0	.8	.4	1.0	.5	.4	226.9
9 Services less rent	16.5	7.1	7.6	3.3	11.9	5.0	1.0	.9	.5	.6	.1	361.3
Other groupings												
10 All items less food	11.9	5.3	6.2	.9	9.7	4.9	1.0	1.2	.7	.4	.1	292.9
11 All items less food and energy	11.8	5.9	5.6	3.0	10.6	4.6	.9	.9	.6	.5	.0	280.4
12 Homeownership	15.8	4.1	.3	-2.4	19.8	.4	1.8	1.4	.4	.4	-.7	383.0
PRODUCER PRICES												
13 Finished goods	8.0	3.6	5.5	.9	4.1	4.2	-.1	1.0	.6	.6	-.1	281.4
14 Consumer	7.5	3.3	4.5	.6	3.5	4.4	-.2 ^r	1.0 ^r	.6	.6	-.1	282.0
15 Foods	3.6	1.4	-3.9	6.1	11.5	-7.4	.6	.5	-1.5	.1	-.5	259.9
16 Excluding foods	9.2	4.0	7.8	-1.4	.4	9.8	-.5 ^r	1.2 ^r	1.5	.8	.1	289.1
17 Capital equipment	9.7	5.4	9.7	2.4	6.2	3.2	.4	.9 ^r	.5	.7	-.4	279.5
18 Intermediate materials ³	9.8	.4	2.7	-1.8	-1.4	2.3	.1	.3	.5	-.1	.1	316.0
Crude materials												
19 Nonfood	18.6	-2.4	-6.0	-18.0	8.5	8.0	1.7 ^r	.6	1.0	.1	1.0	474.3
20 Food	-8.4	-4.1	-25.5	23.3	24.3	-26.4	2.8 ^r	-.8 ^r	-2.7	-1.0	-3.8	242.9

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.

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2.16 GROSS NATIONAL PRODUCT AND INCOME

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

Account	1979	1980	1981	1981		1982		
				Q3	Q4	Q1	Q2	Q3 ^p
GROSS NATIONAL PRODUCT								
1 Total	2,417.8	2,633.1	2,937.7	2,980.9	3,003.2	2,995.5	3,045.2	3,091.4
By source								
2 Personal consumption expenditures	1,507.2	1,667.2	1,843.2	1,868.8	1,884.5	1,919.4	1,947.8	1,989.5
3 Durable goods	213.4	214.3	234.6	241.2	229.6	237.9	240.7	240.6
4 Nondurable goods	600.0	670.4	734.5	741.3	746.5	749.1	755.0	770.8
5 Services	693.7	782.5	874.1	886.3	908.3	932.4	952.1	978.1
6 Gross private domestic investment	423.0	402.4	471.5	486.0	468.9	414.8	431.5	438.5
7 Fixed investment	408.8	412.4	451.1	454.2	455.7	450.4	447.7	439.0
8 Nonresidential	290.2	309.2	346.1	353.0	360.2	357.0	352.2	341.6
9 Structures	98.3	110.5	129.7	132.7	139.6	141.4	143.6	140.5
10 Producers' durable equipment	191.9	198.6	216.4	220.2	220.6	215.6	208.6	201.0
11 Residential structures	118.6	103.2	105.0	101.2	95.5	93.4	95.5	97.4
12 Nonfarm	114.0	98.3	99.7	95.6	89.4	87.9	89.6	91.4
13 Change in business inventories	14.3	-10.0	20.5	31.8	13.2	-35.6	-16.2	-.5
14 Nonfarm	8.6	-5.7	15.0	24.6	6.0	-36.0	-15.0	-.5
15 Net exports of goods and services	13.2	25.2	26.1	25.9	23.5	31.3	34.9	13.2
16 Exports	281.4	339.2	367.3	367.2	367.9	359.9	365.8	356.6
17 Imports	268.1	314.0	341.3	341.3	344.4	328.6	330.9	343.4
18 Government purchases of goods and services	474.4	538.4	596.9	600.2	626.3	630.1	630.9	650.2
19 Federal	168.3	197.2	229.0	230.0	250.5	249.7	244.3	257.5
20 State and local	306.0	341.2	368.0	370.1	375.7	380.4	386.6	392.6
By major type of product								
21 Final sales, total	2,403.5	2,643.1	2,917.3	2,949.1	2,989.9	3,031.1	3,061.4	3,091.8
22 Goods	1,065.6	1,141.9	1,289.2	1,317.0	1,298.5	1,269.4	1,283.1	1,297.8
23 Durable	464.8	477.3	528.1	547.3	504.9	482.4	505.9	509.5
24 Nondurable	600.8	664.6	761.1	769.7	793.6	787.0	777.2	788.3
25 Services	1,089.7	1,225.6	1,364.3	1,382.1	1,421.5	1,444.4	1,476.7	1,508.9
26 Structures	262.5	265.7	284.2	281.9	283.3	281.7	285.3	284.7
27 Change in business inventories	14.3	-10.0	20.5	31.8	13.2	-35.6	-16.2	-.5
28 Durable goods	10.5	-5.2	8.7	19.8	-5.6	-30.9	-6.6	1.3
29 Nondurable goods	3.8	-4.8	11.8	12.0	18.9	-4.8	-9.6	-1.7
30 MEMO: Total GNP in 1972 dollars	1,479.4	1,474.0	1,502.6	1,510.4	1,490.1	1,470.7	1,478.4	1,481.2
NATIONAL INCOME								
31 Total	1,966.7	2,117.1	2,352.5	2,387.3	2,404.5	2,396.9	2,425.2	n.a.
32 Compensation of employees	1,458.1	1,598.6	1,767.6	1,789.1	1,813.4	1,830.8	1,850.7	1,867.8
33 Wages and salaries	1,237.4	1,356.1	1,494.0	1,512.6	1,531.1	1,541.5	1,556.6	1,569.4
34 Government and government enterprises	236.2	260.2	283.1	284.0	292.3	296.3	300.0	303.5
35 Other	1,001.4	1,095.9	1,210.9	1,228.6	1,238.8	1,245.2	1,256.6	1,265.9
36 Supplement to wages and salaries	220.7	242.5	273.6	276.5	282.3	289.3	294.1	298.4
37 Employer contributions for social insurance	105.8	115.3	133.2	134.3	136.5	140.2	141.7	142.8
38 Other labor income	114.9	127.3	140.4	142.2	145.8	149.1	152.5	155.6
39 Proprietors' income ¹	132.1	116.3	124.7	127.5	124.1	116.4	117.3	120.4
40 Business and professional ¹	100.2	96.9	100.7	100.4	99.5	98.6	99.9	101.4
41 Farm ¹	31.9	19.4	24.0	27.1	24.6	17.8	17.4	19.0
42 Rental income of persons ²	27.9	32.9	33.9	33.6	33.6	33.9	34.2	34.6
43 Corporate profits ¹	194.8	181.6	190.6	193.1	183.9	157.1	155.4	n.a.
44 Profits before tax ³	252.7	242.5	232.1	233.3	216.5	171.6	171.7	n.a.
45 Inventory valuation adjustment	-43.1	-43.0	-24.6	-23.0	-17.1	-4.4	-9.4	-11.4
46 Capital consumption adjustment	-14.8	-17.8	-16.8	-17.1	-15.5	-10.1	-6.9	-4.0
47 Net interest	153.8	187.7	235.7	244.0	249.5	258.7	267.5	270.8

1. With inventory valuation and capital consumption adjustments.
 2. With capital consumption adjustment.

3. For after-tax profits, dividends, and the like, see table 1.49.

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.

Account	1979	1980	1981	1981		1982		
				Q3	Q4	Q1	Q2	Q3 ^P
PERSONAL INCOME AND SAVING								
1 Total personal income	1,943.8	2,160.2	2,404.1	2,458.2	2,494.6	2,510.5	2,552.7	2,597.8
2 Wage and salary disbursements	1,237.6	1,356.1	1,493.9	1,512.3	1,531.2	1,541.6	1,556.6	1,569.4
3 Commodity-producing industries	438.4	468.0	510.8	519.3	517.7	514.3	513.6	510.0
4 Manufacturing	333.9	354.4	386.4	392.9	388.7	385.1	385.6	383.6
5 Distributive industries	303.4	330.5	361.4	366.5	368.3	371.4	375.4	378.5
6 Service industries	259.7	297.5	338.6	342.8	352.8	359.5	367.6	377.3
7 Government and government enterprises	236.2	260.2	283.1	283.8	292.4	296.5	300.0	303.5
8 Other labor income	114.9	127.3	140.4	142.2	145.8	149.1	152.5	155.6
9 Proprietors' income ¹	132.1	116.3	124.7	127.5	124.1	116.4	117.3	120.4
10 Business and professional ¹	100.2	96.9	100.7	100.4	99.5	98.6	99.9	101.4
11 Farm ¹	31.9	19.4	24.0	27.1	24.6	17.8	17.4	19.0
12 Rental income of persons ²	27.9	32.9	33.9	33.6	33.6	33.9	34.2	34.6
13 Dividends	50.8	55.9	62.5	64.1	65.2	65.8	66.1	67.2
14 Personal interest income	209.6	256.3	308.5	339.6	351.0	359.7	372.0	382.4
15 Transfer payments	250.3	297.2	336.3	344.8	350.7	354.6	365.2	380.7
16 Old-age survivors, disability, and health insurance benefits	131.8	154.2	182.0	190.6	192.8	194.7	197.5	209.3
17 LESS: Personal contributions for social insurance	81.1	88.7	104.9	106.1	107.0	110.6	111.4	112.4
18 EQUALS: Personal income	1,943.8	2,160.2	2,404.1	2,458.2	2,494.6	2,510.5	2,552.7	2,597.8
19 LESS: Personal tax and nontax payments	301.0	336.3	386.7	398.1	393.2	393.4	401.2	395.5
20 EQUALS: Disposable personal income	1,650.2	1,824.1	2,029.2	2,060.0	2,101.4	2,117.1	2,151.5	2,202.3
21 LESS: Personal outlays	1,553.5	1,717.9	1,898.9	1,925.7	1,942.7	1,977.9	2,007.2	2,049.2
22 EQUALS: Personal saving	96.7	106.2	130.2	134.4	158.6	139.1	144.3	153.0
MEMO:								
23 Per capita (1972 dollars)	6,572	6,474	6,536	6,563	6,458	6,360	6,380	6,376
24 Gross national product	4,120	4,087	4,122	4,134	4,088	4,104	4,121	4,125
25 Personal consumption expenditures	4,512	4,472	4,538	4,557	4,559	4,527	4,552	4,566
26 Saving rate (percent)	5.9	5.8	6.4	6.5	7.5	6.6	6.7	6.9
GROSS SAVING								
27 Gross saving	422.8	406.3	477.5	490.0	476.3	428.8	441.5	n.a.
28 Gross private saving	407.3	438.3	504.7	513.4	547.7	520.3	529.0	n.a.
29 Personal saving	96.7	106.2	130.2	134.4	158.6	139.1	144.3	153.0
30 Undistributed corporate profits ¹	54.5	38.9	44.4	43.9	44.3	32.5	30.7	n.a.
31 Corporate inventory valuation adjustment	-43.1	-43.0	-24.6	-23.0	-17.1	-4.4	-9.4	-11.4
Capital consumption allowances								
32 Corporate	157.5	181.2	206.2	209.7	216.0	218.9	223.4	227.8
33 Noncorporate	98.6	112.0	123.9	125.5	128.7	129.8	130.5	132.6
34 Wage accruals less disbursements .....	.0	.0	.0	.0	.0	.0	.0	.0
35 Government surplus, or deficit (-), national income and product accounts	14.3	-33.2	-28.2	-24.5	-72.5	-90.7	-87.5	n.a.
36 Federal	-16.1	-61.4	-60.0	-58.0	-101.7	-118.4	-119.6	n.a.
37 State and local	30.4	28.2	31.7	33.5	29.1	27.7	32.1	n.a.
38 Capital grants received by the United States, net	1.1	1.2	1.1	1.1	1.1	.0	.0	.0
39 Gross investment	421.2	410.1	475.6	489.1	469.0	421.3	442.3	429.1
40 Gross private domestic	423.0	402.4	471.5	486.0	468.9	414.8	431.5	438.5
41 Net foreign	-1.8	7.8	4.1	3.1	0.1	6.5	10.8	-9.4
42 Statistical discrepancy	-1.5	3.9	-1.9	-0.8	-7.2	-7.5	.8	.8

1. With inventory valuation and capital consumption adjustments.
 2. With capital consumption adjustment.

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

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data are seasonally adjusted except as noted.¹

Item credits or debits	1979	1980	1981	1981			1982	
				Q2	Q3	Q4	Q1	Q2 ^P
1 Balance on current account	-466	1,520	4,471	1,399	751	-927	1,088	2,062
2 Not seasonally adjusted				1,975	-1,834	1,293	742	2,680
3 Merchandise trade balance ²	-27,346	-25,338	-27,889	-6,547	-7,845	-9,185	-5,873	-5,784
4 Merchandise exports	184,473	224,237	236,254	60,284	57,694	57,593	55,780	55,094
5 Merchandise imports	-211,819	-249,575	-264,143	-66,831	-65,539	-66,778	-61,653	-60,878
6 Military transactions, net	-2,035	-2,472	-1,541	-587	61	-528	167	371
7 Investment income, net ³	31,215	29,910	33,037	8,201	8,183	8,529	6,861	7,672
8 Other service transactions, net	3,262	6,203	7,472	1,842	2,160	2,127	1,981	1,535
9 Remittances, pensions, and other transfers	-2,011	-2,101	-2,104	-524	-558	-562	-575	-662
10 U.S. government grants (excluding military)	-3,549	-4,681	-4,504	-986	-1,250	-1,308	-1,473	-1,070
11 Change in U.S. government assets, other than official reserve assets, net (increase, -)	-3,743	-5,126	-5,137	-1,518	-1,257	-987	-904	-1,559
12 Change in U.S. official reserve assets (increase, -)	-1,133	-8,155	-5,175	-905	-4	262	-1,089	-1,132
13 Gold	-65	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	-1,136	-16	-1,823	-23	-225	-134	-400	-241
15 Reserve position in International Monetary Fund	-189	-1,667	-2,491	-780	-647	-358	-547	-814
16 Foreign currencies	257	-6,472	-861	-102	868	754	-142	-77
17 Change in U.S. private assets abroad (increase, -) ³	-59,469	-72,746	-98,982	-19,143	-15,996	-46,952	-29,208	-31,924
18 Bank-reported claims	-26,213	-46,838	-84,531	-14,998	-15,254	-42,645	-32,708	-33,866
19 Nonbank-reported claims	-3,307	-3,146	-331	2,470	855	-508	4,112	n.a.
20 U.S. purchase of foreign securities, net	-4,726	-3,524	-5,429	-1,511	-618	-2,843	-531	-409
21 U.S. direct investments abroad, net ³	-25,222	-19,238	-8,691	-5,104	-979	-956	-81	2,351
22 Change in foreign official assets in the United States (increase, +)	-13,697	15,442	4,785	-2,860	-5,835	8,119	-3,122	1,935
23 U.S. Treasury securities	-22,435	9,708	4,983	-2,063	-4,635	4,439	-1,344	-2,087
24 Other U.S. government obligations	463	2,187	1,289	536	545	-246	-296	258
25 Other U.S. government liabilities ⁴	-73	561	-69	48	-337	275	-182	361
26 Other U.S. liabilities reported by U.S. banks	7,213	-159	-4,083	-2,028	-2,382	3,436	-1,516	3,367
27 Other foreign official assets ⁵	1,135	3,145	2,665	647	974	215	216	36
28 Change in foreign private assets in the United States (increase, +) ³	52,157	39,042	73,136	16,324	22,715	30,988	28,203	29,248
29 U.S. bank-reported liabilities	32,607	10,743	41,262	7,663	16,916	20,476	25,423	22,006
30 U.S. nonbank-reported liabilities	1,362	6,530	532	-162	1,006	-457	-982	n.a.
31 Foreign private purchases of U.S. Treasury securities, net	4,960	2,645	2,932	750	-446	1,238	1,277	2,074
32 Foreign purchases of other U.S. securities, net	1,351	5,457	7,109	3,533	761	396	1,319	2,495
33 Foreign direct investments in the United States, net ³	11,877	13,666	21,301	4,540	4,478	9,335	1,166	2,673
34 Allocation of SDRs	1,139	1,152	1,093	0	0	0	0	0
35 Discrepancy	25,212	28,870	25,809	6,703	-374	9,497	5,032	1,370
36 Owing to seasonal adjustments				503	-2,144	2,474	-899	577
37 Statistical discrepancy in recorded data before seasonal adjustment	25,212	28,870	25,809	6,200	1,770	7,023	5,931	793
MEMO:								
Changes in official assets								
38 U.S. official reserve assets (increase, -)	-1,133	-8,155	-5,175	-905	-4	262	-1,089	-1,132
39 Foreign official assets in the United States (increase, +)	-13,624	14,881	4,854	-2,908	-5,498	7,844	-2,940	1,574
40 Change in Organization of Petroleum Exporting Countries official assets in the United States (part of line 22 above)	5,543	12,769	13,314	2,786	2,935	2,230	4,988	3,072
41 Transfers under military grant programs (excluded from lines 4, 6, and 10 above)	465	631	602	214	132	64	93	126

1. Seasonal factors are no longer calculated for lines 12 through 41.

2. Data are on an international accounts (IA) basis. Differs from the Census basis data, shown in table 3.11, for reasons of coverage and timing; military exports are excluded from merchandise data and are included in line 6.

3. Includes reinvested earnings of incorporated affiliates.

4. Primarily associated with military sales contracts and other transactions arranged with or through foreign official agencies.

5. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and state and local governments.

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

3.11 U.S. FOREIGN TRADE

Millions of dollars; monthly data are seasonally adjusted.

Item	1979	1980	1981	1982						
				Mar.	Apr.	May	June	July	Aug.	Sept.
1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments	181,860	220,626	233,677	18,602	17,843	18,218	18,822	18,026	17,498	17,387
2 GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses	209,458	244,871	261,305	20,349	17,387	20,558	21,310	19,559	23,494	20,644
3 Trade balance	-27,598	-24,245	-27,628	-1,747	456	-2,340	-2,488	-1,532	-5,996	-3,257

NOTE. The data through 1981 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. Beginning with 1982 data, the value of imports are on a customs valuation basis. The Census basis data differ from merchandise trade data shown in table 3.10, U.S. International Transactions Summary, for reasons of coverage and timing. On the export side, the largest adjustments are: (1) the addition of exports to Canada

not covered in Census statistics, and (2) the exclusion of military sales (which are combined with other military transactions and reported separately in the "service account" in table 3.10, line 6). On the import side, additions are made for gold, ship purchases, imports of electricity from Canada and other transactions; military payments are excluded and shown separately as indicated above.

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

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Type	1979	1980	1981	1982						
				Apr.	May	June	July	Aug.	Sept.	Oct.
1 Total ¹	18,956	26,756	30,075	31,552	30,915	30,671	31,227	31,233	30,993	31,711
2 Gold stock, including Exchange Stabilization Fund ¹	11,172	11,160	11,151	11,149	11,149	11,149	11,149	11,148	11,148	11,148
3 Special drawing rights ^{2,3}	2,724	2,610	4,095	4,294	4,521	4,461	4,591	4,601	4,809	4,801
4 Reserve position in International Monetary Fund ²	1,253	2,852	5,055	6,022	6,099	6,062	6,386	6,433	6,406	6,367
5 Foreign currencies ^{4,5}	3,807	10,134	9,774	10,097	9,146	8,999	9,101	9,051	8,630	9,395

1. Gold held under earmark at Federal Reserve Banks for foreign and international accounts is not included in the gold stock of the United States; see table 3.13.

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 OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS

Millions of dollars; end of period

Assets	1979	1980	1981	1982						
				Apr.	May	June	July	Aug.	Sept.	Oct.
1 Deposits	429	411	505	966	308	585	982	347	396	326
Assets held in custody										
2 U.S. Treasury securities ¹	95,075	102,417	104,680	102,346	102,112	103,292	106,696	104,136	106,117	107,636
3 Earmarked gold ²	15,169	14,965	14,804	14,788	14,778	14,777	14,762	14,761	14,726	14,706

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.

3.14 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data

Millions of dollars, end of period

Asset account	1979	1980	1981	1982						
				Feb. ^r	Mar ^r	Apr. ^r	May ^r	June ^r	July	Aug. ^p
	All foreign countries									
1 Total, all currencies.....	364,409	401,135	462,790	461,486	463,849	460,437	461,800	458,778	465,570	471,435
2 Claims on United States.....	32,302	28,460	63,540	69,557	75,760	77,932	79,621	83,563	82,241	88,885
3 Parent bank.....	25,929	20,202	43,064	49,349	51,978	55,713	57,092	58,605	55,583	60,166
4 Other.....	6,373	8,258	20,476	20,208	23,782	22,219	22,529	24,958	26,658	28,719
5 Claims on foreigners.....	317,330	354,960	379,102	371,857	368,843	362,877	362,457	356,336	364,083	362,219
6 Other branches of parent bank.....	79,662	77,019	87,840	88,637	86,853	86,186	88,468	87,254	89,464	91,554
7 Banks.....	123,420	146,448	150,892	146,473	147,063	142,516	139,527	137,470	142,986	138,516
8 Public borrowers.....	26,097	28,033	28,197	26,864	26,346	25,603	25,002	25,239	24,654	24,492
9 Nonbank foreigners.....	88,151	103,460	112,173	109,883	108,581	108,572	109,460	106,373	106,979	107,657
10 Other assets.....	14,777	17,715	20,148	20,072	19,246	19,628	19,722	18,879	19,246	20,331
11 Total payable in U.S. dollars.....	267,713	291,798	350,678	353,237	355,721	351,561	351,966	353,753	359,904	366,135
12 Claims on United States.....	31,171	27,191	61,939	68,001	74,241	76,428	78,015	81,996	80,598	87,260
13 Parent bank.....	25,632	19,896	42,518	48,755	51,389	55,257	56,607	58,108	54,904	59,468
14 Other.....	5,539	7,295	19,421	19,246	22,852	21,171	21,408	23,888	25,694	27,792
15 Claims on foreigners.....	229,120	255,391	277,085	273,115	269,713	263,234	262,008	260,477	267,496	266,469
16 Other branches of parent bank.....	61,525	58,541	69,403	72,094	70,377	69,409	70,795	70,435	72,498	74,233
17 Banks.....	96,261	117,342	122,253	118,382	117,474	113,802	110,910	110,172	115,291	111,782
18 Public borrowers.....	21,629	23,491	22,877	21,496	20,645	20,183	19,592	19,957	19,306	19,043
19 Nonbank foreigners.....	49,705	56,017	62,552	61,143	61,217	59,840	60,711	59,913	60,401	61,411
20 Other assets.....	7,422	9,216	11,654	12,121	11,767	11,899	11,943	11,280	11,810	12,406
	United Kingdom									
21 Total, all currencies.....	130,873	144,717	157,229	162,351	161,471	159,481	161,036	158,466	164,106	164,523
22 Claims on United States.....	11,117	7,509	11,823	15,884	16,343	17,676	20,155	20,744	23,962	27,031
23 Parent bank.....	9,338	5,275	7,885	12,044	12,446	13,750	15,854	16,768	19,680	22,730
24 Other.....	1,779	2,234	3,938	3,840	3,897	3,926	4,301	3,976	4,282	4,301
25 Claims on foreigners.....	115,123	131,142	138,888	140,197	139,292	135,634	134,845	131,860	133,964	130,814
26 Other branches of parent bank.....	34,291	34,760	41,367	40,935	41,186	39,811	39,621	37,696	37,250	36,937
27 Banks.....	51,343	58,741	56,315	57,975	56,940	55,545	54,674	54,727	56,428	53,582
28 Public borrowers.....	4,919	6,688	7,490	7,370	7,541	6,822	6,663	6,595	6,456	6,286
29 Nonbank foreigners.....	24,570	30,953	33,716	33,917	33,625	33,456	33,887	32,842	33,830	34,009
30 Other assets.....	4,633	6,066	6,518	6,270	5,836	6,171	6,063	5,862	6,180	6,678
31 Total payable in U.S. dollars.....	94,287	99,699	115,188	121,432	120,432	117,914	119,586	120,002	125,247	126,344
32 Claims on United States.....	10,746	7,116	11,246	15,391	15,842	17,182	19,608	20,256	23,421	26,514
33 Parent bank.....	9,297	5,229	7,721	11,881	12,293	13,623	15,663	16,599	19,451	22,496
34 Other.....	1,449	1,887	3,525	3,510	3,549	3,559	3,945	3,657	3,970	4,018
35 Claims on foreigners.....	81,294	89,723	99,850	101,861	100,500	96,595	95,926	95,857	97,699	95,293
36 Other branches of parent bank.....	28,928	28,268	35,439	35,697	36,055	34,240	33,922	32,567	32,007	31,414
37 Banks.....	36,760	42,073	40,703	42,453	40,732	40,070	39,593	40,479	42,515	40,321
38 Public borrowers.....	3,319	4,911	5,595	5,467	5,360	4,717	4,507	4,655	4,513	4,336
39 Nonbank foreigners.....	12,287	14,471	18,113	18,244	18,353	17,568	17,904	18,156	18,664	19,222
40 Other assets.....	2,247	2,860	4,092	4,180	4,090	4,137	4,052	3,889	4,127	4,537
	Bahamas and Caymans									
41 Total, all currencies.....	108,977	123,837	149,051	143,090	143,981	143,153	140,045	141,815	141,036	144,196
42 Claims on United States.....	19,124	17,751	46,343	49,078	54,034	55,551	54,331	56,687	52,332	56,034
43 Parent bank.....	15,196	12,631	31,440	34,057	35,311	38,163	37,039	36,623	30,863	32,671
44 Other.....	3,928	5,120	14,903	15,021	18,723	17,388	17,292	20,064	21,469	23,363
45 Claims on foreigners.....	86,718	101,926	98,205	89,618	85,630	83,311	81,377	81,124	84,657	83,884
46 Other branches of parent bank.....	9,689	13,342	12,951	14,384	12,035	12,640	14,248	15,479	17,521	17,721
47 Banks.....	43,189	54,861	55,299	49,107	47,970	45,897	43,292	42,629	44,487	43,752
48 Public borrowers.....	12,905	12,577	10,010	8,597	7,993	7,860	7,361	7,327	7,031	7,036
49 Nonbank foreigners.....	20,935	21,146	19,945	17,530	17,632	16,914	16,476	15,689	15,618	15,375
50 Other assets.....	3,135	4,160	4,503	4,394	4,317	4,291	4,337	4,004	4,047	4,278
51 Total payable in U.S. dollars.....	102,368	117,654	143,686	138,078	138,934	138,052	135,134	136,847	135,557	138,766

3.14 Continued

Liability account	1979	1980	1981	1982							
				Feb. ^r	Mar. ^r	Apr. ^r	May ^r	June ^r	July	Aug. ^p	
	All foreign countries										
52 Total, all currencies.....	364,409	401,135	462,790	461,486	463,849	460,437	461,800	458,778	465,570	471,435	
53 To United States.....	66,689	91,079	137,712	145,722	150,975	153,220	156,296	160,870	164,361	167,655	
54 Parent bank.....	24,533	39,286	56,143	55,574	58,876	57,031	56,414	59,177	60,805	64,351	
55 Other banks in United States.....	13,968	14,473	19,343	22,675	24,449	26,022	27,685	29,525	31,540	32,460	
56 Nonbanks.....	28,188	37,275	62,226	67,473	67,650	70,167	72,197	72,168	72,016	70,844	
57 To foreigners.....	283,510	295,411	305,630	296,188	293,416	287,024	284,411	278,434	281,566	283,693	
58 Other branches of parent bank.....	77,640	75,773	86,406	84,278	85,581	84,150	85,631	84,547	86,815	92,153	
59 Banks.....	122,922	132,116	124,896	119,005	117,116	111,715	107,375	105,112	105,925	103,454	
60 Official institutions.....	35,668	32,473	25,997	24,625	23,039	22,340	22,703	19,909	20,234	20,004	
61 Nonbank foreigners.....	47,280	55,049	68,331	68,280	67,680	68,819	68,702	68,866	68,592	68,082	
62 Other liabilities.....	14,210	14,690	19,448	19,576	19,458	20,193	21,093	19,474	19,643	20,087	
63 Total payable in U.S. dollars.....	273,857	303,281	364,390	367,119	369,689	366,867	368,544	369,317	376,065	381,856	
64 To United States.....	64,530	88,157	134,645	142,756	147,928	150,116	153,166	157,673	161,106	164,402	
65 Parent bank.....	23,403	37,528	54,291	53,551	56,811	54,970	54,452	57,149	58,824	62,321	
66 Other banks in United States.....	13,771	14,203	19,029	22,464	24,208	25,685	27,270	29,189	31,208	32,182	
67 Nonbanks.....	27,356	36,426	61,325	66,741	66,909	69,461	71,444	71,335	71,074	69,899	
68 To foreigners.....	201,514	206,883	217,602	212,912	210,314	205,039	202,585	200,245	203,740	205,667	
69 Other branches of parent bank.....	60,551	58,172	69,309	68,114	69,497	68,047	68,540	68,547	70,457	75,305	
70 Banks.....	80,691	87,497	79,584	76,167	73,228	69,331	66,665	65,785	66,496	64,012	
71 Official institutions.....	29,048	24,697	20,288	19,322	18,120	17,491	17,900	15,368	15,732	15,642	
72 Nonbank foreigners.....	31,224	36,517	48,421	49,309	49,469	50,170	49,480	50,545	51,055	50,708	
73 Other liabilities.....	7,813	8,241	12,143	11,451	11,447	11,712	12,793	11,399	11,219	11,787	
	United Kingdom										
74 Total, all currencies.....	130,873	144,717	157,229	162,351	161,471	159,481	161,036	158,466	164,106	164,523	
75 To United States.....	20,986	21,785	38,022	43,358	42,481	41,886	43,882	44,086	46,965	49,001	
76 Parent bank.....	3,104	4,225	5,444	6,765	6,313	8,006	6,694	6,323	6,679	8,022	
77 Other banks in United States.....	7,693	5,716	7,502	8,973	8,607	8,345	8,972	9,985	11,215	11,616	
78 Nonbanks.....	10,189	11,844	25,076	27,620	27,561	25,535	28,216	27,778	29,071	29,363	
79 To foreigners.....	104,032	117,438	112,255	111,417	111,262	109,629	109,199	106,665	109,105	107,268	
80 Other branches of parent bank.....	12,567	15,384	16,545	16,546	17,245	18,358	19,412	17,771	18,010	18,666	
81 Banks.....	47,620	56,262	51,336	49,937	49,616	47,549	46,204	46,628	48,541	47,502	
82 Official institutions.....	24,202	21,412	16,517	15,965	14,608	13,908	14,119	11,746	12,076	12,006	
83 Nonbank foreigners.....	19,643	24,380	27,857	28,969	29,793	29,814	29,464	30,520	30,478	29,094	
84 Other liabilities.....	5,855	5,494	6,952	7,576	7,728	7,966	7,955	7,715	8,036	8,254	
85 Total payable in U.S. dollars.....	95,449	103,440	120,277	127,029	126,359	124,248	126,901	125,859	131,199	132,536	
86 To United States.....	20,552	21,080	37,332	42,809	41,885	41,198	43,143	43,323	46,129	48,266	
87 Parent bank.....	3,054	4,078	5,350	6,660	6,211	7,907	6,624	6,212	6,603	7,928	
88 Other banks in United States.....	7,651	5,626	7,249	8,884	8,489	8,167	8,755	9,806	11,048	11,510	
89 Nonbanks.....	9,847	11,376	24,733	27,265	27,185	25,124	27,764	27,305	28,478	28,828	
90 To foreigners.....	72,397	79,636	79,034	80,581	80,825	79,444	79,914	78,794	81,207	79,954	
91 Other branches of parent bank.....	8,446	10,474	12,048	12,254	13,130	14,102	14,958	13,903	15,202	14,514	
92 Banks.....	29,424	35,388	32,298	32,249	32,090	30,415	29,965	30,557	32,364	31,898	
93 Official institutions.....	20,192	17,024	13,612	13,418	12,196	11,568	11,829	9,843	10,200	10,322	
94 Nonbank foreigners.....	14,335	16,750	21,076	22,660	23,409	23,359	23,162	24,491	24,441	23,220	
95 Other liabilities.....	2,500	2,724	3,911	3,639	3,649	3,606	3,844	3,742	3,863	4,316	
	Bahamas and Caymans										
96 Total, all currencies.....	108,977	123,837	149,051	143,090	143,981	143,153	140,045	141,815	141,036	144,196	
97 To United States.....	37,719	59,666	85,704	87,599	91,946	94,322	94,579	97,867	98,574	99,281	
98 Parent bank.....	15,267	28,181	39,250	36,813	39,256	35,956	36,552	39,386	41,096	42,937	
99 Other banks in United States.....	5,204	7,379	10,620	12,234	14,303	15,903	16,827	17,401	17,816	17,929	
100 Nonbanks.....	17,248	24,106	35,834	38,552	38,387	42,463	41,200	41,080	39,662	38,415	
101 To foreigners.....	68,598	61,218	60,012	52,398	49,052	45,828	42,082	41,192	39,714	42,029	
102 Other branches of parent bank.....	20,875	17,040	20,641	19,806	18,614	17,365	15,888	15,890	15,045	17,310	
103 Banks.....	33,631	29,895	23,202	18,287	16,465	14,778	13,507	12,667	11,744	11,653	
104 Official institutions.....	4,866	4,361	3,498	2,505	2,607	2,512	2,448	2,466	2,402	2,288	
105 Nonbank foreigners.....	9,226	9,922	12,671	11,800	11,366	11,173	10,239	10,169	10,523	10,778	
106 Other liabilities.....	2,660	2,953	3,335	3,093	2,983	3,003	3,384	2,756	2,748	2,886	
107 Total payable in U.S. dollars.....	103,460	119,657	145,227	139,481	140,301	139,673	136,713	138,577	137,846	140,738	

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1980	1981	1982						
			Mar. ^r	Apr. ^r	May. ^r	June. ^r	July	Aug. ^p	Sept. ^p
1 Total ¹	164,578	169,702	166,745	165,506	166,972	168,355	169,835	169,247	170,966
<i>By type</i>									
2 Liabilities reported by banks in the United States ²	30,381	26,572	25,066	26,333	27,730	28,459	25,469	26,566	26,299
3 U.S. Treasury bills and certificates ³	56,243	52,389	47,048	43,850	42,741	43,509	45,824	44,182	44,450
<i>U.S. Treasury bonds and notes</i>									
4 Marketable	41,455	53,150	57,647	58,459	59,933	60,251	63,043	63,410	64,990
5 Nonmarketable ⁴	14,654	11,791	11,291	11,050	10,750	10,150	9,750	9,350	9,350
6 U.S. securities other than U.S. Treasury securities ⁵	21,845	25,800	25,693	25,814	25,818	25,986	25,749	25,739	25,877
<i>By area</i>									
7 Western Europe ¹	81,592	65,484	60,379	57,403	57,382	58,079	58,787	61,123	61,264
8 Canada	1,562	2,403	1,647	1,721	1,329	1,568	1,519	1,771	2,057
9 Latin America and Caribbean	5,688	6,954	6,562	7,124	7,248	7,692	7,124	6,742	6,286
10 Asia	70,784	91,790	95,220	94,837	95,887	95,466	97,120	94,898	95,861
11 Africa	4,123	1,829	1,337	1,823	1,381	1,437	1,485	1,326	1,303
12 Other countries ⁶	829	1,242	1,600	2,600	3,745	4,113	3,799	3,387	4,196

1. Includes the Bank for International Settlements.

2. Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase agreements.

3. Includes nonmarketable certificates of indebtedness (including those payable in foreign currencies through 1974) and Treasury bills issued to official institutions of foreign countries.

4. Excludes notes issued to foreign official nonreserve agencies. Includes bonds and notes payable in foreign currencies.

5. Debt securities of U.S. government corporations and federally sponsored agencies, and U.S. corporate stocks and bonds.

6. Includes countries in Oceania and Eastern Europe.

NOTE. Based on Treasury Department data and on data reported to the Treasury Department by banks (including Federal Reserve Banks) and securities dealers in the United States.

3.16 LIABILITIES TO AND CLAIMS ON FOREIGNERS Reported by Banks in the United States Payable in Foreign Currencies

Millions of dollars, end of period

Item	1979	1980	1981	1981		1982	
				Sept.	Dec.	Mar. ^r	June
1 Banks' own liabilities	1,918	3,748	3,756 ^r	2,878	3,756 ^r	4,285	4,640
2 Banks' own claims	2,419	4,206	5,220	4,078	5,220	5,574	6,363
3 Deposits	994	2,507	3,398	2,409	3,398	3,532	3,560
4 Other claims	1,425	1,699	1,822	1,669	1,822	2,042	2,803
5 Claims of banks' domestic customers ¹	580	962	971	248	971	944	924

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

NOTE. Data on claims exclude foreign currencies held by U.S. monetary authorities.

3.17 LIABILITIES TO FOREIGNERS Reported by Banks in the United States
Payable in U.S. dollars
Millions of dollars, end of period

Holder and type of liability	1979	1980	1981▲	1982						
				Mar. ^r	Apr. ^r	May ^r	June	July ^r	Aug.	Sept. ^p
1 All foreigners	187,521	205,297	243,010^r	261,672	266,483	274,638	285,911	284,226	293,444	296,536
2 Banks' own liabilities	117,196	124,791	162,780 ^r	188,004	195,117	203,259	212,634	208,290	217,886	218,453
3 Demand deposits	23,303	23,462	19,646 ^r	16,177	17,716	16,566	17,285	17,101	15,869	15,397
4 Time deposits ¹	13,623	15,076	28,816 ^r	43,830	48,754	53,667	56,007	59,517	62,175	61,625
5 Other ²	16,453	17,583	17,474 ^r	19,105	19,030	21,187	22,146	20,308	24,237	23,415
6 Own foreign offices ³	63,817	68,670	96,844	108,893	109,616	111,839	117,196	111,363	115,606	118,016
7 Banks' custody liabilities ⁴	70,325	80,506	80,230 ^r	73,668	71,366	71,379	73,277	75,936	75,558	78,084
8 U.S. Treasury bills and certificates ⁵	48,573	57,595	55,316 ^r	50,160	47,362	46,487	48,817	51,211	49,646	51,572
9 Other negotiable and readily transferable instruments ⁶	19,396	20,079	18,944	18,901	19,326	20,751	20,448	20,717	22,134	22,437
10 Other	2,356	2,832	5,970	4,607	4,679	4,141	4,011	4,009	3,778	4,075
11 Nonmonetary international and regional organizations⁷	2,356	2,344	2,721	2,050	2,048	3,039	4,001	4,082	5,073	4,936
12 Banks' own liabilities	714	444	638	450	608	1,272	1,233	2,246	3,093	2,638
13 Demand deposits	260	146	262	209	149	185	300	343	265	194
14 Time deposits ¹	151	85	58	146	291	471	586	633	453	734
15 Other ²	303	212	318	96	168	616	347	1,271	2,376	1,711
16 Banks' custody liabilities ⁴	1,643	1,900	2,083	1,599	1,439	1,767	2,768	1,835	1,980	2,298
17 U.S. Treasury bills and certificates	102	254	541	109	142	253	1,425	487	328	676
18 Other negotiable and readily transferable instruments ⁶	1,538	1,646	1,542	1,490	1,297	1,514	1,343	1,349	1,652	1,621
19 Other	2	0	0	0	0	0	0	0	0	0
20 Official institutions⁸	78,206	86,624	78,962^r	72,114	70,184	70,471	71,968	71,293	70,748	70,749
21 Banks' own liabilities	18,292	17,826	16,813 ^r	15,341	17,122	17,633	18,964	15,887	16,295	16,504
22 Demand deposits	4,671	3,771	2,581 ^r	2,046	2,800	2,162	3,167	2,800	2,006	2,526
23 Time deposits ¹	3,050	3,612	4,146	4,876	5,623	5,769	5,500	6,061	5,749	5,155
24 Other ²	10,571	10,443	10,086 ^r	8,419	8,699	9,702	10,297	7,026	8,541	8,824
25 Banks' custody liabilities ⁴	59,914	68,798	62,149 ^r	56,773	53,063	52,838	53,004	55,406	54,453	54,245
26 U.S. Treasury bills and certificates ⁵	47,666	56,243	52,389	47,048	43,850	42,741	43,509	45,824	44,182	44,450
27 Other negotiable and readily transferable instruments ⁶	12,196	12,501	9,712	9,685	9,029	10,057	9,461	9,547	10,234	9,755
28 Other	52	54	47	40	183	40	33	36	37	39
29 Banks⁹	88,316	96,415	135,359	158,220	161,229	165,465	173,299	170,998	177,851	180,068
30 Banks' own liabilities	83,299	90,456	123,640	147,018	148,502	152,893	160,594	157,327	163,641	164,244
31 Unaffiliated foreign banks	19,482	21,786	26,796	38,126	38,886	41,054	43,398	45,964	48,036	46,227
32 Demand deposits	13,285	14,188	11,614	9,177	9,912	9,700	9,274	9,384	8,765	8,138
33 Time deposits ¹	1,667	1,703	8,654	18,871	19,301	21,189	23,403	25,390	26,735	26,275
34 Other ²	4,530	5,895	6,528	10,077	9,673	10,165	10,721	11,190	12,536	11,814
35 Own foreign offices ³	63,817	68,670	96,844	108,893	109,616	111,839	117,196	111,363	115,606	118,016
36 Banks' custody liabilities ⁴	5,017	5,959	11,718 ^r	11,202	12,727	12,573	12,706	13,671	14,209	15,825
37 U.S. Treasury bills and certificates	422	623	1,687 ^r	2,218	2,598	2,707	2,926	3,872	3,970	4,897
38 Other negotiable and readily transferable instruments ⁶	2,415	2,748	4,421	4,729	5,968	6,100	6,520	6,661	7,102	7,916
39 Other	2,179	2,588	5,611	4,255	4,161	3,766	3,260	3,138	3,138	3,012
40 Other foreigners	18,642	19,914	25,968^r	29,288	33,022	35,663	36,642	37,853	39,773	40,783
41 Banks' own liabilities	14,891	16,065	21,689 ^r	25,194	28,885	31,462	31,842	32,829	34,856	35,066
42 Demand deposits	5,087	5,356	5,189	4,745	4,855	4,518	4,544	4,575	4,833	4,539
43 Time deposits	8,755	9,676	15,958	19,936	23,540	26,239	26,518	27,433	29,239	29,461
44 Other ²	1,048	1,033	543 ^r	513	490	705	781	822	784	1,066
45 Banks' custody liabilities ⁴	3,751	3,849	4,279 ^r	4,094	4,137	4,201	4,800	5,023	4,916	5,716
46 U.S. Treasury bills and certificates	382	474	699 ^r	784	771	786	957	1,028	1,167	1,548
47 Other negotiable and readily transferable instruments ⁶	3,247	3,185	3,268	2,997	3,032	3,080	3,125	3,160	3,147	3,146
48 Other	123	190	312	313	334	335	718	835	603	1,023
49 MEMO: Negotiable time certificates of deposit in custody for foreigners	10,984	10,745	10,672	11,169	11,673	12,652	12,878	13,029	13,902	13,538

1. Excludes negotiable time certificates of deposit, which are included in "Other negotiable and readily transferable instruments."

2. Includes borrowing under repurchase agreements.

3. U.S. banks: includes amounts due to own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. Agencies, branches, and majority-owned subsidiaries of foreign banks: principally amounts due to head office or parent foreign bank, and foreign branches, agencies or wholly owned subsidiaries of head office or parent foreign bank.

4. Financial claims on residents of the United States, other than long-term securities, held by or through reporting banks.

5. Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.

6. Principally bankers acceptances, commercial paper, and negotiable time certificates of deposit.

7. Principally the International Bank for Reconstruction and Development, and the Inter-American and Asian Development Banks.

8. Foreign central banks and foreign central governments and the Bank for International Settlements.

9. Excludes central banks, which are included in "Official institutions."

▲ Liabilities and claims of banks in the United States were increased, beginning in December 1981, by the shift from foreign branches to international banking facilities in the United States of liabilities to, and claims on, foreign residents.

3.17 Continued

Area and country	1979	1980	1981▲	1982						
				Mar. ^r	Apr. ^r	May ^r	June	July ^r	Aug.	Sept. ^p
1 Total	187,521	205,297	243,010 ^r	261,672	266,483	274,638	285,911	284,226	293,444	296,536
2 Foreign countries	185,164	202,953	240,289 ^r	259,623	264,435	271,599	281,910	280,144	288,371	291,600
3 Europe	90,952	90,897	90,951 ^r	93,632	91,908	97,469	102,699	106,284	111,980	114,255
4 Austria	413	523	587 ^r	545	472	454	434	501	531	537
5 Belgium-Luxembourg	2,375	4,019	4,117	2,992	2,898	3,075	2,869	2,957	3,218	3,259
6 Denmark	1,092	497	333	514	613	608	510	452	446	149
7 Finland	398	455	296	273	229	212	181	162	266	328
8 France	10,433	12,125	8,486	7,805	6,737	6,312	9,234	8,635	8,156	7,730
9 Germany	12,935	9,973	7,665	7,698	6,556	6,954	6,221	5,624	5,397	5,306
10 Greece	635	670	463	472	457	549	512	506	559	471
11 Italy	7,782	7,572	7,290	4,300	3,695	3,420	4,720	5,760	6,703	6,713
12 Netherlands	2,337	2,441	2,823	3,161	2,836	2,719	2,789	2,789	2,804	2,994
13 Norway	1,267	1,344	1,457	1,518	1,666	1,981	1,370	1,333	1,634	1,774
14 Portugal	557	374	354	272	272	276	365	365	453	386
15 Spain	1,259	1,500	916	1,136	1,055	1,114	1,191	1,133	1,223	1,095
16 Sweden	2,005	1,737	1,545	1,358	1,373	1,425	1,416	1,385	1,278	1,324
17 Switzerland	17,954	16,689	18,726 ^r	19,205	20,346	21,567	22,473	23,851	25,019	26,537
18 Turkey	120	242	518	283	364	204	167	222	287	301
19 United Kingdom	24,700	22,680	28,288	35,163	35,452	39,872	41,159	44,115	46,821	48,391
20 Yugoslavia	266	681	375	223	259	237	314	320	317	307
21 Other Western Europe ¹	4,070	6,939	6,170 ^r	6,271	6,116	6,090	6,163	5,734	6,381	6,260
22 U.S.S.R.	52	68	49 ^r	44	37	30	44	41	47	47
23 Other Eastern Europe ²	302	370	493	400	350	371	521	397	440	346
24 Canada	7,379	10,031	10,250	10,830	12,298	10,621	11,541	11,168	12,194	11,584
25 Latin America and Caribbean	49,686	53,170	84,685	98,222	103,999	105,891	109,452	103,874	107,276	107,292
26 Argentina	1,582	2,132	2,445	3,037	2,729	2,030	2,088	2,644	3,245	3,245
27 Bahamas	15,255	16,381	34,400	44,802	45,608	44,756	44,615	39,482	41,823	41,035
28 Bermuda	430	670	765	1,113	1,165	1,350	1,302	1,302	1,290	1,519
29 Brazil	1,005	1,216	1,568	1,352	1,462	1,615	1,822	1,823	1,944	1,760
30 British West Indies	11,138	12,766	17,794	18,869	19,656	19,749	22,631	22,069	22,801	23,275
31 Chile	468	460	664	951	992	1,224	1,124	1,442	1,165	1,292
32 Colombia	2,617	3,077	2,993	2,654	2,639	2,515	2,700	2,699	2,636	2,487
33 Cuba	13	6	9	7	6	6	6	7	9	7
34 Ecuador	425	371	434	513	491	465	559	527	478	521
35 Guatemala	414	367	479	590	569	583	580	613	616	639
36 Jamaica	76	97	87	129	133	104	100	139	136	120
37 Mexico	4,185	4,547	7,163	7,646	8,533	9,438	8,957	9,643	9,259	8,369
38 Netherlands Antilles	499	413	3,182	3,434	3,473	3,449	3,727	3,602	3,793	3,615
39 Panama	4,483	4,718	4,847	4,190	4,238	4,338	5,357	4,884	4,689	5,972
40 Peru	383	403	694	532	620	753	1,069	931	984	968
41 Uruguay	202	254	367	323	410	561	542	609	665	743
42 Venezuela	4,192	3,170	4,245	5,120	8,218	9,421	9,310	9,139	9,289	8,534
43 Other Latin America and Caribbean	2,318	2,123	2,548	2,960	3,056	3,357	3,022	2,874	3,056	3,189
44 Asia	33,005	42,420	49,805 ^r	52,760	50,378	50,991	51,143	52,041	50,819	51,115
45 China	49	49	158	257	331	284	244	261	245	254
46 Mainland	1,393	1,662	2,082	2,213	2,291	2,378	2,334	2,371	2,253	2,490
47 Taiwan	1,672	2,548	3,950	4,182	4,587	4,737	4,880	4,918	4,551	4,944
48 Hong Kong	527	416	385	435	544	603	540	551	655	407
49 India	504	730	640	1,127	837	789	583	722	593	436
50 Indonesia	707	883	592	449	537	562	610	476	486	584
51 Japan	8,907	16,281	20,551 ^r	22,087	19,311	18,896	18,994	19,827	19,283	18,906
52 Korea	993	1,528	2,013	2,138	2,356	2,192	1,863	1,934	1,712	1,894
53 Philippines	795	919	874	671	709	785	839	660	728	709
54 Thailand	277	464	534	340	517	474	485	450	369	310
55 Middle-East oil-exporting countries ³	15,300	14,453	13,174 ^r	14,825	14,342	14,400	14,267	14,243	14,106	14,029
56 Other Asia	1,879	2,487	4,852 ^r	4,036	4,016	4,891	5,503	5,629	5,838	6,153
57 Africa	3,239	5,187	3,180	2,403	3,111	2,629	2,675	2,692	2,586	2,783
58 Egypt	475	485	360	302	411	382	447	430	405	385
59 Morocco	33	33	32	36	52	37	59	52	47	63
60 South Africa	184	288	420	330	308	305	335	339	341	344
61 Zaire	110	57	26	69	41	27	37	25	25	20
62 Oil-exporting countries ⁴	1,635	3,540	1,395	627	1,144	846	901	1,025	908	1,074
63 Other Africa	804	783	946	1,039	1,156	1,031	896	821	860	897
64 Other countries	904	1,247	1,419	1,775	2,742	3,997	4,400	4,085	3,516	4,572
65 Australia	684	950	1,223	1,550	2,541	3,752	4,172	3,831	3,317	4,355
66 All other	220	297	196	225	201	245	228	254	199	216
67 Nonmonetary international and regional organizations	2,356	2,344	2,721	2,050	2,048	3,039	4,001	4,082	5,073	4,936
68 International	1,238	1,157	1,661	1,081	1,269	2,064	3,064	3,064	3,999	3,820
69 Latin American regional	806	890	710	630	450	661	694	606	713	719
70 Other regional ⁵	313	296	350	339	328	314	446	412	361	397

1. Includes the Bank for International Settlements. Beginning April 1978, also includes Eastern European countries not listed in line 23.

2. Beginning April 1978 comprises Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Romania.

3. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

4. Comprises Algeria, Gabon, Libya, and Nigeria.

5. Asian, African, Middle Eastern, and European regional organizations, except the Bank for International Settlements, which is included in "Other Western Europe."

▲ Liabilities and claims of banks in the United States were increased, beginning in December 1981, by the shift from foreign branches to international banking facilities in the United States of liabilities to, and claims on, foreign residents.

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

Millions of dollars, end of period

Area and country	1979	1980	1981▲	1982						
				Mar. ^r	Apr. ^r	May ^r	June	July ^r	Aug.	Sept. ^P
1 Total	133,943	172,592	251,035 ^r	277,563	288,353	301,247	314,381	322,831	328,159	337,089
2 Foreign countries	133,906	172,514	250,979 ^r	277,506	288,313	301,203	314,338	322,785	328,053	336,994
3 Europe	28,388	32,108	49,054 ^r	56,991	59,334	62,051	64,115	67,237	70,795	75,903
4 Austria	284	236	121	130	200	201	140	189	186	164
5 Belgium-Luxembourg	1,339	1,621	2,843	3,756	3,848	3,669	3,760	4,102	4,421	4,789
6 Denmark	147	127	188	277	279	276	287	303	323	360
7 Finland	202	460	547	574	525	638	736	699	776	805
8 France	3,322	2,958	4,126	5,599	5,062	5,528	6,405	5,917	5,960	5,793
9 Germany	1,179	948	936	1,123	1,483	1,512	1,758	1,734	1,569	1,591
10 Greece	154	256	333	325	279	262	297	294	270	283
11 Italy	1,631	3,364	5,240	5,328	5,095	5,861	6,024	6,282	6,572	6,728
12 Netherlands	514	575	682 ^r	946	740	917	1,005	1,118	1,085	1,096
13 Norway	276	227	384	447	452	416	429	538	482	576
14 Portugal	330	331	529	724	813	797	938	990	970	998
15 Spain	1,051	993	2,100	2,619	2,502	2,628	3,086	3,308	3,520	3,469
16 Sweden	542	783	1,206	1,550	1,441	1,692	1,638	1,513	1,693	2,404
17 Switzerland	1,165	1,446	2,213	1,709	1,564	1,557	1,596	1,601	1,589	1,858
18 Turkey	149	145	424	496	487	573	584	646	600	605
19 United Kingdom	13,795	14,917	23,645	27,862	31,073	31,974	31,834	34,392	37,162	40,802
20 Yugoslavia	611	853	1,224	1,200	1,238	1,202	1,294	1,266	1,220	1,194
21 Other Western Europe ¹	175	179	209	317	282	386	247	280	286	317
22 U.S.S.R.	268	281	377	218	195	251	296	274	296	249
23 Other Eastern Europe ²	1,254	1,410	1,725 ^r	1,790	1,777	1,711	1,761	1,791	1,814	1,821
24 Canada	4,143	4,810	9,164	10,976	11,805	11,349	12,693	13,070	12,083	11,717
25 Latin America and Caribbean	67,993	92,992	138,114	153,445	158,212	167,187	173,201	178,018	181,306	185,721
26 Argentina	4,389	5,689	7,522	8,930	10,896	10,816	11,012	10,971	10,945	10,911
27 Bahamas	18,918	29,419	43,437	47,594	47,875	49,079	51,849	52,403	54,617	55,317
28 Bermuda	496	218	346	401	575	396	414	398	385	430
29 Brazil	7,713	10,496	16,918	18,835	19,217	20,420	21,147	21,557	22,153	23,061
30 British West Indies	9,818	15,663	21,913	22,997	22,741	25,469	25,825	27,914	28,470	29,678
31 Chile	1,441	1,951	3,690	4,514	4,590	4,899	5,268	5,228	5,377	5,338
32 Colombia	1,614	1,752	2,018	2,018	2,146	2,270	2,554	2,612	2,640	2,820
33 Cuba	4	3	3	3	137	37	3	8	3	3
34 Ecuador	1,025	1,190	1,531	1,837	1,879	1,852	2,022	2,027	2,048	2,102
35 Guatemala ³	134	137	124	106	116	112	124	121	116	121
36 Jamaica ³	47	36	62	151	130	781	124	578	508	387
37 Mexico	9,099	12,595	22,408 ^r	25,625	26,087	28,357	29,547	29,749	29,351	29,566
38 Netherlands Antilles	248	821	1,076	873	887	880	1,028	1,032	778	826
39 Panama	6,041	4,974	6,779 ^r	7,482	8,246	8,321	8,660	9,146	9,558	10,275
40 Peru	652	890	1,218	1,518	1,593	1,672	2,047	2,064	2,062	2,259
41 Uruguay	105	137	157	234	316	347	381	413	457	548
42 Venezuela	4,657	5,438	7,069	8,085	8,561	9,184	9,138	9,691	9,800	9,833
43 Other Latin America and Caribbean	1,593	1,583	1,844	2,245	2,220	2,295	2,057	2,105	2,039	2,247
44 Asia	30,730	39,078	49,770	50,109	52,770	53,963	57,368	57,404	57,147	56,317
45 China	35	195	107	84	98	68	124	139	127	126
46 Taiwan	1,821	2,469	2,461	2,300	2,275	2,114	2,048	1,977	1,891	1,951
47 Hong Kong	1,804	2,247	4,126	5,442	5,352	6,002	6,390	6,124	6,407	6,713
48 India	92	142	123	212	195	185	252	266	235	268
49 Indonesia	131	245	346	356	308	315	288	294	297	292
50 Israel	990	1,172	1,562	1,252	1,160	1,391	1,835	1,637	1,534	1,624
51 Japan	16,911	21,361	26,757	25,950	27,949	27,549	29,258	30,082	29,518	27,527
52 Korea	3,793	5,697	7,324	6,569	7,007	7,104	7,119	7,046	6,967	7,358
53 Philippines	737	989	1,817	2,270	2,270	2,464	2,605	2,605	2,611	2,506
54 Thailand	933	876	564	513	565	502	459	406	388	410
55 Middle East oil-exporting countries ⁴	1,548	1,432	1,575	2,021	2,411	2,613	2,564	2,493	2,614	2,643
56 Other Asia	1,934	2,252	3,009	3,139	3,180	3,656	4,426	4,335	4,557	4,899
57 Africa	1,797	2,377	3,503	4,209	4,389	4,775	4,851	5,029	4,846	5,199
58 Egypt	114	151	238	327	345	400	416	378	399	390
59 Morocco	103	223	284	294	312	278	334	314	368	376
60 South Africa	445	370	1,011	1,431	1,344	1,389	1,467	1,620	1,574	1,779
61 Zaire	144	94	112	89	100	81	84	81	58	62
62 Oil-exporting countries ⁵	391	805	657	637	730	844	799	849	761	850
63 Other	600	734	1,201	1,429	1,559	1,783	1,751	1,787	1,685	1,742
64 Other countries	855	1,150	1,376	1,777	1,803	1,878	2,111	2,028	1,878	2,137
65 Australia	673	859	1,203	1,501	1,560	1,655	1,806	1,700	1,534	1,803
66 All other	182	290	172	276	243	223	305	328	344	334
67 Nonmonetary international and regional organizations ⁶	36	78	56	57	40	43	43	45	106	95

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

Type of claim	1979	1980	1981▲	1982						
				Mar. 'r	Apr. 'r	May 'r	June	July 'r	Aug. 'r	Sept. 'r
1 Total	154,030	198,698	286,404	318,834	.....	.....	356,611	.....	.....	.....
2 Banks' own claims on foreigners	133,943	172,592	251,035	277,563	288,353	301,247	314,381	322,831	328,159	337,089
3 Foreign public borrowers	15,937	20,882	31,294	34,106	35,039	37,630	40,001	40,684	41,648	42,302
4 Own foreign offices ¹	47,428	65,084	96,639	101,717	106,988	108,699	113,722	114,098	118,147	123,959
5 Unaffiliated foreign banks	40,927	50,168	74,104	87,704	90,823	97,175	101,756	108,313	109,165	111,100
6 Deposits	6,274	8,254	22,704	28,928	29,338	33,725	35,667	40,028	40,983	40,544
7 Other	34,654	41,914	51,400	58,776	61,485	63,450	66,090	68,285	68,182	70,556
8 All other foreigners	29,650	36,459	48,998	54,035	55,502	57,743	58,901	59,736	59,200	59,728
9 Claims of banks' domestic customers ²	20,088	26,106	35,368	41,271	.....	.....	42,230	.....	.....	.....
10 Deposits	955	885	1,378	1,512	.....	.....	1,426	.....	.....	.....
11 Negotiable and readily transferable instruments ³	13,100	15,574	25,752	32,328	.....	.....	31,966	.....	.....	.....
12 Outstanding collections and other claims ³	6,032	9,648	8,238	7,431	.....	.....	8,838	.....	.....	.....
13 MEMO: Customer liability on acceptances	18,021	22,714	29,565	30,514	.....	.....	32,929	.....	.....	.....
Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States ³	22,305	24,511	39,820	40,806	41,421	43,981	44,292	45,180	43,660	n.a.

1. U.S. banks: includes amounts due from own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. *Agencies, branches, and majority-owned subsidiaries of foreign banks:* principally amounts due from head office or parent foreign bank, and foreign branches, agencies, or wholly owned subsidiaries of head office or parent foreign bank.

2. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the account of their domestic customers.

3. Principally negotiable time certificates of deposit and bankers acceptances.

4. Includes demand and time deposits and negotiable and nonnegotiable certificates of deposit denominated in U.S. dollars issued by banks abroad. For description of changes in data reported by nonbanks, see July 1979 BULLETIN, p. 550.

▲ Liabilities and claims of banks in the United States were increased, beginning in December 1981, by the shift from foreign branches to international banking facilities in the United States of liabilities to, and claims on, foreign residents.

NOTE: Beginning April 1978, data for banks' own claims are given on a monthly basis, but the data for claims of banks' own domestic customers are available on a quarterly basis only.

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

Maturity; by borrower and area	1979	1980	1981		1982		
	Dec.	Dec.	June	Sept.	Dec.▲ 'r	Mar. 'r	June
1 Total	86,181	106,748	117,610	122,477	153,932	174,618	199,743
<i>By borrower</i>							
2 Maturity of 1 year or less ¹	65,152	82,555	92,124	94,957 ^r	115,908	133,019	151,417
3 Foreign public borrowers	7,233	9,974	11,752	12,978 ^r	15,192	16,603	19,308
4 All other foreigners	57,919	72,581	80,372	81,979	100,715	116,416	132,110
5 Maturity of over 1 year ¹	21,030	24,193	25,486	27,520	38,025	41,598	48,326
6 Foreign public borrowers	8,371	10,152	11,177	12,564	15,645	16,843	20,003
7 All other foreigners	12,659	14,041	14,309	14,956	22,380	24,755	28,322
<i>By area</i>							
8 Maturity of 1 year or less ¹							
9 Europe	15,235	18,715	21,149	23,015	27,893	34,246	39,076
10 Canada	1,777	2,723	3,314	3,959	4,634	5,807	6,579
11 Latin America and Caribbean	24,928	32,034	33,584	35,590	48,473	58,243	67,444
12 Asia	21,641	26,686	31,509	29,295	31,508	30,585	33,788
13 Africa	1,077	1,757	1,768	2,324	2,457	2,890	3,309
14 All other ²	493	640	801	774	943	1,249	1,220
15 Maturity of over 1 year ¹							
16 Europe	4,160	5,118	6,312	6,424	8,095	8,435	9,340
17 Canada	1,317	1,448	1,317	1,347	1,774	1,863	2,345
18 Latin America and Caribbean	12,814	15,075	15,458	17,478	25,088	27,684	32,340
19 Asia	1,911	1,865	1,679	1,550	1,902	2,245	2,455
20 Africa	655	507	559	548	899	1,056	1,275
21 All other ²	173	179	161	172	267	315	571

1. Remaining time to maturity.

2. Includes nonmonetary international and regional organizations.

▲ Liabilities and claims of banks in the United States were increased, beginning in December 1981, by the shift from foreign branches to international banking facilities in the United States of liabilities to, and claims on, foreign residents.

3.21 CLAIMS ON FOREIGN COUNTRIES Held by U.S. Offices and Foreign Branches of U.S.-Chartered Banks¹

Billions of dollars, end of period

Area or country	1978 ²	1979	1980			1981				1982	
			June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June ³
1 Total	266.2	303.9	328.8	339.3	352.0	372.1	382.8	399.8	412.3	411.0	419.2
2 G-10 countries and Switzerland	124.7	138.4	154.2	158.8	162.1	168.5	168.3	172.2	173.9	172.1	170.3
3 Belgium-Luxembourg	9.0	11.1	13.1	13.6	13.0	13.6	13.8	14.1	13.3	13.1	13.8
4 France	12.2	11.7	14.1	13.9	14.1	14.5	14.7	16.0	15.3	15.8	16.3
5 Germany	11.3	12.2	12.7	12.9	12.1	13.3	12.1	12.7	12.9	12.4	12.6
6 Italy	6.7	6.4	6.9	7.2	8.2	7.7	8.4	8.6	9.8	8.9	8.8
7 Netherlands	4.4	4.8	4.5	4.4	4.4	4.6	4.2	3.7	4.0	4.0	4.0
8 Sweden	2.1	2.4	2.7	2.8	2.9	3.2	3.1	3.4	3.7	4.0	3.9
9 Switzerland	5.3	4.7	3.3	3.4	5.0	5.1	5.2	5.1	5.5	5.3	5.1
10 United Kingdom	47.3	56.4	64.4	66.7	67.4	68.5	67.0	68.8	69.1	68.7	66.4
11 Canada	6.0	6.3	7.2	7.7	8.4	8.9	10.8	11.8	11.0	11.4	10.9
12 Japan	20.6	22.4	25.5	26.1	26.5	29.1	28.9	28.0	29.4	28.4	28.5
13 Other developed countries	19.4	19.9	20.3	20.6	21.6	23.5	24.8	26.4	28.4	30.5	31.6
14 Austria	1.7	2.0	1.8	1.8	1.9	1.8	2.1	2.2	1.9	2.1	2.1
15 Denmark	2.0	2.2	2.2	2.2	2.3	2.4	2.3	2.5	2.3	2.5	2.6
16 Finland	1.2	1.2	1.3	1.2	1.4	1.4	1.3	1.4	1.7	1.6	1.6
17 Greece	2.3	2.4	2.5	2.6	2.8	2.7	3.0	2.9	2.8	2.8	2.5
18 Norway	2.1	2.3	2.4	2.4	2.6	2.8	2.8	3.0	3.1	3.2	3.2
19 Portugal	.6	.7	.6	.7	.6	.6	.8	1.0	1.1	1.1	1.5
20 Spain	3.5	3.5	3.9	4.2	4.4	5.5	5.7	5.8	6.6	7.1	7.2
21 Turkey	1.5	1.4	1.4	1.3	1.5	1.5	1.4	1.5	1.4	1.5	1.4
22 Other Western Europe	1.3	1.4	1.6	1.7	1.7	1.8	1.8	1.9	2.1	2.2	2.2
23 South Africa	2.0	1.3	1.5	1.2	1.1	1.5	1.9	2.5	2.8	3.2	3.4
24 Australia	1.4	1.3	1.2	1.2	1.3	1.5	1.7	1.9	2.5	3.1	3.8
25 OPEC countries ³	22.7	22.9	20.9	21.4	22.7	21.7	22.2	23.5	24.4	24.7	25.3
26 Ecuador	1.6	1.7	1.8	1.9	2.1	2.0	2.0	2.1	2.2	2.3	2.3
27 Venezuela	7.2	8.7	7.9	8.5	9.1	8.3	8.8	9.2	9.6	9.4	9.4
28 Indonesia	2.0	1.9	1.9	1.9	1.8	2.1	2.1	2.5	2.5	2.7	2.7
29 Middle East countries	9.5	8.0	6.9	6.7	6.9	6.7	6.8	7.1	7.6	8.2	8.6
30 African countries	2.5	2.6	2.5	2.4	2.8	2.6	2.6	2.6	2.5	2.2	2.3
31 Non-OPEC developing countries	52.6	63.0	67.7	73.0	77.4	82.2	84.8	90.2	95.8	94.0	100.0
Latin America											
32 Argentina	3.0	5.0	5.6	7.6	7.9	9.5	8.5	9.3	9.3	9.3	8.9
33 Brazil	14.9	15.2	15.3	15.8	16.2	17.0	17.5	17.7	19.0	18.9	20.2
34 Chile	1.6	2.5	2.7	3.2	3.7	4.0	4.8	5.5	5.8	5.6	6.0
35 Colombia	1.4	2.2	2.2	2.4	2.6	2.4	2.5	2.5	2.6	2.2	2.5
36 Mexico	10.8	12.0	13.6	14.4	15.9	17.0	18.2	20.0	21.5	22.1	23.9
37 Peru	1.7	1.5	1.4	1.5	1.8	1.8	1.7	1.8	2.0	1.8	2.3
38 Other Latin America	3.6	3.7	3.6	3.9	3.9	4.7	3.8	4.2	4.1	4.0	3.9
Asia											
39 China											
40 Mainland	.0	.1	.1	.1	.2	.2	.2	.2	.2	.2	.3
41 Taiwan	2.9	3.4	3.8	4.1	4.2	4.4	4.6	5.1	5.1	5.1	5.8
42 India	.2	.2	.2	.2	.3	.3	.3	.3	.3	.5	.5
43 Israel	1.0	1.3	1.2	1.1	1.5	1.3	1.8	1.5	2.0	1.6	2.1
44 Korea (South)	3.9	5.4	7.1	7.3	7.1	7.7	8.8	8.6	9.4	8.6	8.8
45 Malaysia	.6	1.0	1.1	1.1	1.1	1.2	1.4	1.4	1.7	1.7	1.8
46 Philippines	2.8	4.2	4.6	4.8	5.1	4.8	5.1	5.6	6.0	5.8	6.2
47 Thailand	1.2	1.5	1.5	1.5	1.6	1.6	1.5	1.4	1.5	1.3	1.3
48 Other Asia	.2	.5	.5	.5	.6	.5	.7	.8	1.0	1.0	1.2
Africa											
49 Egypt	.4	.6	.8	.6	.8	.8	.7	1.0	1.1	1.3	1.3
50 Morocco	.6	.6	.5	.6	.7	.6	.5	.7	.7	.7	.7
51 Zaire	.2	.2	.2	.2	.2	.2	.2	.2	.2	.2	.2
52 Other Africa ⁴	1.4	1.7	1.9	2.1	2.1	2.2	2.1	2.2	2.3	2.3	2.3
53 Eastern Europe	6.9	7.3	7.2	7.3	7.4	7.7	7.7	7.7	7.7	7.0	6.4
54 U.S.S.R.	1.3	.7	.5	.5	.4	.4	.5	.4	.6	.4	.4
55 Yugoslavia	1.5	1.8	2.1	2.1	2.3	2.4	2.5	2.5	2.5	2.4	2.3
56 Other	4.1	4.8	4.5	4.7	4.6	4.8	4.8	4.7	4.7	4.2	3.7
57 Offshore banking centers	31.0	40.4	44.3	44.6	47.0	53.7	59.3	61.7	63.6	64.5	67.3
58 Bahamas	10.4	13.7	13.7	13.2	13.7	15.5	17.9	21.3	18.9	19.8	22.5
59 Bermuda	.7	.8	.6	.6	.6	.7	.7	.8	.7	.7	.7
60 Cayman Islands and other British West Indies	7.4	9.4	9.8	10.1	10.6	11.9	12.6	12.1	12.6	11.6	11.6
61 Netherlands Antilles	.8	1.2	1.2	1.3	2.1	2.3	2.4	2.2	3.2	3.2	3.0
62 Panama ⁵	3.0	4.3	4.9	5.6	5.4	6.5	6.9	6.7	7.5	7.0	6.8
63 Lebanon	.1	.2	.2	.2	.2	.2	.2	.2	.2	.2	.2
64 Hong Kong	4.2	6.0	6.9	7.5	8.1	8.4	10.3	10.3	11.8	12.8	13.0
65 Singapore	3.9	4.5	5.9	5.6	5.9	7.3	8.1	8.0	8.6	9.2	9.5
66 Others ⁶	.5	.4	.4	.4	.3	.9	.3	.1	.1	.1	.1
67 Miscellaneous and unallocated ⁷	9.1	11.7	14.3	13.7	14.0	14.9	15.7	18.2	18.7	18.2	18.3

1. The banking offices covered by these data are the U.S. offices and foreign branches of U.S.-owned banks and of U.S. subsidiaries of foreign-owned banks. Offices not covered include (1) U.S. agencies and branches of foreign banks, and (2) foreign subsidiaries of U.S. banks. To minimize duplication, the data are adjusted to exclude the claims on foreign branches held by a U.S. office or another foreign branch of the same banking institution. The data in this table combine foreign branch claims in table 3.14 (the sum of lines 7 through 10) with the claims of U.S. offices in table 3.18 (excluding those held by agencies and branches of foreign banks and those constituting claims on own foreign branches). However, 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 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. Excludes Liberia.

5. Includes Canal Zone beginning December 1979.

6. Foreign branch claims only.

7. Includes New Zealand, Liberia, and international and regional organizations.

3.22 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States¹

Millions of dollars, end of period

Type, and area or country	1979	1980	1981	1981		1982	
				Sept.	Dec.	Mar.	June ²
1 Total	17,383	22,125	22,001	23,347	22,001	21,711 ²	20,496
2 Payable in dollars	14,288	18,394	18,367	20,218	18,367	19,026 ²	17,821
3 Payable in foreign currencies ³	3,095	3,731	3,635	3,129	3,635	2,685 ²	2,675
<i>By type</i>							
4 Financial liabilities	7,476	11,282	11,723	12,894	11,723	11,930	9,670
5 Payable in dollars	5,192	8,494	9,130	10,592	9,130	10,043	7,774
6 Payable in foreign currencies	2,284	2,788	2,593	2,302	2,593	1,887	1,896
7 Commercial liabilities	9,906	10,843	10,278	10,453	10,278	9,782 ²	10,826
8 Trade payables	4,591	4,940	4,647	4,364	4,647	4,022 ²	4,967
9 Advance receipts and other liabilities	5,315	5,903	5,631	6,089	5,631	5,760 ²	5,859
10 Payable in dollars	9,095	9,900	9,237	9,626	9,237	8,983 ²	10,047
11 Payable in foreign currencies	811	943	1,041	827	1,041	798 ²	779
<i>By area or country</i>							
12 Europe	4,649	6,467	6,667	7,824	6,667	7,584	5,795
13 Belgium-Luxembourg	322	465	431	482	431	534	449
14 France	175	327	636	846	636	856	531
15 Germany	497	582	491	430	491	503	439
16 Netherlands	829	681	738	664	738	735	503
17 Switzerland	170	354	715	465	715	707	661
18 United Kingdom	2,477	3,923	3,531	4,773	3,531	4,143	3,027
19 Canada	532	964	958	977	958	914	758
20 Latin America and Caribbean	1,483	3,103	3,114	3,247	3,114	2,968	2,605
21 Bahamas	375	964	1,279	1,019	1,279	1,095	1,003
22 Bermuda	81	1	7	6	7	6	7
23 Brazil	18	23	22	20	22	27	24
24 British West Indies	514	1,452	1,045	1,395	1,045	1,123	858
25 Mexico	121	99	102	107	102	67	83
26 Venezuela	72	81	98	90	98	97	100
27 Asia	804	723	957	814	957	450	498
28 Japan	726	644	792	696	792	293	340
29 Middle East oil-exporting countries ³	31	38	47	30	47	63	66
30 Africa	4	11	3	3	3	2	3
31 Oil-exporting countries ⁴	1	1	0	1	0	0	0
32 All other ⁵	4	15	24	29	24	12	11
<i>Commercial liabilities</i>							
33 Europe	3,707	4,402	3,771	3,961	3,771	3,422 ²	3,661
34 Belgium-Luxembourg	137	90	67	78	67	50	47
35 France	467	582	573	575	573	504	657
36 Germany	545	679	545	590	545	473	457
37 Netherlands	227	219	221	238	221	232	247
38 Switzerland	316	499	424	569	424	400	412
39 United Kingdom	1,077	1,209	884	925	884	824	849
40 Canada	924	876	870	834	870	884 ²	1,116
41 Latin America	1,323	1,259	986	1,087	986	804 ²	1,399
42 Bahamas	69	8	2	3	2	22	20
43 Bermuda	32	75	67	113	67	71	102
44 Brazil	203	111	67	61	67	83	62
45 British West Indies	21	35	2	11	2	27	1
46 Mexico	257	326	293	345	293	210 ²	727
47 Venezuela	301	319	276	273	276	194	219
48 Asia	2,991	3,034	3,285	3,221	3,285	3,404 ²	3,286
49 Japan	583	802	1,094	775	1,094	1,090 ²	1,060
50 Middle East oil-exporting countries ³	1,014	890	910	881	910	998 ²	954
51 Africa	728	817	703	757	703	664	733
52 Oil-exporting countries ⁴	384	517	344	355	344	247	340
53 All other ⁵	233	456	664	593	664	604	630

1. For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p. 550.

2. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

3. Comprises Algeria, Gabon, Libya, and Nigeria.

4. Includes nonmonetary international and regional organizations.

3.23 CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States¹

Millions of dollars, end of period

Type, and area or country	1979	1980	1981	1981		1982	
				Sept.	Dec.	Mar. ²	June ²
1 Total	31,375	34,743	35,790	34,544	35,790	30,080	30,386
2 Payable in dollars	28,183	31,803	32,206	31,541	32,206	27,474	27,921
3 Payable in foreign currencies	3,193	2,940	3,584	3,003	3,584	2,606	2,465
<i>By type</i>							
4 Financial claims	18,484	20,057	20,906	19,586	20,906	17,658	18,368
5 Deposits	12,847	14,220	14,694	13,775	14,694	12,590	13,463
6 Payable in dollars	11,931	13,445	14,080	13,048	14,080	12,133	13,112
7 Payable in foreign currencies	916	775	614	727	614	457	351
8 Other financial claims	5,637	5,837	6,212	5,811	6,212	5,068	4,905
9 Payable in dollars	3,810	4,154	3,758	4,116	3,758	3,439	3,348
10 Payable in foreign currencies	1,826	1,683	2,454	1,695	2,454	1,629	1,557
11 Commercial claims	12,892	14,686	14,884	14,959	14,884	12,422	12,019
12 Trade receivables	12,188	13,953	13,944	14,048	13,944	11,462	10,960
13 Advance payments and other claims	704	733	940	911	940	960	1,058
14 Payable in dollars	12,441	14,203	14,368	14,377	14,368	11,902	11,461
15 Payable in foreign currencies	450	483	516	582	516	520	557
<i>By area or country</i>							
<i>Financial claims</i>							
16 Europe	6,191	6,179	4,592	4,846	4,592	4,511	4,624
17 Belgium-Luxembourg	32	195	43	26	43	16	13
18 France	177	337	325	348	325	422	418
19 Germany	409	230	244	320	244	197	190
20 Netherlands	53	51	50	68	50	79	81
21 Switzerland	73	59	87	100	87	53	63
22 United Kingdom	5,111	4,992	3,505	3,659	3,505	3,502	3,577
23 Canada	4,997	5,064	6,624	6,032	6,624	4,891	4,381
24 Latin America and Caribbean	6,293	7,823	8,589	7,747	8,589	7,377	8,243
25 Bahamas	2,765	3,479	3,902	3,262	3,902	3,482	3,792
26 Bermuda	30	135	18	15	18	27	42
27 Brazil	163	96	30	66	30	49	76
28 British West Indies	2,011	2,755	3,500	3,313	3,500	2,797	3,487
29 Mexico	157	208	313	283	313	281	274
30 Venezuela	143	137	148	143	148	130	134
31 Asia	706	722	882	623	882	680	870
32 Japan	199	189	363	111	363	267	397
33 Middle East oil-exporting countries ²	16	20	37	29	37	36	33
34 Africa	253	238	168	222	168	164	156
35 Oil-exporting countries ³	49	26	46	41	46	43	41
36 All other ⁴	44	32	51	116	51	34	94
<i>Commercial claims</i>							
37 Europe	4,909	5,512	5,329	5,347	5,329	4,375	4,241
38 Belgium-Luxembourg	202	233	234	220	234	245	209
39 France	727	1,129	776	767	776	696	634
40 Germany	589	591	554	580	554	452	391
41 Netherlands	298	318	303	308	303	227	296
42 Switzerland	272	353	427	404	427	354	383
43 United Kingdom	901	928	967	1,032	967	1,060	893
44 Canada	859	914	967	1,017	967	939	707
45 Latin America and Caribbean	2,879	3,765	3,464	3,726	3,464	2,905	2,763
46 Bahamas	21	21	12	18	12	80	30
47 Bermuda	197	108	223	241	223	212	226
48 Brazil	645	861	668	726	668	417	419
49 British West Indies	16	34	12	13	12	23	14
50 Mexico	708	1,101	1,020	983	1,020	761	748
51 Venezuela	343	410	422	454	422	396	381
52 Asia	3,451	3,522	3,914	3,700	3,914	3,152	3,297
53 Japan	1,177	1,052	1,244	1,129	1,244	1,158	1,211
54 Middle East oil-exporting countries ²	765	825	901	829	901	757	793
55 Africa	554	655	750	717	750	587	597
56 Oil-exporting countries ³	133	156	152	154	152	142	132
57 All other ⁴	240	318	459	451	459	463	413

1. For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p. 550.

2. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

3. Comprises Algeria, Gabon, Libya, and Nigeria.

4. Includes nonmonetary international and regional organizations.

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transactions, and area or country	1980	1981 ^r	1982	1982						
			Jan.- Sept.	Mar. ^r	Apr. ^r	May	June	July ^r	Aug.	Sept. ^p
	U.S. corporate securities									
STOCKS										
1 Foreign purchases	40,298	40,672	24,663	2,636	2,359	2,622	2,166	2,707	3,176	4,455
2 Foreign sales	34,870	34,844	22,364	2,507	2,101	2,186	1,863	2,695	2,649	4,625
3 Net purchases, or sales (-)	5,427	5,827	2,299	129	258	436	303	12	528	-170
4 Foreign countries	5,409	5,803	2,258	120	252	429	299	6	525	-173
5 Europe	3,116	3,662	1,679	166	167	306	158	303	267	-265
6 France	492	900	-149	-51	33	-48	-25	0	-8	-45
7 Germany	169	-22	121	42	29	43	11	21	-13	-43
8 Netherlands	-328	42	43	1	-9	36	23	0	12	-61
9 Switzerland	310	288	-425	-60	-66	6	-85	-34	-56	-138
10 United Kingdom	2,528	2,235	2,134	222	176	279	225	309	365	72
11 Canada	887	783	4	-118	0	-10	2	-36	74	117
12 Latin America and Caribbean	148	-30	-3	-19	53	22	25	-69	120	-154
13 Middle East ¹	1,206	1,140	610	84	61	104	73	-137	100	136
14 Other Asia	16	287	-98	4	-40	-21	39	-57	-42	-15
15 Africa	-1	7	-2	-3	0	1	-3	1	1	1
16 Other countries	38	-46	68	6	12	27	6	0	5	6
17 Nonmonetary international and regional organizations	18	24	40	9	6	6	4	6	2	3
BONDS ²										
18 Foreign purchases	15,425	17,290	14,460	1,607	2,217	1,929	1,483	1,738	1,513	2,098
19 Foreign sales	9,964	12,247	12,747	1,496	1,485	1,199	1,153	1,630	1,764	2,312
20 Net purchases, or sales (-)	5,461	5,043	1,713	110	733	730	330	107	-252	-214
21 Foreign countries	5,526	4,976	1,781	117	674	690	356	72	-115	-178
22 Europe	1,576	1,356	1,624	169	540	704	244	187	-31	-349
23 France	129	11	140	12	20	46	23	5	-18	23
24 Germany	212	848	1,873	225	396	500	115	256	102	87
25 Netherlands	-65	70	37	17	14	11	5	-3	0	-10
26 Switzerland	54	108	134	15	46	48	12	-22	32	-24
27 United Kingdom	1,257	181	-607	-102	59	91	67	-63	-109	-450
28 Canada	135	-12	172	29	46	23	21	1	4	5
29 Latin America and Caribbean	185	132	155	26	-8	15	61	18	18	20
30 Middle East ¹	3,499	3,465	-137	-69	126	-112	22	-68	-78	193
31 Other Asia	117	44	-21	-29	-18	61	9	-66	-31	-52
32 Africa	5	-1	-19	-6	-13	0	0	0	0	0
33 Other countries	10	-7	7	-3	1	0	-1	0	2	5
34 Nonmonetary international and regional organizations	-65	66	-68	-6	59	40	-26	35	-136	-36
Foreign securities										
35 Stocks, net purchases, or sales (-)	-2,136	-140	3	34	-63	-115	79	44	11	-163
36 Foreign purchases	7,893	9,262	4,748	696	385	486	619	452	531	547
37 Foreign sales	10,029	9,402	4,745	662	448	601	540	409	520	710
38 Bonds, net purchases, or sales (-)	-1,000 ^r	-5,446	-4,075	-549	-40	461	-762	-614	-1,349	-996
39 Foreign purchases	17,084	17,549	21,179	2,549	2,255	2,755	2,033	2,293	3,279	3,259
40 Foreign sales	18,084 ^r	22,995	25,254	3,098	2,295	2,294	2,795	2,907	4,628	4,255
41 Net purchases, or sales (-), of stocks and bonds	-3,136 ^r	-5,586	-4,072	-515	-103	346	-684	-571	-1,338	-1,159
42 Foreign countries	-4,013 ^r	-4,574	-3,256	-532	-38	126	-305	-578	-1,140	-654
43 Europe	-1,108	-687	-720	109	-127	-40	-425	-21	-128	-184
44 Canada	-1,948	-3,698	-1,991	-628	120	76	-81	-265	-674	-272
45 Latin America and Caribbean	87 ^r	69	658	98	202	144	76	3	49	-44
46 Asia	-1,147	-295	-806	-123	-215	-53	127	-303	-433	261
47 Africa	24	-53	-16	-5	-17	-1	0	3	17	1
48 Other countries	79	90	-381	16	0	-1	-2	6	29	-416
49 Nonmonetary international and regional organizations	876	-1,012	-816	16	-65	219	-379	7	-198	-505

1. Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

2. Includes state and local government securities, and securities of U.S. government agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

3.25 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Holdings and Transactions

Millions of dollars

Country or area	1980	1981	1982	1982						
			Jan.- Sept.	Mar.	Apr.	May	June	July ^r	Aug.	Sept. ^p
	Holdings (end of period) ¹									
1 Estimated total ²	57,549	70,201	.....	75,794	77,268	77,836	78,199	79,615	80,437	82,094
2 Foreign countries ²	52,961	64,530	.....	70,251	71,925	72,950	73,005	75,343	76,717	78,381
3 Europe ²	24,468	23,976	.....	26,085	26,393	26,021	25,738	26,442	27,717	28,785
4 Belgium-Luxembourg	77	543	.....	539	709	340	152	155	576	551
5 Germany ²	12,327	11,861	.....	13,055	13,231	12,974	13,022	13,535	13,959	14,528
6 Netherlands	1,884	1,955	.....	2,052	2,139	2,152	2,176	2,137	2,302	2,333
7 Sweden	595	643	.....	697	662	655	652	650	644	635
8 Switzerland ²	1,485	846	.....	1,025	1,157	1,134	1,039	1,016	1,100	1,234
9 United Kingdom	7,323	6,709	.....	7,037	6,737	6,811	6,674	6,922	7,124	7,345
10 Other Western Europe	777	1,419	.....	1,680	1,757	1,954	2,023	2,028	2,012	2,160
11 Eastern Europe	0	0	.....	0	0	0	0	0	0	0
12 Canada	449	514	.....	458	473	506	410	446	353	434
13 Latin America and Caribbean	999	736	.....	760	886	938	910	848	1,166	1,207
14 Venezuela	292	286	.....	286	306	296	253	229	222	221
15 Other Latin America and Caribbean	285	319	.....	370	383	437	432	402	611	774
16 Netherlands Antilles	421	131	.....	103	196	204	224	217	333	211
17 Asia	26,112	38,671	.....	42,531	43,750	45,060	45,516	47,179	47,165	47,734
18 Japan	9,479	10,780	.....	11,203	11,381	11,396	11,137	11,289	11,247	11,394
19 Africa	919	631	.....	401	403	405	405	405	305	180
20 All other	14	2	.....	17	22	21	26	23	12	41
21 Nonmonetary international and regional organizations	4,588	5,671	.....	5,543	5,343	4,886	5,194	4,272	3,720	3,713
22 International	4,548	5,637	.....	5,529	5,278	4,822	5,123	4,167	3,629	3,519
23 Latin American regional	36	1	.....	-4	-4	-4	-4	-4	-4	-4
	Transactions (net purchases, or sales (-) during period)									
24 Total ²	6,066	12,652	11,893	1,994	1,474	568	362	1,416	822	1,658
25 Foreign countries ²	6,906	11,568	13,851	1,978	1,674	1,025	54	2,338	1,374	1,664
26 Official institutions	3,865	11,694	11,840	1,314	812	1,474	318	2,792	367	1,580
27 Other foreign ²	3,040	-127	2,010	664	862	-448	-264	-454	1,007	85
28 Nonmonetary international and regional organizations	-843	1,085	-1,958	16	-200	-457	309	-922	-553	-8
MEMO: Oil-exporting countries										
29 Middle East ³	7,672	11,156	7,395	470	906	907	924	1,313	257	226
30 Africa ⁴	327	-289	-452	0	2	2	0	0	-100	-125

1. Estimated official and private holdings of marketable U.S. Treasury securities with an original maturity of more than 1 year. Data are based on a benchmark survey of holdings as of Jan. 31, 1971, and monthly transactions reports. Excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries.

2. Beginning December 1978, includes U.S. Treasury notes publicly issued to private foreign residents denominated in foreign currencies.

3. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

4. Comprises Algeria, Gabon, Libya, and Nigeria.

3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Percent per annum

Country	Rate on Oct. 31, 1982		Country	Rate on Oct. 31, 1982		Country	Rate on Oct. 31, 1982	
	Per-cent	Month effective		Per-cent	Month effective		Per-cent	Month effective
Argentina	226.0	Aug. 1982	France ¹	13.25	Oct. 1982	Sweden	10.0	Mar. 1982
Austria	5.75	Oct. 1982	Germany, Fed. Rep. of	6.0	Oct. 1982	Switzerland	5.0	Aug. 1982
Belgium	12.0	Oct. 1982	Italy	18.0	Aug. 1981	United Kingdom ² .....	.....	.....
Brazil	49.0	Mar. 1981	Japan	5.5	Dec. 1981	Venezuela	14.0	Aug. 1981
Canada	11.46	Oct. 1982	Netherlands	6.5	Oct. 1982			
Denmark	11.00	Oct. 1980	Norway	9.0	Nov. 1979			

1. As of the end of February 1981, the rate is that at which the Bank of France discounts Treasury bills for 7 to 10 days.

2. Minimum lending rate suspended as of Aug. 20, 1981.

NOTE. Rates shown are mainly those at which the central bank either

discounts or makes advances against eligible commercial paper and/or government commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations.

3.27 FOREIGN SHORT-TERM INTEREST RATES

Percent per annum, averages of daily figures

Country, or type	1979	1980	1981	1982						
				Apr.	May	June	July	Aug.	Sept.	Oct.
1 Eurodollars	11.96	14.00	16.79	15.20	14.53	15.45	14.37	11.57	11.74	10.43
2 United Kingdom	13.60	16.59	13.86	13.69	13.31	12.96	12.35	11.08	10.84	9.74
3 Canada	11.91	13.12	18.84	15.74	15.46	16.84	16.23	14.76	13.57	12.14
4 Germany	6.64	9.45	12.05	9.30	9.12	9.22	9.41	8.94	8.13	7.55
5 Switzerland	2.04	5.79	9.15	4.96	3.80	5.39	4.32	4.07	3.97	3.66
6 Netherlands	9.33	10.60	11.52	8.20	8.62	8.75	8.95	8.66	7.85	7.09
7 France	9.44	12.18	15.28	16.36	16.17	15.67	14.64	14.43	14.09	13.51
8 Italy	11.85	17.50	19.98	20.62	20.59	20.51	20.18	19.52	18.56	18.57
9 Belgium	10.48	14.06	15.28	14.95	15.00	15.38	15.22	14.00	13.06	12.75
10 Japan	6.10	11.45	7.58	6.57	6.80	7.14	7.15	7.14	7.19	6.97

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

3.28 FOREIGN EXCHANGE RATES

Currency units per dollar

Country/currency	1979	1980	1981	1982					
				May	June	July	Aug.	Sept.	Oct.
1 Argentina/peso	n.a.	n.a.	n.a.	13942.50	15025.00	19671.43	21172.73	25961.90	29487.50
2 Australia/dollar	111.77	114.00	114.95	105.94	103.23	101.09	97.83	95.820	94.35
3 Austria/schilling	13.387	12.945	15.948	16.274	17.114	17.342	17.431	17.597	17.797
4 Belgium/franc	29.342	29.237	37.194	43.666	46.183	47.029	47.483	48.300	49.103
5 Brazil/cruzeiro	n.a.	n.a.	92.374	159.08	167.70	177.97	188.25	201.73	215.34
6 Canada/dollar	1.1603	1.1693	1.1990	1.2336	1.2756	1.2699	1.2452	1.2348	1.2301
7 Chile/peso	n.a.	n.a.	n.a.	39.537	43.373	47.228	54.941	62.643	66.770
8 China, P.R./yuan	n.a.	n.a.	1.7031	1.8123	1.9014	1.9300	1.9432	1.9567	1.9887
9 Colombia/peso	n.a.	n.a.	n.a.	62.365	63.318	65.539	65.179	65.921	66.856
10 Denmark/krone	5.2622	5.6345	7.1350	7.8444	8.3481	8.5402	8.6482	8.8038	8.9192
11 Finland/markka	3.8886	3.7206	4.3128	4.5045	4.6763	4.7278	4.7515	4.8014	5.3480
12 France/franc	4.2566	4.2250	5.4396	6.0237	6.5785	6.8560	6.9285	7.0649	7.1557
13 Germany/deutsche mark	1.8342	1.8175	2.2631	2.3127	2.4292	2.4662	2.4813	2.5055	2.5320
14 Greece/drachma	n.a.	n.a.	n.a.	62.892	67.795	69.434	70.165	70.946	71.948
15 Hong Kong/dollar	n.a.	n.a.	5.5678	5.7549	5.8669	5.9025	6.0598	6.1253	6.6038
16 India/rupee	8.1555	7.8866	8.6807	9.2965	9.4668	9.5633	9.5741	9.6495	9.7005
17 Indonesia/rupee	n.a.	n.a.	n.a.	653.67	654.98	659.18	662.11	662.75	670.31
18 Iran/rial	n.a.	n.a.	79.324	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
19 Ireland/pound ¹	204.65	205.77	161.32	149.60	141.92	139.48	138.54	136.53	134.35
20 Israel/shekel	n.a.	n.a.	n.a.	21.184	23.179	25.320	26.940	28.922	29.860
21 Italy/lira	831.10	856.20	1138.60	1283.37	1358.43	1382.26	1392.60	1411.19	1439.94
22 Japan/yen	219.02	226.63	220.63	236.96	251.20	255.03	259.04	263.29	271.61
23 Malaysia/ringgit	2.1721	2.1767	2.3048	2.2907	2.3392	2.3554	2.3528	2.3610	2.3688
24 Mexico/peso	22.816	22.968	24.547	46.903	47.716	48.594	90.187	101.86	108.83
25 Netherlands/guilder	2.0072	1.9875	2.4998	2.5709	2.6848	2.7239	2.7295	2.7444	2.7608
26 New Zealand/dollar ¹	102.23	97.34	86.848	77.025	74.951	73.990	73.217	72.419	71.431
27 Norway/krone	5.0650	4.9381	5.7430	5.9675	6.1869	6.3557	6.6785	6.8999	7.1735
28 Peru/sol	n.a.	n.a.	n.a.	622.87	656.11	693.56	730.97	772.08	819.14
29 Philippines/peso	n.a.	n.a.	7.8113	8.4016	8.4511	8.4802	8.5142	8.6521	8.7760
30 Portugal/escudo	48.953	50.082	61.739	70.610	78.477	84.514	85.914	87.702	89.652
31 Singapore/dollar	n.a.	n.a.	2.1053	2.0886	2.1379	2.1464	2.1594	2.1671	2.1984
32 South Africa/rand ¹	118.72	128.54	114.77	94.010	89.57	87.20	86.77	86.830	86.20
33 South Korea/won	n.a.	n.a.	n.a.	724.35	738.30	743.06	744.45	743.61	743.65
34 Spain/peseta	67.158	71.758	92.396	102.987	109.215	111.57	112.079	113.049	115.20
35 Sri Lanka/rupee	15.570	16.167	18.967	20.365	20.750	20.895	20.895	20.918	20.898
36 Sweden/krona	4.2892	4.2309	5.0659	5.7888	6.0244	6.1159	6.1441	6.2313	7.1543
37 Switzerland/franc	1.6643	1.6772	1.9674	1.9500	2.0789	2.0960	2.1119	2.1418	2.1736
38 Thailand/baht	n.a.	n.a.	21.731	23.000	23.000	23.000	23.000	23.000	23.000
39 United Kingdom/pound ¹	212.24	232.58	202.43	181.03	175.63	173.54	172.50	171.20	169.62
40 Venezuela/bolivar	n.a.	n.a.	4.2781	4.2991	4.2953	4.2951	4.2981	4.3006	4.2976
MEMO: United States/dollar ²	88.09	87.39	102.94	111.03	116.97	118.91	119.63	120.93	123.16

1. Value in U.S. cents.

2. Index of weighted-average exchange value of U.S. dollar against currencies of other G-10 countries plus Switzerland, March 1973 = 100. Weights are 1972-76 global trade of each of the 10 countries. Series

revised as of August 1978. For description and back data, see "Index of the Weighted-Average Exchange Value of the U.S. Dollar: Revision" on page 700 of the August 1978 BULLETIN.

NOTE. Averages of certified noon buying rates in New York for cable transfers.

Guide to Tabular Presentation, Statistical Releases, and Special Tables

GUIDE TO TABULAR PRESENTATION

Symbols and Abbreviations

c	Corrected	0	Calculated to be zero
e	Estimated	n.a.	Not available
p	Preliminary	n.e.c.	Not elsewhere classified
r	Revised (Notation appears on column heading when about half of the figures in that column are changed.)	IPCs	Individuals, partnerships, and corporations
*	Amounts insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is millions)	REITs	Real estate investment trusts
		RPs	Repurchase agreements
		SMSAs	Standard metropolitan statistical areas
			Cell not applicable

General Information

Minus signs are used to indicate (1) a decrease, (2) a negative figure, or (3) an outflow.

"U.S. government securities" may include guaranteed issues of U.S. government agencies (the flow of funds figures also include not fully guaranteed issues) as well as direct

obligations of the Treasury. "State and local government" also includes municipalities, special districts, and other political subdivisions.

In some of the tables details do not add to totals because of rounding.

STATISTICAL RELEASES

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SPECIAL TABLES

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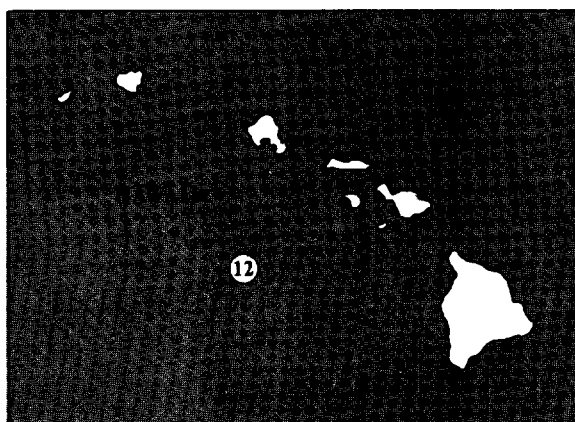
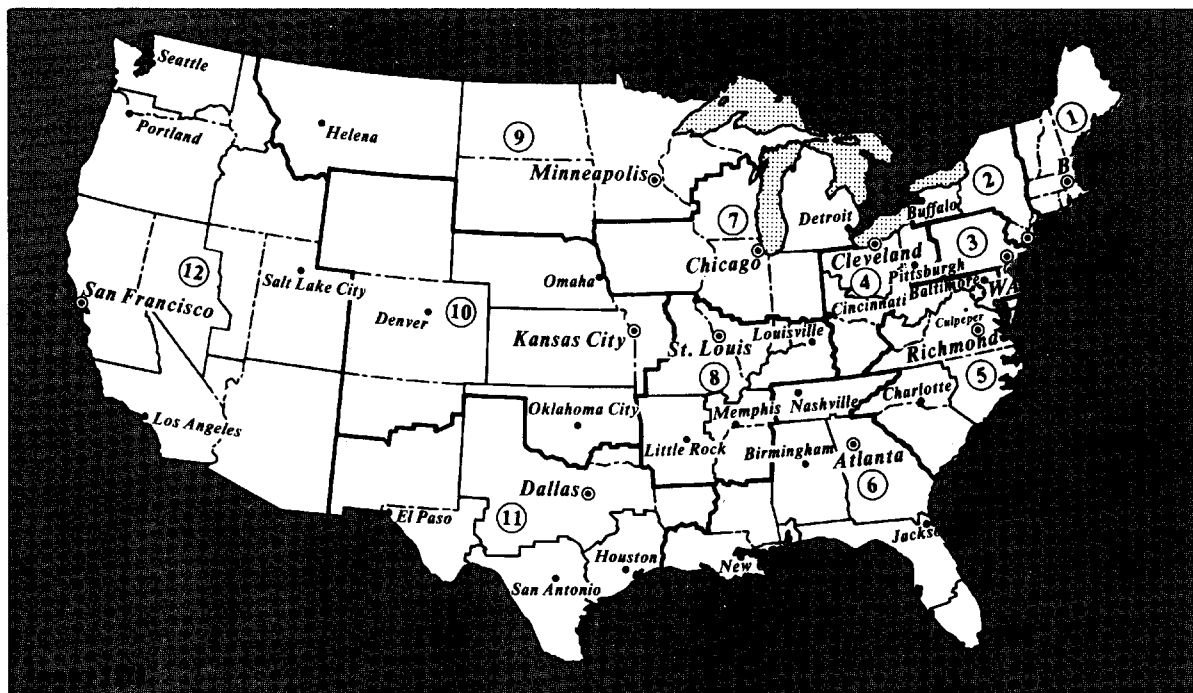
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