
VOLUME 67 □ NUMBER 7 □ JULY 1981

FEDERAL RESERVE BULLETIN

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

PUBLICATIONS COMMITTEE

Joseph R. Coyne, *Chairman* □ Stephen H. Axilrod □ Michael Bradfield
John M. Denkler □ Janet O. Hart □ James L. Kichline □ Edwin M. Truman

Naomi P. Salus, *Coordinator*

The FEDERAL RESERVE BULLETIN is issued monthly under the direction of the staff publications committee. This committee is responsible for opinions expressed except in official statements and signed articles. The artwork is provided by the Graphic Communications Section under the direction of Peter G. Thomas. Editorial support is furnished by the Economic Editing Unit headed by Mendelle T. Berenson.

Table of Contents

529 *THE CONSUMER ADVISORY COUNCIL:
THE FIRST FIVE YEARS*

The work of the Consumer Advisory Council is reviewed on the eve of its fifth anniversary.

535 *AN APPROACH TO REGULATORY
SIMPLIFICATION*

The Board is simplifying all of its regulations and has completed its revision of Regulation Z (Truth in Lending).

539 *RECENT REVISIONS
IN THE MONEY STOCK*

The Board has devised an econometric procedure for preadjusting some components of the money stock, revised the benchmark for the monetary aggregates, and constructed a measure of M1-B that abstracts from shifts to negotiable order of withdrawal accounts in 1981.

543 *INDUSTRIAL PRODUCTION*

Output declined about 0.1 percent in June.

545 *STATEMENTS TO CONGRESS*

Frederick H. Schultz, Vice Chairman, Board of Governors, discusses the implications of Federal Reserve policy for the agricultural sector and says that the farm sector is not facing a significant problem with respect to credit availability, before the Subcommittee on Conservation, Credit, and Rural Development of the House Committee on Agriculture, June 23, 1981.

548 Paul A. Volcker, Chairman, Board of Governors, presents the Board's views on the role of money market funds in the nation's financial structure and recommends that the Federal Reserve be authorized to impose reserve requirements on shares of money

market funds when such shares serve as transaction balances and to enforce a clearer distinction between transaction balances and other liquid savings, before the Subcommittee on Domestic Monetary Policy of the House Committee on Banking, Finance and Urban Affairs, June 25, 1981.

555 Lyle E. Gramley, Member, Board of Governors, discusses some of the issues involved in recent mergers within the financial services industry and says that developments need to be monitored carefully to ensure that such changes as recent conglomerate mergers do not result in monopolies or monopoly power at some time in the future, before the Subcommittee on Monopolies and Commercial Law of the House Committee on the Judiciary, July 8, 1981.

561 *ANNOUNCEMENTS*

Revision of the monetary aggregates.

Amendments to Regulations D and Q to permit the establishment of international banking facilities in the United States (see Legal Developments).

Proposed amendments to Regulation T concerning margin requirements for trading of options on government and government agency debt issues; proposed amendment to Regulation Y to include the issuance of traveler's checks in the list of nonbanking activities permissible for bank holding companies; proposed amendments to Regulations G, T, and U concerning margin requirements.

Changes in Board staff.

Meeting of Consumer Advisory Council.

Admission of seven state banks to membership in the Federal Reserve System.

565 *RECORD OF POLICY ACTIONS OF THE
FEDERAL OPEN MARKET COMMITTEE*

At its meeting on May 18, 1981, the Committee decided to seek behavior of reserve aggregates associated with growth of M1-B from April to June at an annual rate of 3 percent or lower, after allowance for the impact of flows into negotiable order of withdrawal (NOW) accounts, and growth in M2 at an annual rate of about 6 percent. A shortfall in growth of M1-B from the two-month rate of 3 percent would be acceptable, in light of the rapid growth in April and the objective adopted by the Committee on March 31 for growth from March to June at an annual rate of 5½ percent or somewhat less. The members recognized that shifts into NOW accounts would continue to distort measured growth in M1-B to an unpredictable extent and that operational paths would have to be developed in the light of evaluation of those distortions. The Chairman might call for Committee consultation if it appeared to the Manager for Domestic Operations that pursuit of the monetary objectives and related reserve paths during the period before the next meeting was likely to be associated with a federal funds rate persistently outside a range of 16 to 22 percent.

571 *LEGAL DEVELOPMENTS*

Amendments to Regulations D, Q, and T; various bank holding company and bank merger orders; and pending cases.

A1 *FINANCIAL AND BUSINESS STATISTICS*

- A3 Domestic Financial Statistics
- A44 Domestic Nonfinancial Statistics
- A52 International Statistics
- A68 Special Tables

A67 *GUIDE TO TABULAR PRESENTATION,
STATISTICAL RELEASES, AND SPECIAL
TABLES*

A82 *BOARD OF GOVERNORS AND STAFF*

A84 *FEDERAL OPEN MARKET COMMITTEE
AND STAFF; ADVISORY COUNCILS*

A85 *FEDERAL RESERVE BANKS,
BRANCHES, AND OFFICES*

A86 *FEDERAL RESERVE BOARD
PUBLICATIONS*

A88 *INDEX TO STATISTICAL TABLES*

A90 *MAP OF FEDERAL RESERVE SYSTEM*

The Consumer Advisory Council: The First Five Years

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

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

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

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

ORIGIN OF THE COUNCIL

In 1968, the Congress established, as part of the truth in lending legislation, an advisory commit-

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

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

MEMBERSHIP AND ORGANIZATION

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

- The council would consist of no more than thirty members.
- Members would serve for staggered three-year terms.
- The council would have a chairman, a vice

chairman, and a secretary, the last selected from the Board's staff.

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

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

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

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

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

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

Type of representative	Number
<i>Creditor representatives</i>	
Commercial banks	6
Large	3
Small	3
Savings and loan associations	2
Mutual savings banks	1
Credit unions	2
Consumer finance companies	2
Mortgage banking companies	1
Retailers	3
Automobile dealers	2
Attorneys	3
Credit bureaus	2
Bank credit-card systems	1
<i>Consumer representatives</i>	
Organized labor	2
Farming	1
Government agencies for civil rights and consumer protection	4
Credit counseling services	1
Legal aid societies	2
Consumer education	2
Consumer and community interest groups	9
Other	4
<i>Academics and others</i>	7

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

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

permits a systematic compilation of opinions for group decisionmaking that is well suited to the needs of the geographically dispersed members. Council members are asked to suggest topics, all of which are listed and voted upon in order of preference. Items receiving the highest totals are placed on the agenda. Other topics may be added by the council's chairman and vice chairman and by Board members.

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

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

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

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

In the early days, some members expressed frustration because the council did not take votes on issues after its discussions and consequently

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

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

AGENDA ITEMS

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

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

Because the council was already in existence in 1978, when the Electronic Fund Transfer Act was passed, it was able to advise the Board about

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

IMPACT

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

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

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

Participants in the first teacher workshop, held in Washington in February 1979, found it particularly helpful, and five more seminars have been held with metropolitan Washington school districts. Teacher workshops are now an ongoing

program at more than half of the Federal Reserve Banks. In addition, council members have provided editorial help in preparation of the Board's educational pamphlets and have suggested wider avenues of distribution for consumer materials.

Council input also appears to affect rules issued by the Board. In some instances the issue has been relatively simple. A good example is the council's consideration of a rule in truth in lending that deals with customer reimbursement for computational overcharges. The Board had asked for the council's views on the amount below which a creditor should not be required to repay the consumer. The council proposed a one-dollar figure, which the Board later set.

Other times the issues have been complex, with far-reaching implications for consumers. In one such case, the Board reconsidered a rule in Regulation Z, in part because of a request from council members. The rule defined the consumer's right to rescind a credit transaction if the creditor was taking a security interest in the consumer's home. This right was intended to give consumers an opportunity to reconsider the transaction because a default could result in the loss of the home.

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

At its next scheduled meeting, the council expressed grave concern about the possible consequences of the rule for consumers and urged the Board to reverse its position. Soon after, the Board reopened the rulemaking proceedings and asked for public comment on whether it should suspend, repeal, or modify the rescission amendment.

The Board ultimately revoked the amendment, noting its consideration of "the concern expressed by . . . the Board's Consumer Advisory Council [and others] . . . that consumers might be led unawares into more debt than they could afford and might as a result lose their homes—a consequence that the right of rescission is intended to help prevent."

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

Since all consumers are not alike (what benefits one group may hurt another), the Board must weigh not only the anticipated effect of its decisions on consumers as a group against the anticipated effect on other segments of the society, but also the sometimes conflicting effects on con-

sumers themselves. In these kinds of deliberations, the council has been of special value to the Board; thus its impact cannot be measured solely by the instances in which its positions have prevailed in final Board actions.

IN CONCLUSION

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

An Approach to Regulatory Simplification

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

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

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

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

REGULATORY IMPROVEMENT

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

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

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

1. The Board's major responsibilities in the consumer credit area are implementation of the Truth in Lending Act (Regulation Z), beginning in 1968; the Equal Credit Opportunity Act (Regulation B), in 1976; and the Electronic Fund Transfer Act (Regulation E), in 1978. It also has rulewriting authority under the Home Mortgage Disclosure Act (Regulation C), 1975; the Magnuson-Moss Warranty-Federal Trade Commission Improvement Act (Regulation AA), 1975; and the Community Reinvestment Act (Regulation BB), 1977.

2. The Truth in Lending Simplification and Reform Act is Title VI of the Depository Institutions Deregulation and Monetary Control Act of 1980, Public Law 96-221, 94 Stat. 168, amending 15 U.S.C. 1601 et seq. (1968). The Financial Regulation Simplification Act is Title VIII of the Depository Institutions Deregulation and Monetary Control Act of 1980, Public Law 96-221, 94 Stat. 191; it requires federal financial regulatory agencies to review their regulations to minimize compliance costs, to avoid conflicts and duplication, and to promote clarity and understanding. The Regulatory Flexibility

ty Act is Public Law 96-354, 94 Stat. 1164 (1980), amending 5 U.S.C. 551 et seq. (1946); it provides that agencies must consider the impact of their regulations on small businesses and attempt to fit regulatory requirements to the scale of the business.

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

TRUTH IN LENDING

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

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

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

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

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

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

Simplification and Reform

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

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

3. See the remarks of Senator William Proxmire, *Congressional Record* (daily edition), Jan. 31, 1967, pp. S-1202, 1203, 1204.

4. Based on a compilation of data published in the *Annual Report of the Director of the Administrative Office of the United States Courts*, from 1972 through 1980.

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

Goals of Simplification

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

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

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

Finally, the staff adopted a goal of encouraging improved and voluntary compliance, which

could be achieved through good-faith efforts. Thus, creditors could provide earlier disclosures to consumers and make shopping for credit easier.

Principles Applied

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

One working principle was that the regulation contain precise, simple rules rather than ambiguous language that required clarification by interpretation. For example, the old regulation applied to a person who "in the ordinary course of business regularly extends" consumer credit. The revised regulation defines "regularly" to mean the extending of credit more than twenty-five times per year (or five times per year for loans secured by real estate).

Another principle was that the regulation emphasize the disclosures most relevant to credit decisionmaking. Disclosure regulations have often been criticized on the ground of "information overload," when consumers are so inundated with disclosures that they cannot properly analyze their statements. One way the regulation controls the amount of information supplied to consumers is by eliminating detailed disclosures concerning consumer defaults. It also removes the requirement for disclosing minor changes made in outstanding contracts.

Because of the detailed requirements of the old regulation, creditors' disclosure forms were often complex and confusing and, far from helping consumers, may have inhibited their understanding of the credit terms. In the new regulation, creditors were to be given increased flexibility in making their disclosures. The hope was that an easing of regulatory rigidity would allow creditors to create clearer, more understandable forms for the basic information. For instance, the old regulation prescribed in detail an example of the effects of a rate increase in a variable-rate loan. The new regulation permits creditors to design their own illustrations.

Applying these principles, the Board has produced a regulation that is 40 percent shorter than

the old one, that is easier to read and understand, and that affords creditors more freedom to tailor the disclosure to their own credit plans. The result should be more meaningful disclosures to consumers and thus better informed credit shopping, one of the primary goals of the original Truth in Lending legislation.

A Simplified Structure

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

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

5. The amended act contains a similar concept requiring that any changes to the regulation, the amendments, or the

check several sources to determine whether they are in compliance with the regulation. Creditors who act in conformity with the commentary are protected from civil liability.⁶

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

A CONTINUING PROCESS

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

interpretations be made only once a year. These changes should be promulgated at least six months before the October 1 effective date.

6. 15 U.S.C. 1640(f) (1976); *Ford Motor Credit Co. v. Milhollin*, 444 U.S. 555 (1980).

Recent Revisions in the Money Stock

Benchmark, Seasonal Adjustment, and Calculation of Shift-Adjusted M1-B

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

In May and June of this year the Federal Reserve announced updated seasonal adjustment methods and benchmark revisions for the money stock, as well as a procedure for calculating a measure of M1-B that abstracts from shifts to negotiable order of withdrawal accounts authorized in 1981. Whereas seasonal adjustment factors are updated regularly, recent revisions were complicated by the growing importance of the other checkable deposits component and by unusual patterns of deposit flows in 1980 during and after the special credit restraint program.¹ Benchmark revisions involved the conversion to use of new reports of deposits collected by the Federal Reserve under the Monetary Control Act of 1980, as well as the usual adjustments based on quarterly call report data; in addition, traveler's checks were added to M1-A and the broader aggregates.

This article briefly describes the benchmark revisions and their effects on the pattern of monetary growth. It also describes in general terms the methodology for calculating the seasonal factors, particularly the procedures used to avoid distortions of seasonal factors resulting from unusual deposit flows in the spring and summer of 1980. Finally, it discusses the procedure for constructing a measure of M1-B that abstracts from shifts to NOW accounts in 1981.²

1. Other checkable deposits consist of NOW (negotiable order of withdrawal) and ATS (automatic transfer service) accounts at commercial banks and thrift institutions, credit union share draft accounts, and demand deposit accounts at thrift institutions.

2. A more detailed description of the methods used in these revisions has been prepared and is available on request from the Board of Governors of the Federal Reserve System, Division of Research and Statistics, Banking Section, Washington, D.C. 20551.

BENCHMARK

Measures of the money stock have been benchmarked to incorporate data from the June, September, and December 1980 call reports and certain data on deposits collected as a result of the Monetary Control Act (MCA). In addition, the inclusion of traveler's checks of nonbank issuers has raised the levels of M1-A and the broader aggregates although it has had minimal effects on their growth rates.

The bulk of the new data called for by the MCA are now used in computing the money stock. New reports of deposits for institutions with total deposits of between \$2 million and \$15 million have been incorporated; in January 1981, these institutions began reporting for one week each quarter with one-third of them reporting each month. The benchmark also incorporates daily data on deposits reported since November 1980 for foreign-related institutions—U.S. branches and agencies of foreign banks and Edge Act corporations—and for other checkable deposits (OCD) at thrift institutions with total deposits greater than \$15 million as of December 1979. Daily deposit data of nonmember commercial banks with deposits greater than \$15 million had been incorporated at the time of the preceding benchmark revision in January 1981. Efforts are currently under way to convert to the use of daily data on time and savings deposits at thrift institutions.

The largest revisions to growth in M1-A and M1-B were for early 1981 (table 1). M1-A growth was lowered in the first quarter of this year, mainly because of the new reports by quarterly reporting banks. Growth in M1-B also was lowered as an upward revision in OCD at quarterly reporting institutions did not offset the downward revisions to demand deposits at these institutions and to NOW accounts at savings and loan associations. The pattern of revisions to growth

1. Comparison of old and revised growth rates of the monetary aggregates, 1979–81

Quarterly averages, seasonally adjusted at annual rates, in percent

Aggregate and quarter	Old rate	Revised rate	Difference
<i>M1-A</i>			
1979: 4	4.2	4.0	-.2
1980: 1	5.2	5.2	0
2	-4.8	-4.9	-.1
3	11.5	11.3	-.2
4	8.0	8.2	.2
1981: 1	-18.6	-20.8	-2.2
<i>M1-B</i>			
1979: 4	4.7	4.6	-.1
1980: 1	6.8	6.8	0
2	-2.9	-3.0	-.1
3	13.9	13.9	0
4	10.9	10.8	-.1
1981: 1	{ 6.6 1.1 ¹	{ 4.9 -.8 ¹	{ 1.7 -1.9 ¹
<i>M2</i>			
1979: 4	6.1	6.1	0
1980: 1	8.9	8.7	-.2
2	5.4	5.1	-.3
3	15.7	15.4	-.3
4	8.1	8.1	0
1981: 1	8.4	8.2	-.2
<i>M3</i>			
1979: 4	8.0	7.9	-.1
1980: 1	9.1	9.1	0
2	6.9	6.0	0
3	13.1	13.1	0
4	10.3	11.3	1.0
1981: 1	12.0	12.4	.4

1. Adjusted for shifts in 1981 into other checkable deposits from sources other than demand deposits. See the text for a discussion of shift adjustment.

rates for shift-adjusted M1-B is similar to that for M1-B. Benchmark revisions to M2 growth in 1981 have been relatively small. Growth in M3 was raised for late 1980 and early 1981, primarily as a result of the new daily data on large-denomination time deposits at foreign-related institutions.

SEASONAL ADJUSTMENT METHODS

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

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

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

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

3. While the X-11 program seeks to identify and eliminate outliers, distinguishing a run of consecutive unusual observations from the trend-cycle or seasonal elements of series is difficult or impossible for an automatic procedure. In particular, a sharp upswing or downswing that persists for a few months and then ceases or reverses itself will tend to be interpreted in part as a seasonal movement; moreover, seasonal factors in adjacent years also will be affected.

4. For analyses of evidence of the effects of this program on the demand for money, see Board of Governors of the Federal Reserve System, *New Monetary Control Procedures*, a Federal Reserve Staff Study (The Board, February 1981), especially Stephen Axilrod, "Overview of Findings and Evaluation" (vol. I); and David Lindsey and others, "Monetary Control Experience under the New Operating Procedures;" Lawrence Slifman and Edward McKelvey, "The New Operating Procedures and Economic Activity since October 1979," and Peter Tinsley and others, "Money Market Impacts of Alternative Operating Procedures" (all in vol. II).

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

Month	M1-A (demand deposits)			M1-B (demand deposits plus 2/3 of other checkable deposits)		
	Old factor based on data through 1979 ¹	New factor		Old factor based on data through 1979 ²	New factor	
		Without pre- adjustment	With pre- adjustment		Without pre- adjustment	With pre- adjustment
	(1)	(2)	(3)	(4)	(5)	(6)
January	1.021	1.022	1.019	1.021	1.022	1.020
February .....	.974	.974	.973	.975	.974	.972
March .....	.978	.976	.978	.978	.977	.977
April	1.014	1.012	1.015	1.014	1.012	1.013
May .....	.979	.973	.980	.980	.974	.978
June .....	.995	.993	.996	.996	.993	.997
July	1.005	1.003	1.004	1.003	1.003	1.005
August .....	.991	.991	.991	.989	.992	.992
September .....	.998	1.003	1.000	.998	1.002	1.001
October	1.007	1.009	1.006	1.005	1.008	1.007
November	1.007	1.010	1.007	1.007	1.009	1.007
December	1.029	1.032	1.030	1.031	1.031	1.029

1. Previously published seasonal factors used for demand deposits in both M1-A and M1-B.

2. These factors were computed for illustrative purposes and have never been used in the construction of the aggregates.

math; seasonal factors are then calculated using the preadjusted series.

The technique chosen to estimate the distortions is the "intervention analysis" of Box and Tiao.⁵ This procedure employs a model of the data series, such as an ARIMA (autoregressive integrated moving average) model, and augments it by a functional form suitable for capturing the effects of the "intervention," in this case the imposition and subsequent removal of credit controls.⁶ Each affected series is preadjusted by removing that part of the fitted combined model representing the intervention. The seasonal factors are obtained by applying the standard X-11 program to the resulting series. These factors are then applied to the original data to obtain the seasonally adjusted series.

The seasonal adjustment factors derived by the preadjustment procedure are shown in table 2, column 3 for the demand deposit component of M1-A and in column 6 for the transaction

deposit component of M1-B, which consists of the total of demand deposits and two-thirds of OCD (that part of OCD estimated to have shifted out of demand deposits before 1981). In most months revisions in seasonal factors are smaller with the intervention technique than with the standard seasonal adjustment procedure.

CONSTRUCTING M1-B AND SHIFT-ADJUSTED M1-B IN 1981

The nationwide extension of NOW accounts at year-end 1980 has led to a significant further adjustment of the public's asset portfolios to newly available deposit accounts. In particular, households have been shifting funds from savings deposits and other sources outside demand deposits into NOW accounts, thereby raising M1-B. As a consequence, growth in M1-B in early 1981 has tended to overstate the underlying expansion in the public's transaction balances. During this transitional period, the Federal Reserve has been publishing both M1-B and an adjusted M1-B, which abstracts from shifts to newly opened OCD accounts. Basically, this procedure removes from M1-B inflows to OCD accounts in 1981 estimated to have originated in sources other than demand deposits.

The procedure for constructing the shift-adjusted measure of the narrow money stock

5. George E. P. Box and George C. Tiao, "Intervention Analysis with Applications to Economic and Environmental Problems," *Journal of the American Statistical Association*, vol. 70 (March 1975), pp. 70-79.

6. The use of models in seasonally adjusting the monetary aggregates was recommended in a report recently submitted by the Board's Committee of Experts on Seasonal Adjustment Techniques, and thus the present method of intervention analysis is in accordance with the committee's recommendations. See *Seasonal Adjustment of the Monetary Aggregates* (Board of Governors of the Federal Reserve System, forthcoming).

involves estimating inflows to OCD accounts after allowing for trend growth and seasonal variations in those accounts in existence at the end of 1980. Estimated inflows to OCD accounts that were opened in 1981 are then apportioned between inflows from demand deposits and those from savings and other sources outside demand deposits on the basis of evidence from samples of depository institutions and households and econometric techniques.⁷ This evidence suggests that the proportion of growth in OCD—above that attributable to accounts in existence before 1981—that was shifted or diverted from sources other than demand deposits was about 20 to 25 percent in January and 25 to 30 percent in later months.

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

trend growth in 1981, the sum of demand deposits and OCD estimated to have come from demand deposits during 1981, and OCD estimated to have come from sources other than demand deposits during 1981. From this total, subtraction of a consolidation component representing the amount of demand deposits owned by thrift institutions estimated to be used in servicing their OCD liabilities yields seasonally adjusted M1-B.⁸ Finally, the shift-adjusted measure of M1-B equals M1-B seasonally adjusted less seasonally adjusted OCD estimated to have come from sources other than demand deposits during 1981.⁹

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

7. About 100 commercial banks provided information on the sources of new OCD balances in January, February and early March, and April; in May, nearly 400 banks were sampled. In addition, cross-section econometric techniques were applied to changes in demand deposits and changes in OCD at about 9,000 banks that report weekly; the slope coefficient of the regression of changes in demand deposits on changes in OCD represents an estimate of the proportion of OCD growth coming from demand deposits. About 100 savings and loan associations provided data on the sources of inflows to new NOW accounts for January, March, and May. Finally, the Survey Research Center of the University of Michigan conducted surveys of about 700 households in February, March, and April and of about 5,000 households in June.

8. Such demand deposits are removed in order to avoid double-counting since demand deposits of thrift institutions appear in the demand deposit component.

9. The seasonal factor for commercial bank savings deposits is used to seasonally adjust this item.

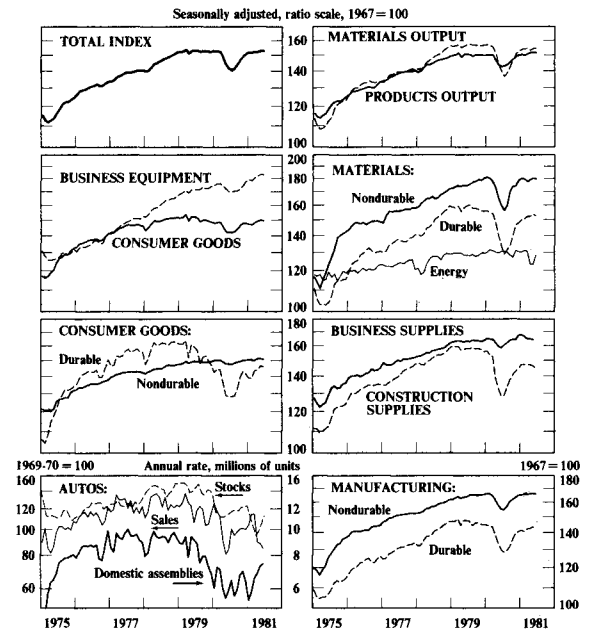
Industrial Production

Released for publication July 15

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

In market groupings, output of consumer goods declined 0.3 percent in June. A rise in auto production was more than offset by decreases in the output of home goods such as appliances and nondurable consumer goods—particularly food and other staples. Autos were assembled at an annual rate of 7.4 million units, 1.4 percent above May. Output of business equipment continued to lose momentum; production was essentially unchanged in June, reflecting slight increases in building and mining and manufacturing equip-

ment, but somewhat larger declines in transit, commercial, and power equipment. Production of defense equipment was essentially unchanged for the second month. Output of construction supplies was reduced 1.4 percent in June after small declines in the previous two months.



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

Major market groupings

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

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

Major industry groupings

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

p Preliminary.

e Estimated.

NOTE. Indexes are seasonally adjusted.

Output of materials increased 0.3 percent, as a rise of 4.1 percent in the production of energy materials—due mainly to the post-strike surge in coal mining—more than offset declines in output of 0.7 percent in durable materials and 0.3 percent in nondurable materials.

In industry groupings, manufacturing output

was reduced 0.5 percent in June, reflecting declines of 0.6 percent in durable goods manufacturing and 0.3 percent in nondurable goods industries. Reductions were widespread among industries but most notable in primary metals, lumber, and paper. Mining was up 4.0 percent, and utility output increased 1.2 percent.

Statements to Congress

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

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

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

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

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

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

However, as I noted, the more comfortable credit availability situation has not isolated farmers from the stresses of high interest rates. Indeed, the direction of change in recent years has been toward a greater integration of the credit markets, lowering the old sectoral and geographic barriers. Credit developments across the economy tend now to follow a similar course. In the case of agricultural banks, the six-month MMC has been a major factor in linking the local farm loan market to the national credit market. The MMC has enabled agricultural banks to remain competitive in the market for savings, and in the process it has transformed their liability structure. The MMC was introduced in mid-1978, and by March 1981 it accounted for 27 percent of the total resources of agricultural banks; with large-denomination certificates of

deposit (\$100,000 plus) accounting for another 7 percent, roughly a third of the banks' footings were in the form of short-term deposits carrying market-related rates.

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

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

Of course, individual loans show a substantial dispersion of rates. In May, for example, 13 percent of the farm loan volume was reported at effective rates of less than 16 percent, and 16 percent had rates above 20 percent. Thus, the interest rate experience of individual farmers has varied considerably. I might also note that, on average, operators of small farms may have been able to borrow at somewhat lower rates than large farmers. At least, for example, the May survey data show that the effective rates on loans

of less than \$100,000 averaged 17.5 percent while those on larger loans averaged 18.2 percent. At small banks this difference has narrowed in recent quarters, but it remains in evidence at large banks.

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

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

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

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

tends, over time, in an economy like ours to result in significant distortions and dislocations that impose real economic costs.

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

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

On balance, however, the risks of this gradual approach are outweighed by its advantages. Consequently, the Federal Reserve intends to continue seeking a slowing in monetary expansion. We have set objectives for the growth of money this year that imply a significant deceleration from the pace of recent years, and we anticipate further progress toward noninflationary rates of monetary growth in the years ahead.

The consequences of this policy for interest rates cannot be predicted with any precision. Moreover, it must be emphasized that our policies are not aimed at attaining any particular level or structure of interest rates. However, knowing the concern of the committee about the outlook for interest rates, let me make a few general remarks. The first would be that the initial direct impact of monetary restraint is to

place upward pressure on market interest rates—especially shorter-term rates. As the availability of money falls short of what is demanded, interest rates tend to rise as businesses, households, and others compete for the available supply. In time, the higher rates also tend to damp spending, and thereby to ease inflationary pressures—a process that may involve some economic slack. This is the circumstance in which we seem to find ourselves today. The degree and duration of that slack can be greatly reduced if, on observing the commitment of government to anti-inflation policy, people adapt their wage and price decisions quickly to the underlying economic realities.

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

It is to be emphasized, however, that the path to lower interest rates will be shorter and less bumpy if other governmental policies move in directions that are complementary to the thrust of monetary policy. The most critical area in this regard is the federal budget. An expansive federal budget stimulates aggregate demand and, at least initially, results in an enlarged deficit and a greater federal call on the credit markets by the federal government. Higher interest rates are the result, so long as the Federal Reserve does not deviate from its targets in order to accommodate the government's financial demands. Thus, because our economy is already being taxed by high interest rates—and I speak not only of agriculture, but of a good many other major sectors—I urge you to place a top priority on maintaining the current momentum toward curtailment of the growth of federal spending. I would urge you as well to exercise caution with respect to tax cuts, to take care that any cuts are not so great as to offset the deficit-reducing effect of the expenditure restraint and that they are focused as much as possible on fostering greater productivity. In this latter regard, I believe that the greatest productivity gains per dollar of reduced taxes are available if tax cuts are directed

at the business sector, including the business of agriculture; I recognize, however, that the high personal tax burdens that have developed also call for some remedy, and that well-designed action on this front could well have a significant payoff in terms of enhanced productivity. But I

would underscore again that it is crucial for the Congress to keep an eye on the overall balance of the spending-revenue package to ensure that financial markets are not further strained in this critical period of transition to a less inflationary economy. □

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

I appreciate the opportunity to appear before you to give the Federal Reserve Board's views concerning the role of money market funds in our nation's financial structure and the question of what, if any, additional regulatory action is called for.

Money market mutual funds have increased by more than \$100 billion since the end of 1978, obviously becoming a significant competitive force and institutional presence in financial markets. The rapid growth of money market mutual funds over this period reflects a particular constellation of market forces—especially the high level of short-term interest rates, relative to both past experience and longer-term interest rates, and the regulatory framework applicable to established depository institutions. Whether money market mutual funds would remain so strong a competitive force in a different market environment is not clear, but as matters now stand, it is evident that the rapid growth of these funds is having strong implications for the competitive positions of financial institutions, the cost and availability of credit to certain borrowers, and the implementation of monetary policy.

As important as money market funds have become, their expansion can be seen as part of broader developments in U.S. financial markets in recent years. Against the background of inflation and interest rate pressures and uncertainties, a progressive shortening in the effective maturity of financial assets has occurred, in part through much greater use of floating interest rate arrangements and greater sensitivity to interest rate differentials in the shifting of investor funds

among various savings outlets. Given the regulatory and economic constraints on long-established savings and payments instruments, the search for yield and liquidity has increasingly led to the issue of close substitutes for traditional deposit instruments. The resultant blurring of the distinctions between what has traditionally been considered money and these close substitutes could result in potentially serious complications for the conduct of monetary policy—particularly for a policy approach that focuses on the monetary aggregates. Considerations of equity and fair treatment among institutions offering comparable services arise as well. In a broader sense, I am also concerned about the structural implications for the financial system of more and more short-term liabilities subject to rapid shifting among institutions.

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

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

BACKGROUND

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

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

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

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

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

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

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

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

COMPETITIVE CONSIDERATIONS

Because they have been able to restructure their assets, many traditional intermediaries are pre-

pared to compete for savers' dollars but are prevented from doing so by regulations, such as interest rate ceilings and reserve requirements, that directly affect rates of return they can pay the public. Some aspects of the operations of money market funds are closely regulated by the Securities and Exchange Commission, but the impact of these rules on the yields that the funds can offer to shareholders is small compared with those limiting banks and thrift institutions. The resulting disparity raises serious questions about the ability of the deposit-taking institutions to compete on an equal footing with intermediaries offering newer instruments.

I don't think we can take lightly the erosion of the competitive position of our banks and thrift institutions or of regulatory coverage. These institutions have long been at the core of our financial system and have many customers, especially for the particular types of credit they extend, who have no easy alternatives. Moreover, the regulations circumscribing their actions were not conceived arbitrarily. Reserve requirements, for instance, are a key part of the apparatus for the conduct of monetary policy and presumably will be maintained permanently. Other regulations, particularly those governing interest rates, may now be seen to be no longer necessary, desirable, or effective over time; many of these are in the process of being phased out. We are in the midst of a difficult transition period in that respect, but we should not lose sight of the desirability of equalizing competitive conditions by removing regulatory burdens in instances when that corresponds with sound, long-range policy.

MONETARY POLICY CONSIDERATIONS

In recent years there has been a deepening recognition of the importance of controlling monetary growth. This widely accepted approach toward monetary policy depends, of course, both on our ability to define and measure the growth of “money” and on our ability to control effectively that growth over reasonable periods of time. The difficulties of defining and controlling money are greater to the extent that institutional change is rapid and new forms of “money” become larger relative to the traditionally de-

defined monetary aggregates. For those reasons, the rapid growth of the money market funds, or similar developments that blur distinctions between transaction and nontransaction accounts, have become potentially significant for monetary policy.

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

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

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

POSSIBLE RESPONSES

Faced with these concerns, lawmakers and regulators have a number of possible responses open to them. One conceivable course is to do nothing at all—to let the market take its course within the

current structure of regulation and control—recognizing that some important regulations, those affecting interest rates on consumer deposits, are in any event being phased out. Indeed, it can be pointed out that the competitive pressures of money market funds and other innovations help assure the rapid phaseout of interest rate ceilings, which would offer the consumer maximum advantage.

But compelling disabilities to that approach exist. Reserve requirements, which from the viewpoint of a depository institution are analogous to a tax on transaction account business, are a permanent part of the regulatory apparatus. In that sense, money market mutual funds have an artificial and continuing competitive advantage, so long as interest is not paid on reserve balances. Other things being equal, money funds would continue to expand more rapidly and their greater use as transaction accounts would be induced. Traditional intermediaries would continue at a “permanent” disadvantage in attracting some types of deposits, and small businesses and other borrowers dependent on thrift institutions and non-money-center banks for credit extensions might find funds more expensive, or less available, than otherwise. The increasing use of money market funds for transaction purposes would make interpretation of incoming monetary data even more difficult, and the Federal Reserve’s control over a true transaction aggregate would erode.

At another extreme would be the imposition of stringent controls and regulations on the newer instruments—placing the same regulatory constraints on them as now prevent banks and thrift institutions from responding fully to investors’ desires. For money market funds, this might entail subjecting them to interest rate ceilings, putting all their shares under reserve requirements, or restricting their investments. Implementing this approach could make the money funds so unattractive that shareholders would abandon them in favor of a return to direct investment in money market instruments and deposits at banks and thrift institutions. The resources available to depository institutions would be greater, although their profitability might not be benefited significantly because much of the additional growth in deposits undoubtedly would be concentrated in those tied to

market rates. Any such inflow would be circumscribed by the strong continuing incentive to find other methods to avoid the effects of regulations. Considering the ingenuity of markets, we can be quite confident that it would not be too long before this subcommittee would once again be holding hearings to discuss extending regulations to new intermediaries or instruments. Moreover, this approach would significantly penalize some savers—reducing the returns available to them and the variety of instruments they can invest in—at a time when concern is widespread about the inadequacy of savings flows in the economy. The effect of these actions on the aggregate level of savings would not likely be large, but the direction would be clear and could be interpreted as signalling a lack of concern about factors tending to discourage savings.

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

We also must recognize that, even after interest rate ceilings are liberalized, banks and thrift institutions still will be subject to important regulations that put them at a competitive disadvantage relative to money market funds. Two of the most significant of these are the prohibition

of interest payments on demand deposits, which will still affect business customers, and the holding of non-interest-earning reserves against transaction and nonpersonal time deposits. If full competitive equity is to be sought by removing restraints from banks and thrift institutions, the Congress would have to allow market forces to determine returns on demand as well as time and savings deposits. Reserve requirements, on the other hand, must be left in place to facilitate Federal Reserve control of the money stock. The constraint of holding sterile reserves on the ability of banks and thrift institutions to compete for funds would have to be eliminated by congressional sanction for the Federal Reserve to pay market rates of interest on required reserves.

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

RECOMMENDED APPROACH

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

Specifically, the logic of the situation points to legislation authorizing the Federal Reserve to impose reserve requirements on those money market fund shares that in fact serve as the functional equivalent of transaction balances, and to enforce a clearer distinction between transaction balances and other liquid savings. In

other words, we are requesting that the basic premise of the Monetary Control Act be kept intact by extending its reserve requirement provisions to encompass those money market mutual fund shares that provide the function of transaction balances.

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

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

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

would be removed. These objectives are all fully consistent with the philosophic framework of the Monetary Control Act.

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

The implementation of our proposal—straightforward and simple in concept—would require the resolution of some difficult definitional and other issues. Transaction accounts, as applied to money funds, would need to be precisely defined. More broadly, given the rapid pace of innovation in our financial system and the blurring distinctions among institutions, we should recognize that other types of institutions may also come to issue transaction-type accounts, particularly if the traditional institutions remain shackled by regulatory restraints and no interest is paid on reserve balances. Our proposal is confined to money market funds, in which growth and competitive disparities are so evident at present. We recognize that other new developments would eventually raise sensitive questions of monetary control and competitive equity. That possibility will be reduced to the extent unnecessary constraints are removed from existing institutions, but we will, in any event, need to keep these developments under review.

Similar treatment of money market fund shares and deposits for reserve requirement pur-

poses may raise the question of whether money market funds might have access to Federal Reserve services and to federal insurance on share accounts. We do not believe that is either necessary or desirable. Reserve requirements are a part of the apparatus of monetary control and, in one significant respect, would "level the playing field" in competition for transaction business. However, those reserve requirements would not otherwise impinge on the characteristics of the funds or on their investment portfolios. Banks and thrift institutions will be facing regulatory ceilings on time and savings deposit rates for some time and on demand deposit rates for the foreseeable future. Their asset acquisitions and other operations must conform to a host of other regulations, including, for instance, the Community Reinvestment Act. In other words, in important respects depository institutions and money funds are, and will remain, very different institutions; comparable treatment with respect to reserve requirements does not, in our judgment, require the same treatment in all respects; indeed, extending Federal Reserve services and federal insurance privileges to the funds would seem to imply that we also take the further step of invoking the whole panoply of banking-type controls, a step that would seem clearly unnecessary and undesirable.

Although our proposal addresses some of the concerns generated by the growth of money market mutual funds, we recognize that it does not come fully to grips with a number of the issues raised by the broader trends I discussed earlier in my testimony. For example, it does not address the questions of limits on bank services and geographical location. In addition, it does nothing to stem the movement toward shorter-term assets and liabilities and deals only partially with the resulting problem of differentiating transaction and nontransaction balances. Although it would treat those balances directly accessible by transaction instruments as transaction balances, it does little to distinguish such balances from very liquid short-term assets that are nearly equivalent to transaction balances because they can be converted almost instantly with little or no capital risk. Examples of such balances might include overnight repurchase agreements, savings accounts, and any varieties of money market fund shares that might arise

without transaction privileges but were nonetheless immediately redeemable.

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

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

CONCLUDING COMMENTS

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

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

system and to the wisdom of allowing wide latitude for this system to operate.

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

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

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

Public attention has recently been captured by a few mergers of large firms in the financial services industry, and by announcements of affiliations between brokerage firms and firms providing “bank-life” services. The significance of

these developments, however, is perhaps better understood from a longer-term perspective. Let me therefore begin by reviewing some major trends in the financial services industry over the past quarter-century.

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

Because of the increased sophistication of customers and their heightened sensitivity to interest rate differentials, depository institutions can no longer expect an automatic flow of deposits into zero-interest checking and low-interest passbook savings accounts. Consequently, these institutions have sought to circumvent legislated or regulatory interest rate ceilings by more extensive use of liabilities not subject to ceiling, such as large, negotiable certificates of deposit,

or by offering imaginative new services, such as automatic transfer accounts. New institutions, such as the money market mutual funds, have also sprung up. Major regulatory changes—such as the authorization of money market certificates (MMCs) in 1978 and the phasing out of deposit-rate ceilings just announced by the Depository Institutions Deregulation Committee—have been made in response to these circumstances. As a result, an enormous expansion has taken place in the variety of financial assets available to savers.

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

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

Viewed from the perspective of securities markets, another important forerunner of recent affiliations between brokerage firms and other financial institutions was the introduction of competitive brokerage rates on securities in 1975. This change reduced the profit margins on traditional lines of brokerage business and encouraged aggressive firms to diversify their activities. Some firms could not survive, and a substantial number of mergers have occurred in the brokerage industry. This has not, however,

led to a diminution of alternatives available to consumers. In fact, just the opposite has occurred. A wide array of different types of retail brokerage firms have come into existence. Some firms provide a complete line of products, including investment research and advice. Others provide securities transaction services at sizable discounts and very little else. The result has been an increase in the options available to the investor at lower prices. The investor can choose between full service or limited services, high or low commissions, massive investment research or none at all.

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

Let me now turn to your question regarding the possible effects of these trends on banks and thrift institutions, and particularly on the small- and medium-sized institutions. How will these institutions fare in a world of increased competition? The record of the past two decades and longer, when competition among financial institutions was steadily increasing, attests to the basic strength of our nation's depository institutions and their capacity to adapt to a changing environment.

Table 1 shows, for example, that banks supplied 27 percent of the total credit borrowed by the nonfinancial sector in the five years from 1976 to 1980. This percentage is lower than the share banks provided in the 1960s and in the first

1. Credit supplied to nonfinancial sectors as percentage of total borrowing by nonfinancial sectors¹

Five-year averages

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

1. Data based on annual flows, excluding equities.
SOURCE: Flow of funds data, Federal Reserve Board.

2. Acquisition of deposits from the household sector as percentage of total household acquisitions of deposits and credit market instruments¹

Five-year averages

Period	Commercial banks ²	Mutual savings banks and savings and loans	Credit unions
1951-55.....	32.4	39.5	2.4
1956-60.....	25.5	38.6	2.6
1961-65.....	43.3	38.5	2.6
1966-70.....	43.3	22.8	2.6
1971-75.....	39.1	34.3	3.4
1976-80.....	34.2	29.6	3.3

1. Data based on annual flows.

2. Includes demand, savings, and time deposits.

SOURCE. Flow of funds data, Federal Reserve Board.

five years of the 1970s, but it is well above the 20 percent share that prevailed in the 1950s.

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

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

3. Profit data for commercial banks

Five-year averages in percent

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

1. Includes all banks insured by the Federal Deposit Insurance Corporation with assets of less than \$100 million and excludes new banks in the year of their formation. Data not available before 1970.

SOURCE. Federal Reserve Board.

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

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

4. Net income to average assets for thrift institutions

Five-year averages or annual data, in percent

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

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

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

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

Other evidence also supports the view that small banks can survive in the current environ-

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

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

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

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

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

The consumer has increased freedom to pick

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

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

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

Recent changes in financial practices have also altered significantly the way in which a limited supply of credit is allocated among potential borrowers. Interest rates have increasingly replaced nonprice limitations as a means of rationing the available amount of credit. Before the

authorization of money market certificates and the subsequent additional modifications in deposit interest rate ceilings, individuals would divert funds from depository institutions to market securities in periods of sharply rising interest rates. This shift in savings flows would result in a sharply reduced *availability* of loans—for mortgage and construction financing, and for farmers, small businesses, and others. Recent regulatory changes and financial innovations have substantially reduced the extent to which monetary restraint results in sharp reductions in the availability of credit to particular borrowers. But this has been done at the expense of much higher interest rates to these borrowers.

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

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

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

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

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

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

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

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

These considerations suggest that recent trends in the structure of the financial services industry do not raise immediate alarms about the

resulting effects on the pricing and availability of financial services to the public. The developing pattern of conglomerate mergers bears watching, but it is much too early to suggest a need for policy actions. These developments do raise questions for the Federal Reserve, however, regarding how to preserve equitable competition among different types of financial institutions while maintaining their safety and soundness and the effective operation of monetary policy. I would like to discuss these issues briefly.

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

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

Limitations on the securities underwriting activities of commercial banks and other similar limitations imposed by the Glass-Steagall Act may also need to be reexamined. A proper balance between the safety and soundness of

financial institutions, on the one hand, and the advantages of unfettered competition, on the other, may entail a different range of commercial bank activities today than it appeared to permit when the Glass-Steagall Act was passed in the 1930s. Similarly, the question of the appropriate mix of activities now applies to the broader class of institutions that provides bank-like services.

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

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

Announcements

REVISION OF MONETARY AGGREGATES

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

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

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

The benchmark has lowered the level of demand deposits. Revisions for late 1979 and 1980—which at a maximum lowered monthly levels \$1 billion or about $\frac{1}{4}$ percent of M1-B—mainly reflect changes in demand deposit levels of foreign-related institutions and nonmember

commercial banks. Much larger downward revisions in demand deposits for the first five months of 1981 reflect new reports of quarterly reporting banks.

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

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

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

point, expressed annually, in the first quarter of 1981 and by $\frac{3}{4}$ percentage point for the period from the fourth quarter of 1980 to May 1981. Benchmark revisions also have raised the level of the broad measure of liquid assets, L.

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

Seasonal factors for traveler's checks, 1981

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

REGULATIONS D AND Q: AMENDMENTS

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

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

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

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

ing offices will enhance the international competitive position of banking institutions in the United States.

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

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

The policy statement said, in part:

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

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

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

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

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

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

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

PROPOSED ACTIONS

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

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

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

MEETING OF CONSUMER ADVISORY COUNCIL

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

The Council, with 30 members who represent a broad range of consumer and creditor interests,

advises the Board on its responsibilities regarding consumer credit protection legislation. The Council generally meets four times a year.

CHANGES IN BOARD STAFF

The Board of Governors has announced the following staff changes.

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

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

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

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

SYSTEM MEMBERSHIP: ADMISSION OF STATE BANKS

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

Florida

Miami Safra Bank

New York

New York Gotham Bank of New York

Oklahoma

Edmond Citizens Bank of Edmond

Oregon

North Bend .. Citizens Bank of North Bend

Virginia

Phenix Bank of Charlotte County

Richmond ... Consolidated Bank and Trust
Company

Wyoming

Riverton Riverton State Bank

Record of Policy Actions of the Federal Open Market Committee

Meeting Held on May 18, 1981

Domestic Policy Directive

The information reviewed at this meeting suggested that growth of real gross national product was slowing in the current quarter from the rapid pace in the first quarter, but activity currently appeared stronger than had been projected at the time of the Committee's meeting on March 31. Real GNP had grown at an annual rate of 6½ percent in the first quarter, according to preliminary estimates of the Commerce Department, and additional data that became available after release of the preliminary estimates suggested that growth had been even more rapid. Average prices, as measured by the fixed-weight price index for gross domestic business product, have continued to rise rapidly in the current quarter, but somewhat less so than earlier in the year.

The dollar value of total retail sales increased slightly further in March but declined appreciably in April, reflecting mainly a sharp drop in sales of new cars in response to the ending of manufacturers' price rebates. Unit sales of new automobiles fell from an annual rate of 10.3 million units in March to 8.1 million units in April. The value of sales excluding automobiles and building materials registered sizable gains in both March and April.

The index of industrial production, which had increased 0.5 percent in March, rose 0.4 percent in April. An increase in auto assemblies, to a rate substantially above the recent pace of sales, was a major factor in the April advance, and out-

put of business equipment and space and defense products exhibited considerable strength. A strike cut production of coal in half and limited the rise in the total industrial production index by about 0.3 percentage point.

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

Private housing starts in March remained at the annual rate of about 1¼ million units recorded in February; during the preceding six months, housing starts had been in a range of 1.4 million to 1.6 million units. Sales of new homes in March continued at the reduced pace of recent months, and sales of existing homes declined further.

Producer prices of finished goods rose at an annual rate of 9½ percent in April, compared with an average rate of 12 percent during the first quarter. The surge of energy prices that had characterized earlier months of the year abated in April, and prices of consumer foods were unchanged. Prices of crude foodstuffs, however, rose sharply. The rise in the consumer price index slowed in March, reflecting a slowing in price increases of energy items and continued moderate increases in food prices and homeownership costs. Prices of other consumer

items continued to rise at a relatively rapid pace. Over the first four months of 1981, the rise in the index of average hourly earnings of private nonfarm production workers was slightly less rapid than the pace recorded during 1980.

In foreign exchange markets the trade-weighted value of the dollar against major foreign currencies had risen by about 8½ percent since the final days of March to its highest level in 3½ years. In March the U.S. trade deficit declined sharply, bringing the first-quarter deficit to a level well below the average in 1980. The value and volume of exports rose substantially from the fourth quarter, and the value of imports increased moderately.

At its meeting on March 31, the Committee had decided that open market operations in the period until this meeting should be directed toward behavior of reserve aggregates consistent with growth in M-1B from March to June at an annual rate of 5½ percent or somewhat less, after allowance for the impact of flows into NOW accounts, and growth in M-2 at an annual rate of about 10½ percent. If it appeared during the period before the next regular meeting that fluctuations in the federal funds rate, taken over a period of time, within a range of 13 to 18 percent were likely to be inconsistent with the monetary and related reserve paths, the Manager for Domestic Operations was promptly to notify the Chairman, who would then decide whether the situation called for supplementary instructions from the Committee.

In the latter part of April, incoming data suggested that M-1B, after adjustment for the estimated effects of shifts into NOW accounts, was growing at a rate well above the short-run objectives set forth by the Committee. Consequently, required reserves increased more than the supply of reserves being made available through open market operations. Banks adjusted to the con-

strained availability of reserves by reducing excess reserves and by increasing borrowings from the Federal Reserve. In the two statement weeks ending May 6, member bank borrowings averaged about \$2.4 billion, compared with an average of about \$1 billion in the first three statement weeks after the meeting on March 31; and the federal funds rate, which had averaged around 15½ percent in the first three weeks of April, fluctuated within a range of 17 to 20 percent in the last days of April and the first days of May. On May 4 the Board of Governors announced an increase from 13 to 14 percent in Federal Reserve basic discount rates and an increase from 3 to 4 percentage points in the surcharge on frequent borrowings of large institutions.

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

Growth in M-1B, adjusted for the estimated effects of shifts into NOW accounts, accelerated sharply in April to an annual rate of about 14 percent. But adjusted M-1B had grown from the fourth quarter of 1980 to the first quarter of 1981 at an annual rate of only 1 percent, and its level in April was well within the Committee's longer-run range for that aggregate. M-2 had continued to grow rapidly in April, and its level continued above the upper end of its longer-run range. Growth in the non-transaction component of M-2

slowed markedly, however, as the total of savings and small-denomination time deposits was about unchanged and inflows into money market mutual funds slowed.

Total credit outstanding at U.S. commercial banks registered a slight decline in March and grew at an annual rate of about 4½ percent in April. Holdings of investments changed little over the two months, and growth in loans, particularly business loans, was quite weak. Net issues of commercial paper by nonfinancial corporations declined in April, following expansion at a rapid pace in the first quarter. Issuance of publicly offered bonds remained heavy during April, and the volume of new equity offerings rose considerably.

Short-term market interest rates had risen substantially over the period since the Committee's meeting on March 31: yields on Treasury bills moved up 2¾ to 4 percentage points while yields on private short-term market instruments increased 4½ to 5¼ percentage points. Most long-term interest rates rose to record levels and on balance advanced about 1 percentage point. Over the intermeeting interval, the prime rate charged by commercial banks on short-term business loans was raised in steps from 17½ percent to 19½ percent. In home mortgage markets, average rates on new commitments for fixed-rate loans at savings and loan associations rose above 16 percent, from 15.40 percent at the end of March.

The staff projections presented at this meeting suggested that the surge in growth of real GNP in the first quarter would be followed by much slower growth over the rest of 1981. The rise in the fixed-weight price index for gross domestic business product was projected to moderate as the year progressed but nevertheless to remain rapid.

In the Committee's discussion of the economic situation and outlook, members commented on the consid-

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

At its meeting on February 2-3, the Committee had adopted the following ranges for growth of the monetary aggregates over the period from the fourth quarter of 1980 to the fourth quarter of 1981: M-1A and M-1B, 3 to 5½ percent and 3½ to 6 percent respectively, after adjustment for the estimated effects of flows into NOW accounts; M-2, 6 to 9 percent; and M-3, 6½ to 9½ percent. It was understood that the distorting effects of shifts into NOW accounts would change during the year and that other short-run factors might cause considerable variation in annual rates of growth from one month to the next and from one quarter to the next.

In the Committee's discussion of policy for the period immediately ahead, it was emphasized that on March 31 the Committee had estab-

lished an objective for growth of M-1B (adjusted for the estimated effects of shifts into NOW accounts) over the three months from March to June at an annual rate of 5½ percent or somewhat less, and that growth in April had greatly exceeded that pace. According to a staff analysis, some retardation of M-1B growth over the remaining two months of the quarter was to be expected, in light of the greater pressure on bank reserve positions that had developed recently and the apparent slowing of growth in nominal GNP in the current quarter. But growth of M-1B over the two-month period would have to be negligible if the specifications adopted on March 31 were to be realized.

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

In considering objectives for monetary growth over the remainder of the quarter, the members in general agreed that a posture of restraint needed to be maintained. They generally agreed with the view that it was particularly important to reduce growth of the monetary aggregates rather quickly, and initial differences in views concerning the precise specifications for monetary growth were relatively narrow. In the discussion, a number of points were emphasized. The indications of continuing strength in economic activity combined with the recent exceptional rise in the income velocity of money posed the risk of pressure for excessive expansion in money and credit as the year developed. Growth of the broader monetary ag-

gregates was already somewhat high relative to the Committee's ranges for the year. The indications of some slowing of the rise in the consumer price index did not appear to reflect as yet any clear relaxation of underlying inflationary pressures, and emphasis was placed on the importance of conveying a clear sense of restraint at a critical time with respect to inflation and inflationary expectations.

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

At the conclusion of the discussion, the Committee decided to seek behavior of reserve aggregates associated with growth of M-1B from April to June at an annual rate of 3 percent or lower, after allowance for the impact of flows into NOW accounts, and growth in M-2 at an annual rate of about 6 percent. A shortfall in growth of M-1B from the two-month rate of 3 percent would be acceptable, in light of the rapid growth in April and the objective adopted by the Committee on March 31 for growth from March to June at an annual rate of 5½ percent or somewhat less. The members recognized that shifts into NOW accounts would continue to distort measured growth in M-1B to an unpredictable extent and that operational paths would have to be developed in the light of evaluation of those distortions. The Chairman might call for Committee consultation if it appeared to the Manager for Domestic Operations that pursuit of the monetary objectives and related reserve

paths during the period before the next meeting was likely to be associated with a federal funds rate persistently outside a range of 16 to 22 percent.

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

The information reviewed at this meeting suggests that real GNP will grow much less rapidly in the current quarter, following the substantial expansion in the first quarter; prices on the average have continued to rise rapidly, although somewhat less so most recently than earlier in the year. The dollar value of total retail sales increased slightly further in March, but it declined appreciably in April when sales of new cars fell in response to the ending of price concessions. Industrial production rose moderately in both months, while nonfarm payroll employment changed little, after adjustment for strikes, and the unemployment rate was stable at 7.3 percent. In March housing starts remained at a reduced pace. Over the first four months of 1981, the rise in the index of average hourly earnings was slightly less rapid than during 1980.

The weighted average value of the dollar against major foreign currencies has risen steadily since the end of March to its highest level in three and a half years. The U.S. trade deficit declined sharply in March, bringing the first-quarter deficit to a level well under the 1980 average.

Growth in M-1B, adjusted for the estimated effects of shifts into NOW accounts, accelerated sharply in April and growth in M-2 remained rapid. Since March, both short-term and long-term market interest rates have risen substantially. On May 4 the Board of Governors announced an increase in Federal Reserve discount rates from 13 to 14 percent and an increase in the surcharge from 3 to 4 percentage points on frequent borrowings of large institutions.

The Federal Open Market Committee seeks to foster monetary and financial

conditions that will help to reduce inflation, promote economic growth, and contribute to a sustainable pattern of international transactions. At its meeting in early February, the Committee agreed that these objectives would be furthered by growth of M-1A, M-1B, M-2, and M-3 from the fourth quarter of 1980 to the fourth quarter of 1981 within ranges of 3 to 5½ percent, 3½ to 6 percent, 6 to 9 percent, and 6½ to 9½ percent respectively, abstracting from the impact of introduction of NOW accounts on a nationwide basis. The associated range for bank credit was 6 to 9 percent. These ranges will be reconsidered as conditions warrant.

In the short run the Committee seeks behavior of reserve aggregates consistent with a substantial deceleration of growth in M-1B from April to June to an annual rate of 3 percent or lower, after allowance for the impact of flows into NOW accounts, and with growth in M-2 at an annual rate of about 6 percent. The shortfall in growth of M-1B from the two-month rate specified above would be acceptable, in light of the rapid growth in April and the objective adopted by the Committee on March 31 for growth from March to June at an annual rate of 5½ percent or somewhat less. It is recognized that shifts into NOW accounts will continue to distort measured growth in M-1B to an unpredictable extent, and operational reserve paths will be developed in the light of evaluation of those distortions. The Chairman may call for Committee consultation if it appears to the Manager for Domestic Operations that pursuit of the monetary objectives and related reserve paths during the period before the next meeting is likely to be associated with a federal funds rate persistently outside a range of 16 to 22 percent.

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

* * * * *

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

Legal Developments

AMENDMENTS TO REGULATIONS D AND Q

Part 204—Reserve Requirements of Depository Institutions

Part 217—Interest on Deposits

International Banking Facilities

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

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

Section 204.2—Definitions

* * * * *

(h) “Eurocurrency liabilities” means:

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

¹ This subparagraph does not apply to assets (1) that were acquired before October 7, 1979, or (2) that were acquired by an IBF from its establishing entity before the end of the fourth reserve computation period after its establishment.

(2) For a United States branch or agency of a foreign bank, the sum, if positive, of the following:

(i) net balances due to its foreign bank (including offices thereof located outside the United States) and its international banking facility after deducting an amount equal to 8 per cent of the following: the United States branch's or agency's total assets less the sum of (A) cash items in process of collection; (B) unposted debits; (C) demand balances due from depository institutions organized under the laws of the United States and from other foreign banks; (D) balances due from foreign central banks; and (E) positive net balances due from its IBF, its foreign bank, and the foreign bank's United States and non-United States offices; and

(ii) assets (including participations) acquired from the United States branch or agency (other than assets required to be sold by Federal or State supervisory authorities) and held by its foreign bank (including offices thereof located outside the United States), by its parent holding company, by non-United States offices or an IBF of an affiliated Edge or Agreement Corporation, or by its IBFs.¹

2. In section 204.2(t), footnote 1 is redesignated as footnote 2.

3. Section 204.8 is redesignated section 204.9.

4. By adding a new section 204.8, as follows:

Section 204.8—International Banking Facilities

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

(1) *International banking facility or IBF* means a set of asset and liability accounts segregated on the books and records of a depository institution, United States branch or agency of a foreign bank, or an Edge or Agreement Corporation that includes only international banking facility time deposits and international banking facility extensions of credit.

(2) *International banking facility time deposit or IBF time deposit* means a deposit, placement, borrowing or similar obligation represented by a promissory note, acknowledgment of advance, or similar instrument that is not issued in negotiable or bearer form, and

(i)(A) that must remain on deposit at the IBF at least overnight; and

(B) that is issued to

(1) any office located outside the United

States of another depository institution organized under the laws of the United States or of an Edge or Agreement Corporation;

(2) any office located outside the United States of a foreign bank;

(3) a United States office or a non-United States office of the entity establishing the IBF;

(4) another IBF; or

(5) an institution whose time deposits are exempt from interest rate limitations under section 217.3(g) or Regulation Q (12 CFR 217.3(g)); or

(ii)(A) that is payable

(1) on a specified date not less than two business days after the date of deposit;

(2) upon expiration of a specified period of time not less than two business days after the date of deposit; or

(3) upon written notice that actually is required to be given by the depositor not less than two business days prior to the date of withdrawal;

(B) that represents funds deposited to the credit of a non-United States resident or a foreign branch, office, subsidiary, affiliate, or other foreign establishment ("foreign affiliate") controlled by one or more domestic corporations provided that such funds are used only to support the operations outside the United States of the depositor or of its affiliates located outside the United States; and

(C) that is maintained under an agreement or arrangement under which no deposit or withdrawal of less than \$100,000 is permitted, except that a withdrawal of less than \$100,000 is permitted if such withdrawal closes an account.

(3) *International banking facility extension of credit or IBF loan* means any transaction where an IBF supplies funds by making a loan, or placing funds in a deposit account. Such transactions may be represented by a promissory note, security, acknowledgment of advance, due bill, repurchase agreement, or any other form of credit transaction. Such credit may be extended only to

(i) any office located outside the United States of another depository institution organized under the laws of the United States or of an Edge or Agreement Corporation;

(ii) any office located outside the United States of a foreign bank;

(iii) a United States or a non-United States office of the institution establishing the IBF;

(iv) another IBF;

(v) an institution whose time deposits are exempt from interest rate limitations under section 217.3(g) of Regulation Q (12 CFR 217.3(g)); or
 (vi) a non-United States resident or a foreign branch, office, subsidiary, affiliate or other foreign establishment (“foreign affiliate”) controlled by one or more domestic corporations provided that the funds are used only to finance the operations outside the United States of the borrower or of its affiliates located outside the United States.

(b) *Acknowledgment of use of IBF deposits and extensions of credit.* An IBF shall provide written notice to each of its customers (other than those specified in § 204.8(a)(2)(i)(B) and § 204.8(a)(3)(i) through (v)) at the time a deposit relationship or a credit relationship is first established that it is the policy of the Board of Governors of the Federal Reserve System that deposits received by international banking facilities may be used only to support the depositor’s operations outside the United States as specified in § 204.8(a)(2)(ii)(B) and that extensions of credit by IBFs may be used only to finance operations outside of the United States as specified in § 204.8(a)(3)(vi). In the case of loans to or deposits from foreign affiliates of U.S. residents, receipt of such notice must be acknowledged in writing whenever a deposit or credit relationship is first established with the IBF.

(c) *Exemption from reserve requirements.* An institution that is subject to the reserve requirements of this Part is not required to maintain reserves against its IBF time deposits or IBF loans. Deposit-taking activities of IBFs are limited to accepting only IBF time deposits and lending activities of IBFs are restricted to making only IBF loans.

(d) *Establishment of an international banking facility.* A depository institution, an Edge or Agreement Corporation or a United States branch or agency of a foreign bank may establish an IBF in any location where it is legally authorized to engage in IBF business. However, only one IBF may be established for each reporting entity that is required to submit a Report of Transaction Accounts, Other Deposits and Vault Cash (Form FR 2900).

(e) *Notification to Federal Reserve.* At least fourteen days prior to the first reserve computation period that an institution intends to establish an IBF it shall notify the Federal Reserve Bank of the district in which it is located of its intent. Such notification shall include a statement of intention by the institution that it will comply with the rules of this Part concerning IBFs, including restrictions on sources and uses of funds,

and recordkeeping and accounting requirements. Failure to comply with the requirements of this Part shall subject the institution to reserve requirements under this Part and to interest payment limitations that may be applicable under Regulation Q (12 CFR Part 217) on its IBF time deposits, or result in the revocation of the institution’s ability to operate an IBF.

(f) *Recordkeeping requirements.* A depository institution shall segregate on its books and records the asset and liability accounts of its IBF and submit reports concerning the operations of its IBF as required by the Board.

5. In sections 204.3(a), 204.3(a)(1)(ii), 204.3(a)(2)(ii), 204.3(c), 204.4(b)(1), 204.4(b)(1)(ii), 204.4(b)(2), 204.4(b)(2)(ii), 204.4(d), 204.4(g)(2)(ii)(A), 204.4(g)(2)(ii)(B), and 204.4(g)(2)(iii), references to sections “204.8,” “204.8(a),” or “204.8(b)” are redesignated as references to sections “204.9,” “204.9(a),” or “204.9(b),” respectively.

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

Section 217.1—Definitions

For purposes of this Part, the following definitions apply unless otherwise specified:

(a) *Demand deposit.* The term “any deposit which is payable on demand,” hereinafter referred to as a “demand deposit,” includes every deposit that is not a “time deposit,” “international banking facility time deposit,” or “savings deposit,” as defined in this section.

(b) *Time deposit.* The term “time deposit” means “time certificates of deposit,” “time deposits, open account,” and “international banking facility time deposit,” as defined in this section.

* * * * *

(1) *International banking facility time deposit or IBF time deposit* means a deposit, placement, borrowing or similar obligation represented by a promissory note, acknowledgment of advance, or similar instrument that is not issued in negotiable or bearer form and

- (1) that is payable
 - (A) on a specified date not less than two business days after the date of deposit;
 - (B) upon expiration of a specified period of time not less than two business days after the date of deposit; or

(C) upon written notice that actually is required to be given by the depositor not less than two business days prior to the date of withdrawal;

(2) that represents funds deposited to the credit of a non-United States resident or a foreign branch, office, subsidiary, affiliate, or other foreign establishment ("foreign affiliate") controlled by one or more domestic corporations provided that such funds are used only to support the operations outside the United States of the depositor or of its affiliates located outside the United States; and

(3) that is held under an agreement or arrangement under which no deposit or withdrawal of less than \$100,000 is permitted, except that a withdrawal of less than \$100,000 is permitted if such withdrawal closes an account.

* * * * *

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

* * * * *

(a) *Time deposits of \$100,000 or more and IBF time deposits.* There is no maximum rate of interest presently prescribed on any time deposit of \$100,000 or more or on IBF time deposits issued under section 217.1(1).

* * * * *

AMENDMENT TO REGULATION T

Part 220—Credit by Brokers and Dealers

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

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

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

Section 220.6—Certain Technical Details

* * * * *

(j) *Innocent mistakes.* If any failure to comply with this part results from a mechanical mistake made in good faith in executing a transaction, recording, determining, or calculating any loan, balance market price or loan value, or other similar mechanical mistake, the creditor shall not be deemed guilty of a violation of this part if promptly after the discovery of such mistake he takes whatever action may be practicable in the circumstances to remedy such mistake.

(k) *Credit related to portion of a security.* Credit for the purpose of purchasing or carrying any part of an investment contract security (for example, but not limited to, the cattle ownership portion of a program to own and feed cattle, or the condominium ownership part of a program to own and rent a unit through a rental pool or otherwise) shall be deemed to be credit on the entire security.

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

Orders Under Section 3 of Bank Holding Company Act

Buhl Bancorporation, Inc.,
Buhl, Minnesota

Order Denying Formation of a Bank Holding Company

Buhl Bancorporation, Inc., Buhl, Minnesota, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) of formation of a bank holding company by acquiring 95.1 percent of the voting shares of The First National Bank of Buhl, Buhl, Minnesota ("Bank").

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

Applicant, a nonoperating corporation with no subsidiaries, was organized for the purpose of becoming a bank holding company by acquiring Bank, which holds deposits of \$5.3 million.¹ Upon acquisition of Bank,

1. All banking data are as of September 30, 1980.

Applicant would control the 551st largest bank in Minnesota and would hold approximately 0.02 percent of the total commercial bank deposits in the state.

Bank is the 13th largest of 15 banking organizations in the relevant banking market and holds approximately 1.2 percent of the total deposits in commercial banks in the market.² While a principal of Applicant and Bank is also a principal in another banking organization, it does not compete in the relevant banking market. It appears from the facts of record that consummation of the proposal would not result in any adverse effects upon competition or increase the concentration of banking resources in any relevant area. Accordingly, the Board concludes that competitive considerations are consistent with approval of the application.

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

With regard to financial considerations, the Board notes that in connection with this proposal Applicant would incur a sizable debt, which it proposes to service over a 16-year period through dividends to be declared by Bank, tax savings to be derived from filing consolidated tax returns, and projected improvements in Bank's earnings. The reliability of Applicant's projections of Bank's deposits and earnings growth, which bear on Bank's future capital needs, is of considerable importance. Applicant anticipates reaching a debt-to-equity ratio of less than 30 percent by the end of the twelfth year, while maintaining an adequate capital level in Bank. In this regard, the Board is of the view that Applicant's overall projections, which are based on Bank's recent performance, are somewhat optimistic. The Board notes that since the acquisition of Bank by Applicant's principal in August 1978, Bank's overall operations have improved. However, it is the Board's judgment that Bank has not demonstrated a favorable record of performance over a sufficiently long period of time to support Applicant's projections. Specifically, Applicant's projections of Bank's earnings appear to be overly optimistic, while its projections of growth are unrealistically low; this is particularly apparent when compared to the earnings and growth of the other banks located in Bank's FDIC area, as well as the earnings and growth of Applicant's affiliated banking organization. Moreover, the uncer-

tainty inherent in relying upon earnings projected a number of years into the future premised upon the short earnings cycle under present management, makes it difficult for the Board to conclude that this proposal warrants approval. Accordingly, based on the record with respect to this proposal, the Board concludes that Bank is unlikely to generate sufficient earnings to enable Applicant to service its debt while maintaining adequate capital in Bank, as well as affording Applicant the flexibility to meet any unforeseen problems that might arise at Bank. While Bank has shown considerable improvement under Bank's present management, and managerial considerations may be viewed as lending weight for approval, it is the Board's judgment that Applicant's principals, nevertheless, have not established a sufficiently long record of performance at Bank to mitigate the significant adverse financial considerations associated with the application. Accordingly, the Board is of the opinion that the considerations relating to financial resources and future prospects of Applicant and Bank weigh significantly against approval of the application.

No significant changes in services offered by Bank are expected to follow from consummation of the proposed transaction. Consequently, convenience and needs factors are consistent with, but lend no weight toward, approval of this application.

On the basis of the above and all the facts of record on this application, the Board concludes that the banking considerations associated with this proposal present significant adverse factors bearing upon the financial resources and future prospects of Applicant and Bank. Such adverse factors are not outweighed by any procompetitive effects or by benefits to the convenience and needs of the community to be served. Accordingly, it is the Board's judgment that approval of the application would not be in the public interest and that the application should be denied.

On the basis of the facts of record, the application is denied for the reasons summarized above.

By order of the Board of Governors, effective June 25, 1981.

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

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

Dissenting Statement of Governor Gramley

In light of recent improvements in Bank's overall condition under Applicant's management and control, I would approve this application. Prior to Applicant's

2. The relevant banking market is approximated by St. Louis County less its southern one-third and northwestern one-eighth parts.

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

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

June 25, 1981

First National Boston Corporation,
Boston, Massachusetts

Order Approving the Acquisition of a Bank

First National Boston Corporation, Boston, Massachusetts, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(3)) to acquire 100 percent of the voting shares, less directors' qualifying shares, of the successor by merger to The Haverhill National Bank, Haverhill, Massachusetts ("Bank"). The bank into which Bank is to be merged has no significance except as a means to facilitate the acquisition of the voting shares of Bank. Accordingly, the proposed acquisition of shares of the successor organization is treated herein as the proposed acquisition of shares of Bank.

Notice of the application, affording an opportunity for interested persons to submit comments and views, has been given in accordance with section 3(b) of the Act. The time for filing comments and views has expired and the Board has considered the application and all comments received, including those of the Massachusetts Urban Reinvestment Advisory Group, Inc., Boston, Massachusetts ("MURAG"); Essexbank, Peabody, Massachusetts; Saugus Bank and

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

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

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

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

1. In this regard, the Board notes that Protestant Banks, MURAG and Applicant have had ample opportunity to resolve any material factual differences concerning issues similar to those raised in this case during hearings conducted by the Massachusetts Board of Bank Incorporation ("Massachusetts Board") on August 12, September 4, and September 17, 1980.

2. All banking data are as of June 30, 1980.

3. The Boston banking market, which is approximated by the Boston Ranally Metro Area, extends over the entire east coast of

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

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

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

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

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

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

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

Massachusetts, except Cape Cod, as well as portions of Southern New Hampshire. The market includes the major metropolitan areas of Boston, Brockton, Lowell and Lawrence—Haverhill, and encompasses Suffolk County, Essex County, most of Middlesex, Norfolk and Plymouth Counties, and small segments of Worcester and Bristol Counties, Massachusetts. Bank is located on the northern fringe of the market, approximately 40 miles from Boston, the market's center.

4. The Board also has evaluated the impact of thrift institutions within the Boston banking market. Although thrifts are numerous in the market and in some cases hold large deposits, the Board is of the opinion that thrift institutions do not compete actively with commercial banks over a sufficient range of financial services to consider them full competitors of commercial banks. Nevertheless, the relative size and nature of their operations are such that the Board regards their presence in the market as a mitigating factor to reduce the effects on competition that would result from this proposal.

5. 67 FEDERAL RESERVE BULLETIN 253 (1981).

By order of the Board of Governors, effective June 4, 1981.

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

(Signed) JAMES MCAFEE,

[SEAL] Assistant Secretary of the Board.

Dissenting Statement of Governors Teeters and Rice

We would deny the application by First National Boston Corporation to acquire The Haverhill National Bank. We believe that consummation of the proposal would have substantially adverse competitive effects, entrenching the position of a banking institution that already dominates both the state and the local banking market, eliminating a viable independent competitor, and setting the stage for additional acquisitions by Applicant within the Boston banking market. Moreover, in our judgment, the record of this proposal does not demonstrate that the increased benefits to the convenience and needs of the community to be served will be sufficient to offset its overall adverse competitive effects.

We are concerned that the majority's decision may encourage Applicant, as well as other large bank holding companies in Massachusetts and elsewhere, to eschew reasonable branching alternatives in the belief that the Board will approve less competitive horizontal acquisitions. In this case, we note that Applicant is not prohibited by law from branching into the Haverhill area, and we believe that it would be preferable for Applicant to enter by that means.

Applicant is a dominant banking institution in the Boston banking market, where it controls approximately 28 percent of the commercial bank deposits, twice that of its largest competitor. Even if thrift deposits were included with those of commercial banks, Applicant's share of total deposits would still be twice that of its largest competitor. Because of its dominant position, Applicant's acquisitions within the market historically have been restricted either to severely financially troubled institutions, or to banks located outside its branching area. Allowing Applicant to acquire a healthy bank within its branching area constitutes a radical departure from established policies. Such a departure could spark a new trend in Applicant's expansion strategy, since the mitigating factors in this case that is, the relatively small size of Bank, its location on the fringe of the Boston market, its lackluster performance, and the presence of numerous thrifts in the market, are not sufficient to differen-

tiate Haverhill National from numerous other small banks in the Boston market. Approval, therefore, will set a precedent enabling Applicant to acquire a large number of the remaining healthy independent banks with market shares less than that of Haverhill National.

In light of these considerations, we would deny this application.

June 4, 1981

San Saba National Corporation,
San Saba, Texas

Order Denying Formation of a Bank Holding Company

San Saba National Corporation, San Saba, Texas, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) of formation of a bank holding company by acquiring at least 80 percent of the voting shares of The San Saba National Bank, San Saba, Texas.

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

Applicant, a nonoperating corporation with no subsidiaries, was organized for the purpose of becoming a bank holding company by acquiring Bank, which holds deposits of \$15.6 million.¹ Upon acquisition of Bank, Applicant would control the 674th largest bank in Texas and would hold approximately 0.02 percent of the total deposits in commercial banks in the state.

Bank is the smaller of two banking organizations in the relevant market and holds 49.2 percent of the total deposits in commercial banks in the market.² It appears from the facts of record that consummation of the proposal would not result in any adverse effects upon competition, or increase the concentration of banking resources in any relevant area. Accordingly, the Board concludes that competitive considerations are consistent with approval of the application.

The Board has indicated on previous occasions that a holding company should serve as a source of financial and managerial strength to its subsidiary banks, and that the Board would closely examine the condi-

1. All banking data as of December 31, 1979.

2. The relevant banking market is the San Saba banking market, which is approximated by San Saba County, Texas.

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

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

No significant changes in the services offered by Bank are expected to follow from consummation of the proposed transaction. Consequently, convenience and needs factors are consistent with, but lend no weight toward, approval of this application.

On the basis of the circumstances concerning this application, the Board concludes that the banking considerations involved in this proposal present adverse factors bearing upon the financial and managerial resources and future prospects of Applicant and Bank. Such adverse factors are not outweighed by any procompetitive effects, or by benefits that would result in better serving the convenience and needs of the community. Accordingly, it is the Board's judgment that approval of the application would not be in the public interest and the application should be denied.

On the basis of the facts of record, the application is denied for the reasons summarized above.

By order of the Board of Governors, effective June 30, 1981.

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

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

[SEAL]

Order Under Section 4 of Bank Holding Company Act

First Maryland Bancorp.,
Baltimore, Maryland

Order Approving Formation of First Maryland Cheque Corporation

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

The retail sale of travelers checks as proposed by Applicant is included on the Board's list in Regulation Y of permissible activities for bank holding companies (12 C.F.R. § 225.4(a)(13)). While the Board has not amended its Regulation Y to include the issuance of travelers checks as a permissible activity,¹ in connection with six earlier applications the Board determined by order that the activity of issuing travelers checks is closely related to banking and would be in public interest. *Seafirst Corporation*, 67 FEDERAL RESERVE BULLETIN 517 (1981); *The Chase Manhattan Corporation*, 66 FEDERAL RESERVE BULLETIN 983 (1980); *First Chicago Corporation*, 65 FEDERAL RESERVE BULLETIN 937 (1979); *Citicorp*, 65 FEDERAL RESERVE BULLETIN 666 (1979); *BankAmerica Corporation*, 59 FEDERAL RESERVE BULLETIN 544 (1973); and *Republic of Texas Corporation*, 62 FEDERAL RESERVE BULLETIN 630 (1976). As noted in these earlier Board decisions, banks have, in fact, engaged in the issuance of travelers checks, and generally have engaged in activities that are operationally and functionally similar to the proposed activity. Accordingly, the Board has determined that issuing travelers checks as Applicant proposes is clearly related to banking.²

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

1. The Board has published for comment in the *Federal Register* a proposal to add the issuance of travelers checks to the list of permissible activities for bank holding companies contained in Regulation Y.

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

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

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

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

The travelers check industry is highly concentrated, with the largest issuer, American Express, accounting for 50 percent of the market. The Board has previously determined, in view of the limited number of competitors currently servicing this industry, that it would be in the public interest for bank holding companies having the capability, to engage in the issuance of travelers checks. Applicant's entry into this industry should serve to enhance competition in providing this service. Accordingly, it is the Board's view that approval of this application would produce benefits to the public and would be in the public interest. Furthermore, there is no evidence in the record to indicate that Applicant's engaging in this activity would lead to any undue concentration of resources, unfair competition, conflicts of interests, unsound banking practices, or other adverse effects.

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

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

By order of the Board of Governors, effective June 23, 1981.

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

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

Orders Issued Under Section 2 of Bank Holding Company Act

Exchange Bancorporation,
Tampa, Florida

Order Granting Determination Under the Bank Holding Company Act

Exchange Bancorporation, Tampa, Florida ("Bancorporation"), a bank holding company within the meaning of the Bank Holding Company Act of 1956, as amended, (12 U.S.C. § 1841 et seq.) (the "Act"), has requested a determination, pursuant to the provisions of section 2(g)(3) of the Act, that with respect to the sale by Bancorporation of the assets of Exchange Travel Service, Inc., Tampa, Florida ("Travel Service") to Pepsi-Cola Bottling Company of Tampa ("Pepsi Company"), Bancorporation is not in fact capable of controlling Pepsi Company or Travel Service, notwithstanding the fact that Pepsi Company and a subsidiary of Bancorporation have a common director.

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

No request for a hearing was made by Bancorporation. Bancorporation has submitted to the Board evidence to show that it is not in fact capable of controlling Travel Service or Pepsi Company, and the Board has received no contradictory evidence. It is hereby determined that Bancorporation is not in fact capable of controlling Travel Service or Pepsi Company. This determination is based upon the evidence of record in this matter including the following facts.

The sale of the assets of Travel Service to Pepsi Company was the result of arm's-length negotiations and competitive bidding. Pepsi Company paid cash for

3. All banking data are as of June 30, 1980.

the assets of Travel Service and is not otherwise indebted to Bancorporation. Although Pepsi Company has borrowed funds from Bancorporation from time to time in the past, and may do so in the future, Pepsi Company has substantial financial resources, and has repaid all previous indebtedness in a timely manner. Although Pepsi Company maintains a deposit relationship with a Bancorporation subsidiary, Pepsi Company's deposits represent less than one half of one percent of Bancorporation's total deposits.

The individual who is a director of Bancorporation and Pepsi-Company is not involved in the day-to-day management of the operations of Bancorporation. Although this individual is indebted to Bancorporation, such indebtedness is current and is small in relation to his net worth. Furthermore, there is no indication that this individual would serve as Bancorporation's representative with regard to Pepsi Company or Travel Service. Accordingly, inasmuch as this individual has no significant share ownership in Bancorporation, the continued service by this individual as an independent outside director on the board of Bancorporation will not render the divestiture ineffective.

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

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

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

First Oklahoma Bancorporation, Inc.,
Oklahoma City, Oklahoma

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

First Oklahoma Bancorporation, Inc., Oklahoma City,
Oklahoma ("FOBC"), a bank holding company within

the meaning of the Bank Holding Company Act of 1956, as amended, (12 U.S.C. § 1841 et seq.) ("Act"), has requested a determination under section 2(g)(3) of the Act (12 U.S.C. § 1841(g)(3)) that FOBC is not in fact capable of controlling the divested assets of three subsidiaries that had been engaged primarily in real estate investment and development, notwithstanding the indebtedness on the part of the purchasers of some of these assets to FOBC, and notwithstanding the fact that two purchasers are officers and directors of FOBC.

Under the provisions of section 2(g)(3) of the Act, shares¹ transferred after January 1, 1966, by a bank holding company to a transferee that is indebted to the transferor or has one or more officers, directors, trustees, or beneficiaries in common with or subject to control by the transferor, are deemed to be indirectly owned or controlled by the transferor unless the Board, after opportunity for a hearing, determines that the transferor is not in fact capable of controlling the transferee.

The three subsidiaries involved in this determination are First Oklahoma Realty Investment Corporation ("FORIC"), L&R Enterprises Inc. ("L&R"), and Southwest Property Management Corporation ("Southwest"). In the early 1970s each of these subsidiaries held numerous parcels of real estate and certain other assets. The Board ordered the divestiture of this real estate and other assets in 1974. This property was divested over a seven year period, in approximately 100 unrelated transactions involving a variety of purchasers. Many of these transactions did not raise the presumption of section 2(g)(3), because neither indebtedness nor management interlocks were involved.²

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

1. For purposes of section 2(g)(3), the Board deems the transfer of all or substantially all of the assets of a company, or the disposition of a separate activity of a company, to involve a transfer of shares, (12 C.F.R. § 225.139(c)(3)).

2. As is explained below, a few of the 31 transactions covered by this order also did not involve indebtedness or management interlocks. The section 2(g)(3) presumption thus is not applicable to these transactions, and there is no other evidence that these transactions do not involve an adequate divestiture.

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

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

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

Transactions 1 through 11 (see Appendix A) either did not involve indebtedness, or any indebtedness has been paid in full. Moreover, with respect to each of these transactions, no interlocking relationships exist between FOBC and its subsidiaries, on one hand, and the transferred property and its purchasers, on the other. In transactions 12 through 28, there are also no interlocking relationships. However, in these transactions either the purchaser or the transferred property itself is indebted to FOBC. From the record, it appears that in each of these transactions the debt is current, and regular payments on the debt have been made for at least one year. Moreover, in each case, either the purchaser, or a party that controls the purchaser and has guaranteed the debt, has net worth equal to or greater than the debt. With respect to transaction 29, while the net worth of the purchaser is not significant in relation to the amount of indebtedness, the debt is current and regular payments have been made for more than two years. Moreover, income derived from the transferred property appears ample to service this debt, and no management interlocks are associated with transaction 29. The terms governing the debt relationships in transactions 11 through 29 are those reasonably required in accordance with sound and accepted banking practices. Although many of these debt relationships provide a security interest in the divested property to FOBC, FOBC has committed

that in the event it should repossess any of the divested property, it will promptly dispose of such property in a manner that will not give rise to a section 2(g)(3) presumption.³

There is no debt associated with transaction 30, but the two purchasers are both officers and directors of FOBC. A bank holding company that transfers property to an officer or an "inside" director must carry a particularly heavy burden to overcome the presumption of section 2(g)(3). FOBC has provided evidence to demonstrate that it made a good faith attempt to sell this property to an unrelated party, and that it negotiated a sale to officer/directors only after these attempts failed. These officer/directors paid the full asking price in cash. Finally, in light of the nature of the property transferred, there is no basis for believing that its transfer by FOBC to officer/directors was intended to perpetuate FOBC's control of such property.

The loan associated with transaction 31 is in default. However, FOBC has committed that neither it nor any of its officers or directors will bid on the property at the foreclosure sale that will soon take place, and this sale will thus extinguish the section 2(g)(3) presumption, since it will eliminate FOBC's security interest in the property, and FOBC will not provide financing to the new purchaser.

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

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

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

3. FOBC also has a right to receive 30 percent of any profit derived from resale of the property involved in transaction 28. The debt associated with this transaction bears interest at the rate of 6 percent annually. This below market rate reflects the relatively undesirable nature of the property transferred. FOBC's right to share in profits is intended to compensate FOBC for the low interest rate by effectively allowing FOBC to realize a more reasonable rate of interest if conditions change. However, FOBC has retained no right to control or influence the factors that would determine profitability, such as operating expenses and capital improvements. FOBC also has no right to disapprove a sale of the property, regardless of the profit (or lack thereof) associated with the sale.

Appendix A

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

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

Havelock Investment Company,
Lincoln, Nebraska

*Order Granting Determination Under the Bank
Holding Company Act*

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

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

Under section 2(g)(3) of the Act, shares¹ transferred after January 1, 1966, by any bank holding company to a transferee that is indebted to the transferor, or has one or more officers, directors, trustees, or beneficiaries in common with or subject to control by the transferor, are deemed to be indirectly owned or controlled by the transferor unless the Board, after opportunity for hearing, determines that the transferor is not in fact capable of controlling the transferee. Company made no request for a hearing. Company has submitted to the Board evidence to support its contention that it is not in fact capable of controlling Mid-West, and the Board has received no contradictory evidence.

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

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

1. Although section 2(g)(3) refers to transfers of "shares," the Board has previously taken the position that a transfer of all, or substantially all of the assets of a company, or the transfer of such a significant volume of assets that the transfer may in effect constitute the disposition of a separate activity of a company, is deemed to involve a transfer of "shares" of that company. (12 C.F.R. § 225.139(c)(3)).

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

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

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

**Investment Corporation of America, Inc.,
Minneapolis, Minnesota**

*Order Granting Determination Under the Bank
Holding Company Act*

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

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

1. In its interpretation of this provision, the Board stated that the presumption arises not only where the transferee or transferred company has an officer, director, or trustee "in common with" the transferor, but where the transferee himself holds such a position with the transferor. (12 C.F.R. § 225.139). Since Invesco's officers and directors will receive in the aggregate more than 25 percent of the

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

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

By order of the Board of Governors, acting through its Acting General Counsel, pursuant to delegated authority (12 C.F.R. § 265.2(b)(1)), effective June 8, 1981.

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

**The Lewistown Company,
Lewistown, Illinois**

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

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

stock of S&M, Invesco is presumed to continue to control Transferees and S&M.

Warren Potter or Spoon River Insurance Center, Inc. ("Insurance Center"), Lewistown, Illinois, notwithstanding the fact that Mr. Potter is indebted to the Lewistown Bank, Lewistown, Illinois, a subsidiary of Company, as a result of his purchase of shares of Insurance Center formerly owned by Company.¹

Under the provisions of section 2(g)(3) of the Act, shares transferred after January 1, 1966, by any bank holding company to a transferee that is indebted to the transferor, are deemed to be indirectly owned or controlled by the transferor unless the Board, after opportunity for hearing, determines that the transferor is not in fact capable of controlling the transferee. No request for a hearing was made by Company. Instead, Company has submitted evidence to the Board to support its contention that it is not in fact capable of controlling Mr. Potter, and the Board has received no contradictory evidence.

It is hereby determined that Company is not in fact capable of controlling Mr. Potter. This determination is based on the evidence of record in this matter, including the following facts:

The sale of the shares of Insurance Center was effected through arm's-length negotiations between Company's principal and Mr. Potter, and the terms governing the debt relationship between Bank and Mr. Potter consist of provisions reasonably required for the protection of Bank's interests as a creditor. Although Mr. Potter is indebted to Company for a substantial portion of the purchase price of Insurance Center, it appears that his personal financial resources are substantial enough to support the conclusion that Company is not in fact capable of controlling Mr. Potter or Insurance Center by reason of that indebtedness. In addition, Company has stated that should it reacquire the shares of Insurance Center as a result of Mr. Potter's default, it will advise the Federal Reserve System and promptly dispose of such shares. Furthermore, there are no employee, officer, or director interlocks between Company, including its subsidiary bank, and Insurance Center. Finally, Company's board of directors has adopted a resolution that Company does not, and will not attempt to, exercise control over Insurance Center or Mr. Potter.

1. Although the shares of Insurance Center were sold to Mr. Potter by Company's principal shareholder-director and not Company, the shares remain attributable to Company because of the circumstances of the original transfer of the shares to Company's principal. In 1978, Company sold its shares of Insurance Center to its principal shareholder-director. This sale was not an effective divestiture, since Company was unable to rebut to presumption of continued control, under section 2(g)(3) of the Act, that arose by virtue of the interlocking director and debt relationship between Company and its principal. Thus, the subsequent sale of Insurance Center to Mr. Potter, and his resulting indebtedness to Lewistown Bank, subjects the sale to the presumption of continued control created by section 2(g)(3) of the Act.

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

By order of the Board of Governors, acting through its Acting General Counsel, pursuant to delegated authority (12 C.F.R. § 265.2(b)(1)), effective June 23, 1981.

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

[SEAL]

Noble Bancshares, Inc.,
Noble, Oklahoma

*Order Granting Determination Under the Bank
Holding Company Act*

Noble Bancshares, Inc. (formerly Noble Insurance Agency, Inc.), Noble, Oklahoma ("Noble"), a bank holding company within the meaning of section 2(a) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. § 1841 et seq.) ("Act"), has requested a determination pursuant to section 2(g)(3) of the Act that, with respect to the sale for cash by Noble of all of its insurance agency business to Noble Insurance Agency, Inc., Noble, Oklahoma ("Agency"), that Noble is not in fact capable of controlling Kenneth L. King, Elizabeth King, Paul D. King ("Kings") or Agency, notwithstanding the fact that the Kings are officers and directors of both Noble and Agency.

Under the provisions of section 2(g)(3) of the Act, shares transferred after January 1, 1966, by a bank holding company to a transferee that is indebted to the transferor or has one or more officers, directors, trustees, or beneficiaries in common with or subject to control by the transferor, are deemed to be indirectly owned or controlled by the transferor unless the Board, after opportunity for hearing, determines that the transferor is not in fact capable of controlling the transferee. No request for a hearing was made by Noble. Instead, Noble has submitted evidence to the Board to support its contention that it is incapable of controlling the Kings or Agency either directly or

indirectly. The Board has received no contradictory evidence.

It is hereby determined that Noble is not in fact capable of controlling the Kings or Agency. This determination is based upon the evidence in the matter, including the following facts. Noble is a closely-held corporation. Kenneth L. King owns 100 percent of Noble. Kenneth L. King and Elizabeth King each own 50 percent of Agency. The Kings are the only officers, directors, and shareholders of both Agency and Noble. The divestiture does not appear to have been a means of perpetuating Noble's control over Agency. On the basis of the above and other facts of record, the Board concludes that control of Noble and Agency resides with the Kings as individuals, and that Noble does not control and is not in fact capable of controlling the Kings in their capacities as shareholders, directors and officers of Agency.

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

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

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

[SEAL]

Walter E. Heller International Corporation,
Chicago, Illinois

*Order Granting Determination Under the Bank
Holding Company Act*

Walter E. Heller International Corporation ("Heller"), Chicago, Illinois, a bank holding company within the meaning of the Bank Holding Company Act, has requested a determination under section 2(g)(3) of the Act (12 U.S.C. § 1841(g)(3)), that Heller is not in fact capable of directly or indirectly controlling General Felt Industries, New York, New York, or its indirect subsidiary KWW, Inc. ("KWW"), New York, New York, notwithstanding the fact that KWW is indebted to Walter E. Heller Industries ("Heller Industries"), a

wholly-owned subsidiary of Heller. This request has been made in connection with a sale to KWW by Heller of all of the issued and outstanding shares of Knoll International, Inc. ("Knoll"), a manufacturer of designer furniture and furnishings.

Under section 2(g)(3) of the act, shares transferred after January 1, 1966, by any bank holding company to a transferee that is indebted to the transferor, are deemed to be owned or controlled by the transferor unless the Board, after opportunity for hearing, determines that the transferor is not in fact capable of controlling the transferee. Heller has not requested a hearing, but it has submitted to the Board evidence to support its contention that Heller and its affiliates are not in fact capable of controlling KWW.

On the basis of the following facts of record, it is hereby determined that Heller and its affiliates are not, in fact, capable of controlling KWW. At the time Heller applied to the Board to become a bank holding company, Heller was required to divest itself of Knoll and three other manufacturing interests held by Heller Industries.¹ In 1977 Heller sold all the shares of Knoll to KWW for a total purchase price of \$23 million, of which \$8.5 million was represented by an unsecured subordinated debenture from KWW to Knoll. The record reflects that the sale of Knoll to KWW in 1977 was negotiated at arm's-length, and that there are no officer or director interlocks between Heller or its affiliates, and KWW or its affiliates. Moreover, from the record it appears that the debenture is being repaid in accordance with its terms and there is no indication that KWW will be unable to continue with its timely payments. Finally, Heller's board of directors has adopted a resolution that it does not, and will not attempt to, exercise control over KWW or Knoll, and KWW has filed a resolution to the effect that Heller and its affiliates are not capable of controlling KWW.

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

1. Walter E. Heller International Corporation, 59 FEDERAL RESERVE BULLETIN 463, 464 (1973). While Heller originally had two years to divest itself of its manufacturing interests, the Board had given Heller extensions of time to divest itself of Knoll.

By order of the Board of Governors, acting through its General Counsel, pursuant to delegated authority (12 C.F.R. § 265.2(b)(1)), effective June 1, 1981.

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

Certifications Pursuant to the Bank Holding Company Tax Act of 1976

Investment Corporation of America, Inc.,
Minneapolis, Minnesota

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

Investment Corporation of America, Inc., Minneapolis, Minnesota ("Invesco"), has requested a final certification pursuant to section 1101(e) of the Internal Revenue Code ("Code"), as amended by section 2(a) of the Bank Holding Tax Act of 1976 (the "Tax Act"), that it has, before the expiration of the period prohibited property is permitted under the Bank Holding Company Act, 12 U.S.C. § 1841 et seq., to be held by a bank holding company, disposed of all the property the disposition of which is necessary or appropriate to effectuate section 4 of the Bank Holding Company Act.

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

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

1. This information derives from Invesco's communications with the Board concerning its request for this certification, Invesco's Registration Statement filed with the Board pursuant to the Bank Holding Company Act, and other records of the Board.

2. On July 30, 1980, S&M increased its number of outstanding shares to 1,064,787, the number of Invesco shares then outstanding. Invesco has indicated that these additional shares were acquired by Invesco in a transaction in which gain was not recognized under section 305(a) of the Code. Under section 1101(c) of the Code, these additional shares would be eligible for tax benefits if they were received in such a transaction.

within the meaning of section 1103(c) of the Code; and

C. The distribution of the shares of S&M is necessary or appropriate to effectuate section 4 of the Bank Holding Company Act.

3. On December 31, 1980, Invesco distributed to its shareholders, on a pro rata basis, all of its shares of S&M. Invesco does not currently own any shares of S&M.
4. Invesco terminated its management interlocks with S&M on December 31, 1978, as was required by the Board's Order.
5. Invesco has represented that it does not exercise a controlling influence over the management or policies of S&M.
6. Invesco has represented that it holds no other property the disposition of which is required by section 4 of the Bank Holding Company Act.

On the basis of the foregoing information, it is hereby certified that Invesco has, before the expiration of the period prohibited property is permitted under the Bank Holding Company Act to be held by a bank holding company, disposed of all of the property the disposition of which is necessary or appropriate to effectuate section 4 of the Bank Holding Company Act.

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

By order of the Board of Governors, acting through its Acting General Counsel, pursuant to delegated authority (12 C.F.R. § 265.2(b)(3)), effective June 8, 1981.

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

Noble Bancshares, Inc.,
Noble, Oklahoma

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

Noble Bancshares, Inc. (formerly Noble Insurance Agency, Inc.), Noble, Oklahoma ("Noble"), has requested a final certification pursuant to section 6158(c)(2) of the Internal Revenue Code ("Code"), as amended by section 3(a) of the Bank Holding Company Tax Act of 1976, ("Tax Act") that it has (before the expiration of the period prohibited property is permit-

ted under the Bank Holding Company Act (12 U.S.C. § 1841 et. seq.) to be held by a bank holding company) divested all of its prohibited property.

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

1. Effective November 6, 1980, the Board issued a prior certification pursuant to section 6158(a) of the Code with respect to Noble's proposed sale of all of its insurance agency business to Noble Insurance Agency, Inc., Noble, Oklahoma ("Agency").
2. The Board's Order certified that:
 - A. Noble is a qualified bank holding company within the meaning of section 1103(b) of the Code, and satisfies the requirements of that subsection.
 - B. The insurance agency business that Noble proposes to sell is "prohibited property" within the meaning of section 1103(c) of the Code.
 - C. The sale of the insurance agency business is necessary or appropriate to effectuate section 4 of the Bank Holding Company Act.
3. On December 30, 1980, following prior certification of the transaction by the Board of Governors, acting through its General Counsel, Noble sold all of its insurance agency business to Agency.
4. Noble has represented to the Board that it has

disposed of all of its nonbanking property and that it does not own or control any nonbanking shares or property or engage in any nonbanking activities.

On the basis of the foregoing information, it is hereby certified that Noble has (before the expiration of the period prohibited property is permitted under the Bank Holding Company Act to be held by a bank holding company) disposed of all property the disposition of which is necessary or appropriate to effectuate section 4 of the Bank Holding Company Act.

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

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

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

[SEAL]

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

By the Board of Governors

During June 1981, the Board of Governors approved the applications listed below. Copies are available upon request to Publications Services, Division of Support Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Section 3

Applicant	Bank(s)	Board action (effective date)
Crosstown Holding Company, Ham Lake, Minnesota	Crosstown State Bank of Ham Lake Inc., Ham Lake, Minnesota	June 3, 1981
Shelbyville Bancshares, Inc., Shelbyville, Missouri	Farmers and Merchants Bank of Green Ridge, Green Ridge, Missouri	June 10, 1981
Southeast Financial Bankstock Corporation, McGehee, Arkansas	McGehee Bank, McGehee, Arkansas	June 22, 1981
Southwest Bancshares, Inc., Houston, Texas	Copperfield National Bank, Harris County, Texas	June 16, 1981

1. This information derives from Noble's communications with the Board concerning its request for this certification, Noble's Registra-

tion Statement filed with the Board pursuant to the Bank Holding Company Act, and other records of the Board.

Section 3—Continued

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

By Federal Reserve Banks

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

Section 3

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

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Eaton Capital Corporation, Eaton, Colorado	The Eaton Bank, Eaton, Colorado	Kansas City	June 19, 1981
Farmers State Bankshares, Inc., Burns, Wyoming	The Farmers State Bank of Burns, Burns, Wyoming	Kansas City	June 8, 1981
First Abilene Bankshares, Inc., Abilene, Texas	First National Bank, Sweetwater, Texas	Dallas	June 9, 1981
First Bancshares of Seguin, Inc., Seguin, Texas	First National Bank of Seguin, Seguin, Texas	Dallas	June 25, 1981
First Broken Arrow Corporation, Broken Arrow, Oklahoma	The First National Bank of Broken Arrow, Broken Arrow, Oklahoma	Kansas City	June 12, 1981
First Eastex Bancshares, Inc., Buna, Texas	East Texas State Bank, Buna, Texas	Dallas	June 26, 1981
First Florida Banks, Inc., Tampa, Florida	First Florida, Tampa, Florida	Atlanta	June 10, 1981
Multi-Line, Inc., Tampa, Florida			
First State Bancshares, Inc., Port Orchard, Washington	First State Bank, Port Orchard, Washington	San Francisco	June 9, 1981
Good Thunder Bancshares, Inc., Good Thunder, Minnesota	First State Bank of Good Thunder, Good Thunder, Minnesota	Minneapolis	June 2, 1981
Guaranty Bancorp, Zachary, Louisiana	Guaranty Bank & Trust Company, Zachary, Louisiana	Atlanta	June 19, 1981
Harrisonville Bancshares, Inc., Harrisonville, Missouri	Allen Bank and Trust Company, Harrisonville, Missouri	Kansas City	June 19, 1981
Harvard Tower Holding Corporation, Tulsa, Oklahoma	Harvard Tower Bank, Tulsa, Oklahoma	Kansas City	June 12, 1981
Hawkeye Bancorporation, Des Moines, Iowa	Jackson State Bank and Trust Com- pany, Maquoketa, Iowa	Chicago	June 19, 1981
King Bancshares, Inc., Kingman, Kansas	The First National Bank of King- man, Kingman, Kansas	Kansas City	June 12, 1981
Kingman County Financial Corp., Norwich, Kansas	The Farmers State Bank of Nor- wich, Norwich, Kansas	Kansas City	June 19, 1981
Lafourche Bancshares, Inc., Larose, Louisiana	South Lafourche Bank and Trust Company, Larose, Louisiana	Atlanta	June 18, 1981
Lee County Bancorp., Inc., Fort Madison, Iowa	Lee County Savings Bank, Fort Madison, Iowa	Chicago	May 29, 1981
Lorenzo Bancshares, Inc., Lorenzo, Texas	Lorenzo State Bank at Lorenzo, Lorenzo, Texas	Dallas	June 26, 1981
Manufacturers Bancorp, Inc., St. Louis, Missouri	First National Bank of Franklin County, Union, Missouri	St. Louis	June 26, 1981
Metro Bancorp, Inc., Farmington Hills, Michigan	Metropolitan National Bank of Far- mington, Farmington Hills, Michigan	Chicago	June 16, 1981

Section 3—Continued

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

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Woodland Bancorp, Inc., Tulsa, Oklahoma	Woodland Bank, Tulsa, Oklahoma	Kansas City	May 20, 1981

Sections 3 and 4

Applicant	Bank(s)	Nonbanking company (or activity)	Reserve Bank	Effective date
Flora Financial Corporation, Flora, Mississippi	Bank of Flora Flora, Mississippi	to act as agent or broker in the sale of credit life and credit accident and health insurance directly related to extensions of credit.	Atlanta	June 23, 1981
Leitchfield Deposit Bancshares, Inc., Leitchfield, Kentucky	Leitchfield Deposit Bank and Trust Company, Leitchfield, Kentucky	to engage in the sale of insurance directly related to extensions of credit made by Bank through B.S. Alexander Insurance Agency, Inc., Leitchfield, Kentucky	St. Louis	June 3, 1981
Wood Lake Bancorporation, Wood Lake, Minnesota	Wood Lake Corporation Wood Lake, Minnesota	to retain the general insurance agency of the corporation which operates in a community with a population not exceeding 5,000.	Minneapolis	June 24, 1981

Section 4

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

*PENDING CASES INVOLVING THE BOARD OF GOVERNORS**

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

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

Wilshire Oil Company of Texas v. Board of Governors, et al., filed April 1981, U.S.C.A. for the Third Circuit.

People of the State of Arkansas v. Board of Governors, et al., filed March 1981, U.S.C.A. for the Western District of Arkansas.

- First Bank & Trust Company v. Board of Governors*, filed February 1981, U.S.D.C. for the Eastern District of Kentucky.
- Ellis E. St. Rose & James H. Sibbet v. Board of Governors*, filed February 1981, U.S.D.C. for the District of Columbia.
- Option Advisory Service, Inc. v. Board of Governors, et al.*, filed February 1981, U.S.C.A. for the Second Circuit.
- 9 to 5 Organization for Women Office Workers v. Board of Governors*, filed December 1980, U.S.D.C. for the District of Massachusetts.
- Securities Industry Association v. Board of Governors, et al.*, filed October 1980, U.S.D.C. for the District of Columbia.
- Securities Industry Association v. Board of Governors, et al.*, filed October 1980, U.S.C.A. for the District of Columbia.
- A. G. Becker, Inc. v. Board of Governors, et al.*, filed October 1980, U.S.D.C. for the District of Columbia.
- A. G. Becker, Inc. v. Board of Governors, et al.*, filed October 1980, U.S.C.A. for the District of Columbia.
- Independent Insurance of America and Independent Insurance Agents of Missouri v. Board of Governors*, filed September 1980, U.S.C.A. for the Eighth Circuit.
- Independent Insurance Agents of America and Independent Insurance Agents of Virginia v. Board of Governors*, filed September 1980, U.S.C.A. for the Fourth Circuit.
- Nebraska Bankers Association, et al. v. Board of Governors, et al.*, filed September 1980, U.S.D.C. for the District of Nebraska.
- Republic of Texas Corporation v. Board of Governors*, filed September 1980, U.S.C.A. for the Fifth Circuit.
- A. G. Becker, Inc. v. Board of Governors, et al.*, filed August 1980, U.S.D.C. for the District of Columbia.
- Otero Savings and Loan Association v. Board of Governors*, filed August 1980, U.S.D.C. for the District of Columbia.
- Edwin F. Gordon v. Board of Governors, et al.*, filed August 1980, U.S.C.A. for the Fifth Circuit.
- U.S. League of Savings Associations v. Depository Institutions Deregulation Committee, et al.*, filed June 1980, U.S.D.C. for the District of Columbia.
- Berkovitz, et al. v. Government of Iran, et al.*, filed June 1980, U.S.D.C. for the Northern District of California.
- Mercantile Texas Corporation v. Board of Governors*, filed May 1980, U.S.C.A. for the Fifth Circuit.
- Corbin, Trustee v. United States*, filed May 1980, United States Court of Claims.
- Ulysess S. Crockett v. United States, et al.*, filed April 1980, U.S.D.C. for the Eastern District of North Carolina.
- County National Bancorporation and TGB Co. v. Board of Governors*, filed September 1979, U.S.C.A. for the Eighth Circuit.
- Donald W. Riegel, Jr. v. Federal Open Market Committee*, filed July 1979, U.S.D.C. for the District of Columbia.
- Security Bancorp and Security National Bank v. Board of Governors*, filed March 1978, U.S.C.A. for the Ninth Circuit.
- Roberts Farms, Inc. v. Comptroller of the Currency, et al.*, filed November 1975, U.S.D.C. for the Southern District of California.
- David Merrill, et al. v. Federal Open Market Committee*, filed May 1975, U.S.D.C. for the District of Columbia.

Financial and Business Statistics

CONTENTS

Domestic Financial Statistics

- A3 Monetary aggregates and interest rates
- A4 Reserves of depository institutions, reserve, bank credit
- A5 Reserves and borrowings of depository institutions
- A6 Federal funds and repurchase agreements of large member banks

POLICY INSTRUMENTS

- A7 Federal Reserve Bank interest rates
- A8 Depository institutions reserve requirements
- A9 Maximum interest rates payable on time and savings deposits at federally insured institutions
- A10 Federal Reserve open market transactions

FEDERAL RESERVE BANKS

- A11 Condition and Federal Reserve note statements
- A12 Maturity distribution of loan and security holdings

MONETARY AND CREDIT AGGREGATES

- A12 Bank debits and deposit turnover
- A13 Money stock measures and components
- A14 Aggregate reserves of depository institutions and member bank deposits
- A15 Loans and securities of all commercial banks

COMMERCIAL BANKS

- A16 Major nondeposit funds
- A17 Assets and liabilities, last Wednesday-of-month series

WEEKLY REPORTING COMMERCIAL BANKS

Assets and liabilities

- A18 All reporting banks
- A19 Banks with assets of \$1 billion or more
- A20 Banks in New York City
- A21 Balance sheet memoranda
- A22 Commercial and industrial loans
- A23 Gross demand deposits of individuals, partnerships, and corporations

FINANCIAL MARKETS

- A23 Commercial paper and bankers dollar acceptances outstanding
- A24 Prime rate charged by banks on short-term business loans
- A24 Terms of lending at commercial banks
- A25 Interest rates in money and capital markets
- A26 Stock market—Selected statistics
- A27 Savings institutions—Selected assets and liabilities

FEDERAL FINANCE

- A28 Federal fiscal and financing operations
- A29 U.S. budget receipts and outlay
- A30 Federal debt subject to statutory limitation
- A30 Gross public debt of U.S. Treasury—Types and ownership
- A31 U.S. government marketable securities—Ownership, by maturity
- A32 U.S. government securities dealers—Transactions, positions, and financing
- A33 Federal and federally sponsored credit agencies—Debt outstanding

*SECURITIES MARKETS AND
CORPORATE FINANCE*

- A34 New security issues—State and local governments and corporations
- A35 Open-end investment companies—Net sales and asset position
- A35 Corporate profits and their distribution
- A36 Nonfinancial corporations—Assets and liabilities
- A36 Total nonfarm business expenditures on new plant and equipment
- A37 Domestic finance companies—Assets and liabilities; business credit

REAL ESTATE

- A38 Mortgage markets
- A39 Mortgage debt outstanding

CONSUMER INSTALLMENT CREDIT

- A40 Total outstanding and net change
- A41 Extension and liquidations

FLOW OF FUNDS

- A42 Funds raised in U.S. credit markets
- A43 Direct and indirect sources of funds to credit markets

Domestic Nonfinancial Statistics

- A44 Nonfinancial business activity—Selected measures
- A44 Output, capacity, and capacity utilization
- A45 Labor force, employment, and unemployment
- A46 Industrial production—Indexes and gross value
- A48 Housing and construction
- A49 Consumer and producer prices
- A50 Gross national product and income
- A51 Personal income and saving

International Statistics

- A52 U.S. international transactions—Summary
- A53 U.S. foreign trade
- A53 U.S. reserve assets

- A54 Foreign branches of U.S. banks—Balance sheet data
- A56 Selected U.S. liabilities to foreign official institutions

REPORTED BY BANKS IN THE UNITED STATES

- A56 Liabilities to and claims on foreigners
- A57 Liabilities to foreigners
- A59 Banks' own claims on foreigners
- A60 Banks' own and domestic customers' claims on foreigners
- A60 Banks' own claims on unaffiliated foreigners
- A61 Claims on foreign countries—Combined domestic offices and foreign branches

SECURITIES HOLDINGS AND TRANSACTIONS

- A62 Marketable U.S. Treasury bonds and notes—Foreign holdings and transactions
- A62 Foreign official assets held at Federal Reserve Banks
- A63 Foreign transactions in securities

*REPORTED BY NONBANKING BUSINESS
ENTERPRISES IN THE UNITED STATES*

- A64 Liabilities to unaffiliated foreigners
- A65 Claims on unaffiliated foreigners

INTEREST AND EXCHANGE RATES

- A66 Discount rates of foreign central banks
- A66 Foreign short-term interest rates
- A66 Foreign exchange rates

*A67 Guide to Tabular Presentation,
Statistical Releases, and Special
Tables*

Special Tables

- A68 Survey of time and savings deposits at commercial banks, April 29, 1981
- A72 Commercial bank assets and liabilities, March 31, 1981
- A78 Assets and liabilities of U.S. branches and agencies of foreign banks, March 31, 1981

1.10 MONETARY AGGREGATES AND INTEREST RATES

Item	1980			1981	1981				
	Q2	Q3	Q4	Q1 ^r	Jan. ^r	Feb. ^r	Mar. ^r	Apr. ^r	May
Monetary and credit aggregates (annual rates of change, seasonally adjusted in percent) ¹									
<i>Reserves of depository institutions</i>									
1 Total	.4	6.7	16.5	2.0	-.9	-14.7	11.9	.0	12.6
2 Required	.7	5.8	15.2	2.5	-.7	-4.0	6.0	7.2	9.0
3 Nonborrowed	7.4	12.4	7.2	6.8	8.2	-12.4	21.9	-10.4	-14.6
4 Monetary base ²	5.6	9.5	10.6	5.5	4.9	2.2	7.5	7.3	9.8
<i>Concepts of money and liquid assets³</i>									
5 M1-A	-4.9 ^r	11.3 ^r	8.2 ^r	-20.8	-39.0	-25.3	-4.6	2.6	-5.6
6 M1-B	-3.0 ^r	13.9	10.8 ^r	4.9	10.4	5.7	13.1	22.3	-6.1
7 M2	5.1 ^r	15.4 ^r	8.1	8.2	8.2	10.6	16.1	13.5	4.1
8 M3	6.0	13.1	11.3 ^r	12.4	15.2	11.8	10.8	10.9	9.1
9 L	6.8	9.9	11.5 ^r	12.6	15.5	11.5	5.5	n.a.	n.a.
<i>Time and savings deposits</i>									
<i>Commercial banks</i>									
10 Total	10.7 ^r	6.1 ^r	15.4 ^r	17.0	21.3	9.8	2.0	6.8	19.1
11 Savings ⁴	-21.8 ^r	22.2 ^r	1.5 ^r	-30.5	-51.2	-22.3	-10.4	-2.8	-16.0
12 Small-denomination time ⁵	32.7 ^r	2.1 ^r	16.2 ^r	30.2	41.0	16.3	16.4	5.4	15.8
13 Large-denomination time ⁶	13.2 ^r	-1.2 ^r	25.4 ^r	37.5	50.6	23.8	-5.9	13.7	44.3
14 Thrift institutions ⁷	4.7	10.1	9.7	5.3	3.5	3.0	1.5	-2.5	2.8
15 Total loans and securities at commercial banks ⁸	.0	6.7	14.7	11.8	15.8	8.1	-.7	4.5	11.6
Interest rates (levels, percent per annum)									
Short-term rates									
16 Federal funds ⁹	9.83	15.85	16.57	17.78	15.93	14.70	15.72	18.52	19.10
17 Discount window borrowing ¹⁰	10.35	11.78	13.00	13.62	13.00	13.00	13.00	13.87	14.00
18 Treasury bills (3-month market yield) ¹¹	9.15	13.61	14.39	14.91	14.79	13.36	13.69	16.30	14.73
19 Commercial paper (3-month) ^{11,12}	9.65	15.26	15.34	16.15	15.49	13.94	14.56	17.56	16.32
Long-term rates									
<i>Bonds</i>									
20 U.S. government ¹³	10.95	12.23	12.74	13.49	12.98	12.94	13.46	13.82	13.20
21 State and local government ¹⁴	8.58	9.59	9.97	10.69	10.10	10.16	10.62	10.78	10.67
22 Aaa utility (new issue) ¹⁵	12.20	13.49	14.45	15.41	14.90	14.71	15.68	15.81	14.76
23 Conventional mortgages ¹⁶	13.12	14.62	15.10	n.a.	15.10	15.25	15.70	16.35	n.a.

1. Unless otherwise noted, rates of change are calculated from average amounts outstanding in preceding month or quarter. Growth rates are adjusted for discontinuities in series that result from changes in Regulation D.

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

3. M1-A: Averages of daily figures for (1) demand deposits at all commercial banks other than those due to domestic banks, the U.S. government, and foreign banks and official institutions less cash items in the process of collection and Federal Reserve float; (2) currency outside the Treasury, Federal Reserve Banks, and the vaults of commercial banks; and (3) travelers checks of nonbank issuers.

M1-B: M1-A plus negotiable order of withdrawal and automated transfer service accounts at banks and thrift institutions, credit union share draft accounts, and demand deposits at mutual savings banks.

M2: M1-B plus savings and small-denomination time deposits at all depository institutions, overnight repurchase agreements at commercial banks, overnight Eurodollars held by U.S. residents other than banks at Caribbean branches of member banks, and money market mutual fund shares.

M3: M2 plus large-denomination time deposits at all depository institutions and term RPs at commercial banks and savings and loan associations.

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

4. Savings deposits exclude NOW and ATS accounts at commercial banks.

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

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.

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: The monetary aggregates have been revised to reflect new benchmark data and a definitional change to include outstanding travelers checks issued by nonbanks. See "Announcements" in this BULLETIN for details.

A4 Domestic Financial Statistics □ July 1981

1.11 RESERVES OF DEPOSITORY INSTITUTIONS, RESERVE BANK CREDIT

Millions of dollars

Factors	Monthly averages of daily figures			Weekly averages of daily figures for week-ending						
	1981			1981						
	Apr. ^P	May ^P	June ^P	May 13 ^P	May 20 ^P	May 27 ^P	June 3 ^P	June 10 ^P	June 17 ^P	June 24 ^P
SUPPLYING RESERVE FUNDS										
1 Reserve bank credit outstanding	143,648	144,065	144,999	143,559	145,173	143,987	143,574	142,889	144,653	145,949
2 U.S. government securities ¹	120,008	119,937	120,637	118,191	121,587	120,112	119,447	118,900	120,655	121,618
3 Bought outright	119,468	119,819	120,333	118,191	121,587	120,112	119,447	118,900	120,655	120,971
4 Held under repurchase agreements	540	118	304							647
5 Federal agency securities	8,775	8,738	8,733	8,720	8,720	8,720	8,720	8,718	8,707	8,891
6 Bought outright	8,720	8,720	8,710	8,720	8,720	8,720	8,720	8,718	8,707	8,707
7 Held under repurchase agreements	55	18	63							184
8 Acceptances	69	20	155							142
9 Loans	1,343	2,154	2,038	1,734	1,975	2,923	1,954	2,207	1,895	2,305
10 Float	3,195	3,085	3,474	4,295	3,039	2,368	3,962	3,647	3,628	2,577
11 Other Federal Reserve assets	10,258	10,131	9,922	10,619	9,851	9,864	9,491	9,418	9,769	10,415
12 Gold stock	11,154	11,154	11,154	11,154	11,154	11,154	11,154	11,154	11,154	11,154
13 Special drawing rights certificate account	2,818	2,818	2,826	2,818	2,818	2,818	2,818	2,818	2,818	2,818
14 Treasury currency outstanding	13,538	13,544	13,567	13,539	13,543	13,551	13,557	13,561	13,567	13,571
ABSORBING RESERVE FUNDS										
15 Currency in circulation	134,553	135,631	136,710	135,775	135,742	135,958	136,168	136,653	136,956	136,647
16 Treasury cash holdings	498	509	499	514	509	506	502	506	502	504
Deposits, other than member bank reserves, with Federal Reserve Banks										
17 Treasury	3,353	3,210	3,049	3,299	3,119	2,830	2,982	2,613	3,196	3,021
18 Foreign	411	342	292	555	274	258	314	323	258	310
19 Other	295	283	367	271	276	241	401	346	391	321
20 Other Federal Reserve liabilities and capital	4,875	4,784	4,810	4,711	4,938	4,884	4,515	4,368	4,636	5,259
21 Reserve accounts ²	27,173	26,822	26,819	25,944	27,829	26,832	26,220	26,612	26,254	27,430
End of month figures				Wednesday figures						
1981				1981						
	Apr.	May	June	May 13	May 20	May 27	June 3	June 10	June 17	June 24
SUPPLYING RESERVE FUNDS										
22 Reserve bank credit outstanding	143,452	140,540	142,934	143,456	148,131	141,814	150,192	142,721	151,595	144,646
23 U.S. government securities ¹	119,687	118,311	120,017	116,292	122,239	117,193	121,375	116,749	121,346	119,360
24 Bought outright	119,687	118,311	120,017	116,292	122,239	117,193	121,375	116,749	121,346	119,360
25 Held under repurchase agreements										
26 Federal agency securities	8,720	8,720	8,694	8,720	8,720	8,720	8,720	8,707	8,707	8,707
27 Bought outright	8,720	8,720	8,694	8,720	8,720	8,720	8,720	8,707	8,707	8,707
28 Held under repurchase agreements										
29 Acceptances										
30 Loans	2,333	1,366	1,010	3,683	3,847	8,851	5,742	3,613	6,357	1,803
31 Float	2,156	2,542	2,506	3,820	3,440	4,082	4,833	4,077	4,660	4,315
32 Other Federal Reserve assets	10,556	9,601	10,707	10,941	9,885	9,968	9,522	9,575	10,525	10,461
33 Gold stock	11,154	11,154	11,154	11,154	11,154	11,154	11,154	11,154	11,154	11,154
34 Special drawing rights certificate account	2,818	2,818	3,068	2,818	2,818	2,818	2,818	2,818	2,818	2,818
35 Treasury currency outstanding	14,061	13,555	13,580	13,539	13,549	13,555	13,559	13,565	13,570	13,575
ABSORBING RESERVE FUNDS										
36 Currency in circulation	134,991	135,908	137,499	136,285	136,040	136,624	136,655	137,372	137,127	136,918
37 Treasury cash holdings	508	502	484	512	507	501	504	505	498	505
Deposits, other than member bank reserves, with Federal Reserve Banks										
38 Treasury	4,460	2,288	2,923	3,692	3,085	2,880	4,127	2,391	5,215	2,909
39 Foreign	476	346	338	286	270	299	186	238	196	237
40 Other	311	275	536	240	221	245	441	400	435	284
41 Other Federal Reserve liabilities and capital	4,674	4,444	5,330	4,617	4,652	4,707	4,224	4,340	4,714	5,217
42 Reserve accounts ²	26,063	24,304	23,626	25,334	30,877	24,084	31,586	25,011	30,951	26,122

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

2. Includes reserve balances of all depository institutions.
NOTE. For amounts of currency and coin held as reserves, see table 1.12.

1.12 RESERVES AND BORROWINGS Depository Institutions

Millions of dollars

Reserve classification	Monthly averages of daily figures									
	1979			1980			1981			
	Dec.	Oct.	Nov.	Dec.	Jan. P	Feb. P	Mar. P	Apr. P	May P	June P
1 Reserve balances with Reserve Banks ¹	32,473	29,976	29,215	26,664	27,114	26,591	26,722	27,117	26,822	26,819
2 Total vault cash (estimated).....	.....	.....	15,311	18,149	19,293	17,824	17,327	17,189	17,773	18,198
3 Vault cash at institutions with required reserve balances ²	11,344	11,678	11,876	12,602	13,587	12,187	11,687	11,687	12,124	12,396
4 Vault cash equal to required reserves at other institutions.....	n.a.	n.a.	439	704	700	763	1,237	1,204	1,310	1,350
5 Surplus vault cash at other institutions ³	n.a.	n.a.	2,996	4,843	5,006	4,874	4,403	4,298	4,339	4,452
6 Reserve balances + total vault cash ⁴	43,972	41,815	44,674	44,940	46,520	44,524	44,155	44,395	44,683	45,100
7 Reserve balances + total vault cash used to satisfy reserve requirements ^{4,5}	n.a.	n.a.	41,678	40,097	41,514	39,650	39,752	40,097	40,344	40,648
8 Required reserves (estimated).....	43,578	41,498	40,723	40,067	41,025	39,448	39,372	40,071	40,213	40,098
9 Excess reserve balances at Reserve Banks ^{4,6}	394	317	955	30	489	202	380	26	131	550
10 Total borrowings at Reserve Banks.....	1,473	1,335	2,156	1,617	1,405	1,278	1,004	1,343	2,154	2,038
11 Seasonal borrowings at Reserve Banks.....	82	67	99	116	120	148	197	161	259	291
<i>Large commercial banks</i>										
12 Reserves held.....	↑	↑	↑	24,940	26,267	24,874	24,772	24,894	25,033	25,332
13 Required.....	↑	↑	↑	25,819	26,605	25,328	25,145	25,519	25,450	25,315
28 Excess.....	↑	↑	↑	-879	-338	-454	-373	-625	-417	17
<i>Small commercial banks</i>										
15 Reserves held.....	↑	↑	↑	13,719	13,935	13,305	13,386	13,628	13,773	13,683
16 Required.....	↑	↑	↑	13,523	13,690	13,235	13,229	13,558	13,633	13,549
17 Excess.....	n.a.	n.a.	n.a.	196	245	70	157	70	140	134
<i>U.S. agencies and branches</i>										
18 Reserves held.....	↓	↓	↓	260	253	388	461	444	576	651
19 Required.....	↓	↓	↓	230	228	366	450	432	545	628
20 Excess.....	↓	↓	↓	30	25	22	11	12	31	23
<i>All other institutions</i>										
21 Reserves held.....	↓	↓	↓	494	513	502	605	611	649	646
22 Required.....	↓	↓	↓	495	502	519	548	562	585	606
23 Excess.....	↓	↓	↓	-1	11	-17	57	49	64	40

	Weekly averages of daily figures for week ending									
	Apr. 22 P	Apr. 29 P	May 6 P	May 13 P	May 20 P	May 27 P	June 3 P	June 10 P	June 17 P	June 24 P
24 Reserve balances with Reserve Banks ¹	28,258	27,940	27,741	25,944	27,834	26,835	26,220	25,612	26,254	27,430
25 Total vault cash (estimated).....	16,155	17,353	17,947	18,562	16,711	17,627	18,249	18,312	18,846	17,306
26 Vault cash at institutions with required reserve balances ²	10,971	11,845	12,298	12,686	11,449	11,940	12,379	12,379	12,756	11,907
27 Vault cash equal to required reserves at other institutions.....	1,186	1,238	1,298	1,311	1,187	1,384	1,414	1,433	1,417	1,230
28 Surplus vault cash at other institutions ³	3,998	4,270	4,351	4,565	4,075	4,303	4,456	4,500	4,673	4,169
29 Reserve balances + total vault cash ⁴	44,503	45,379	45,776	44,591	44,635	44,552	44,556	44,011	45,185	44,818
30 Reserve balances + total vault cash used to satisfy reserve requirements ^{4,5}	40,505	41,109	41,425	40,026	40,560	40,249	40,100	39,511	40,512	40,649
31 Required reserves (estimated).....	40,739	41,004	41,089	39,928	40,356	39,810	39,855	39,262	40,223	40,285
32 Excess reserve balances at Reserve Banks ^{4,6}	-234	105	336	98	204	439	245	249	289	364
33 Total borrowings at Reserve Banks.....	864	2,278	2,471	1,734	1,975	2,923	1,954	2,207	1,895	2,305
34 Seasonal borrowings at Reserve Banks.....	149	175	198	226	271	309	287	277	279	306
<i>Large commercial banks</i>										
35 Reserves held.....	24,806	25,501	26,381	24,507	25,166	25,056	24,494	24,506	25,119	25,768
36 Required.....	25,935	26,031	26,174	25,367	25,482	25,032	25,185	24,788	25,458	25,391
37 Excess.....	-1,129	-530	207	-860	-316	24	-691	-282	-339	377
<i>Small commercial banks</i>										
38 Reserves held.....	13,696	14,131	14,088	13,679	13,706	13,724	13,638	13,349	13,645	13,754
39 Required.....	13,787	13,990	13,937	13,547	13,618	13,572	13,462	13,222	13,494	13,682
40 Excess.....	-91	141	151	132	88	152	176	127	151	72
<i>U.S. agencies and branches</i>										
41 Reserves held.....	436	435	429	476	654	669	668	695	663	617
42 Required.....	430	422	408	430	643	627	636	651	648	610
43 Excess.....	6	13	21	46	11	42	32	44	15	7
<i>All other institutions</i>										
44 Reserves held.....	611	630	602	625	648	735	631	657	640	645
45 Required.....	587	561	570	584	613	579	572	601	623	602
46 Excess.....	24	69	32	41	35	156	59	56	17	43

1. Includes all reserve balances of depository institutions.
2. Prior to Nov. 13, 1980, the figures shown reflect only the vault cash held by member banks.
3. Total vault cash at institutions without required reserve balances less 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 plus vault cash at institutions with required reserve balances plus vault cash equal to required reserves at other institutions.
6. Reserve balances with Federal Reserve Banks plus vault cash used to satisfy reserve requirements less required reserves. (This measure of excess reserves is comparable to the old excess reserve concept published historically.)

A6 Domestic Financial Statistics □ July 1981

1.13 FEDERAL FUNDS AND REPURCHASE AGREEMENTS Large Member Banks¹

Averages of daily figures, in millions of dollars

By maturity and source	1981, week ending Wednesday								
	Apr. 29	May 6	May 13	May 20	May 27 ^r	June 3	June 10	June 17	June 24
<i>One day and continuing contract</i>									
1 Commercial banks in United States	49,914	52,324	49,016	45,222	44,392	46,911	50,831	50,506	47,880
2 Other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies .	13,021	13,716	12,875	13,812	13,651	14,048	14,878	15,463	16,955
3 Nonbank securities dealers	3,166	3,265	2,816	2,561	2,768	3,250	3,000	2,375	2,919
4 All other	20,316	19,922	19,090	19,403	19,708	19,942	20,339	21,159	21,219
<i>All other maturities</i>									
5 Commercial banks in United States	3,520	3,524	3,639	3,788	3,467	3,516	3,715	3,734	4,077
6 Other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies .	7,247	7,064	7,365	7,591	7,434	7,492	7,239	7,120	7,137
7 Nonbank securities dealers	4,390	4,435	4,780	5,183	5,200	5,139	4,968	5,126	5,125
8 All other	10,403	10,143	10,497	10,549	10,643	10,880	11,550	11,216	10,582
MEMO: Federal funds and resale agreement loans in ma- turities of one day or continuing contract									
9 Commercial banks in United States	14,508	13,795	13,348	14,214	13,932	15,240	16,233	14,787	14,988
10 Nonbank securities dealers	3,010	2,854	2,884	2,602	2,662	3,033	2,502	2,814	2,611

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

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per annum

Current and previous levels

Federal Reserve Bank	Short-term adjustment credit ¹			Extended credit						Emergency credit to all others under section 13 ³		
				Seasonal credit			Special circumstances ²					
	Rate on 6/30/81	Effective date	Previous rate	Rate on 6/30/81	Effective date	Previous rate	Rate on 6/30/81	Effective date	Previous rate	Rate on 6/30/81	Effective date	Previous rate
Boston	14	5/5/81	13	14	5/5/81	13	15	5/5/81	14	17	5/5/81	16
New York	14	5/5/81	13	14	5/5/81	13	15	5/5/81	14	17	5/5/81	16
Philadelphia	14	5/5/81	13	14	5/5/81	13	15	5/5/81	14	17	5/5/81	16
Cleveland	14	5/5/81	13	14	5/5/81	13	15	5/5/81	14	17	5/5/81	16
Richmond	14	5/5/81	13	14	5/5/81	13	15	5/5/81	14	17	5/5/81	16
Atlanta	14	5/5/81	13	14	5/5/81	13	15	5/5/81	14	17	5/5/81	16
Chicago	14	5/8/81	13	14	5/8/81	13	15	5/8/81	14	17	5/8/81	16
St. Louis	14	5/5/81	13	14	5/5/81	13	15	5/5/81	14	17	5/5/81	16
Minneapolis	14	5/5/81	13	14	5/5/81	13	15	5/5/81	14	17	5/5/81	16
Kansas City	14	5/5/81	13	14	5/5/81	13	15	5/5/81	14	17	5/5/81	16
Dallas	14	5/5/81	13	14	5/5/81	13	15	5/5/81	14	17	5/5/81	16
San Francisco	14	5/5/81	13	14	5/5/81	13	15	5/5/81	14	17	5/5/81	16

Range of rates in recent years⁴

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, 1972	4½	4½	1976—Jan. 19	5½-6	5½	1979—Sept. 19	10½-11	11
1973—Jan. 15	5	5	Jan. 23	5½	5½	Oct. 21	11	11
Feb. 26	5-5½	5½	Nov. 22	5¼-5½	5¼	Oct. 8	11-12	12
Mar. 2	5½	5½	Nov. 26	5¼	5¼	Oct. 10	12	12
Apr. 23	5½-5¾	5½	1977—Aug. 30	5¼-5¾	5¼	1980—Feb. 15	12-13	13
May 4	5¾	5¾	Aug. 31	5¼-5¾	5¾	Feb. 19	13	13
May 11	5¾-6	6	Sept. 2	5¾	5¾	May 29	12-13	13
May 18	6	6	Oct. 26	6	6	May 30	12	12
June 11	6-6½	6½	1978—Jan. 9	6-6½	6½	June 13	11-12	11
June 15	6½	6½	Jan. 20	6½	6½	Jan. 16	11	11
July 2	7	7	May 11	6½-7	7	July 28	10-11	10
Aug. 14	7-7½	7½	May 12	7	7	July 29	10	10
Aug. 23	7½	7½	July 3	7-7¼	7¼	Sept. 26	11	11
1974—Apr. 25	7½-8	8	July 10	7¼	7¼	Nov. 17	12	12
Apr. 30	8	8	Aug. 21	7¼	7¼	Dec. 5	12-13	13
Dec. 9	7¾-8	7¾	Sept. 22	8	8	Dec. 8	13	13
Dec. 16	7¾	7¾	Oct. 16	8-8½	8½	1981—May 5	13-14	14
1975—Jan. 6	7¼	7¼	Nov. 20	8½	8½	May 8	14	14
Jan. 10	7¼	7¼	Nov. 1	8½-9½	9½			
Jan. 24	7¼	7¼	Nov. 3	9½	9½			
Feb. 5	6¾-7¼	6¾	1979—July 20	10	10			
Feb. 7	6¾	6¾	Aug. 17	10-10½	10½			
Mar. 10	6¼-6¾	6¼	Aug. 20	10½	10½			
Mar. 14	6¼	6¼						
May 16	6-6¼	6						
						In effect June 30, 1981	14	14

1. Effective May 5, 1981, a 4 percent surcharge was applied to short-term adjustment credit borrowings by institutions with deposits of \$500 million or more who borrowed in successive weeks or in more than 4 weeks in a calendar quarter.

2. Applicable to advances when exceptional circumstances or practices involve only a particular depository institution as described in section 201.3(b) (2) of Regulation A.

3. Applicable to emergency advances to individuals, partnerships, and corporations as described in section 201.3(c) of Regulation A.

4. Rates for short-term adjustment credit. For description and earlier data see the following publications of the Board of Governors: *Banking and Monetary Statistics, 1914-1941 and 1941-1970*; *Annual Statistical Digest, 1971-1975, 1972-1976, 1973-1977, and 1974-1978*.

In 1980 and 1981, the Federal Reserve applied a surcharge to short-term adjustment credit borrowings by institutions with deposits of \$500 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. On Nov. 17, 1980, a 2 percent surcharge was adopted; the surcharge was subsequently raised to 3 percent on Dec. 5, 1980 and to 4 percent on May 5, 1981.

1.15 DEPOSITORY INSTITUTIONS RESERVE 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		
0-2	7	12/30/76	\$0-\$25 million	3	11/13/80
2-10	9½	12/30/76	Over \$25 million	12	11/13/80
10-100	11¾	12/30/76			
100-400	12¾	12/30/76	<i>Nonpersonal time deposits</i> ⁷		
Over 400	16¼	12/30/76	By original maturity		
<i>Time and savings</i> ^{2,3}			Less than 4 years	3	11/13/80
Savings	3	3/16/67	4 years or more	0	11/13/80
<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. (a) Requirement schedules are graduated, and each deposit interval applies to that part of the deposits of each bank. Demand deposits subject to reserve requirements were gross demand deposits minus cash items in process of collection and demand balances due from domestic banks.

(b) The Federal Reserve Act as amended through 1978 specified different ranges of requirements for reserve city banks and for other banks. Reserve cities were designated under a criterion adopted effective Nov. 9, 1972, by which a bank having net demand deposits of more than \$400 million was considered to have the character of business of a reserve city bank. The presence of the head office of such a bank 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.

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

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

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

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

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

(b) Effective with the reserve maintenance period beginning Oct. 25, 1979, a marginal reserve requirement of 8 percent was added to managed liabilities in excess of a base amount. This marginal requirement was increased to 10 percent beginning Apr. 3, 1980, was decreased to 5 percent beginning June 12, 1980, and was reduced to zero beginning July 24, 1980. Managed liabilities are defined as large time deposits, Eurodollar borrowings, repurchase agreements against U.S. government and federal agency securities, federal funds borrowings from 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 ends Aug. 12, 1982. All new institutions will have a two-year phase-in beginning with the date that they open for business.

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

NOTE. Required reserves must be held in the form of deposits with Federal Reserve Banks or vault cash. After implementation of the Monetary Control Act, nonmembers may maintain reserves on a pass-through basis with certain approved institutions.

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

Percent per annum

Type and maturity of deposit	Commercial banks				Savings and loan associations and mutual savings banks			
	In effect June 30, 1981		Previous maximum		In effect June 30, 1981		Previous maximum	
	Percent	Effective date	Percent	Effective date	Percent	Effective date	Percent	Effective date
1 Savings	5 1/4	7/1/79	5	7/1/73	5 1/2	7/1/79	5 1/4	(1)
2 Negotiable order of withdrawal accounts ²	5 3/4	12/31/80	5	1/1/74	5 3/4	12/31/80	5	1/1/74
Time accounts ³								
<i>Fixed ceiling rates by maturity⁴</i>								
3 14-89 days ⁵	5 1/4	8/1/79	5	7/1/73	(6)		(6)	
4 90 days to 1 year	5 3/4	1/1/80	5 1/2	7/1/73	6	1/1/80	5 3/4	(1)
5 1 to 2 years ⁷	6	7/1/73	5 1/2	1/21/70	6 1/2	(1)	5 3/4	1/21/70
6 2 to 2 1/2 years ⁷	6 1/2	7/1/73	5 3/4	1/21/70	6 3/4	(1)	6	1/21/70
7 2 1/2 to 4 years ⁷	7 1/4	11/1/73	(9)	1/21/70	7 1/2	11/1/73	6	1/21/70
8 4 to 6 years ⁸	7 1/2	12/23/74	7 1/4		7 3/4	12/23/74	7 1/2	11/1/73
9 6 to 8 years ⁸	7 3/4	6/1/78	(6)	11/1/73	8	6/1/78	(6)	
10 8 years or more ⁸	7 3/4	6/1/78	7 3/4	12/23/74	8	6/1/78	7 3/4	12/23/74
11 Issued to governmental units (all maturities) ¹⁰	8	6/1/78	7 3/4	7/6/77	8	6/1/78	7 3/4	7/6/77
12 Individual retirement accounts and Keogh (H.R. 10) plans (3 years or more) ^{10,11}	8	6/1/78	7 3/4	7/6/77	8	6/1/78	7 3/4	7/6/77
<i>Special variable ceiling rates by maturity</i>								
13 6-month money market time deposits ¹²	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)
14 2 1/2 years or more	(14)	(14)	(15)	(15)	(14)	(14)	(15)	(15)

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

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

3. For exceptions with respect to certain foreign time deposits see the FEDERAL RESERVE BULLETIN for October 1962 (p. 1279), August 1965 (p. 1084), and February 1968 (p. 167).

4. Effective Nov. 10, 1980, the minimum notice period for public unit accounts at savings and loan associations was decreased to 14 days and the minimum maturity period for 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 days to 14 days for mutual savings banks.

5. Effective Oct. 30, 1980, the minimum maturity or notice period for time deposits was decreased from 30 days to 14 days for commercial banks.

6. No separate account category.

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

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

9. Between July 1, 1973, and Oct. 31, 1973, there was no ceiling for certificates maturing in 4 years or more with minimum denominations of \$1,000; however, the amount of such certificates that an institution could issue was limited to 5 percent of its total time and savings deposits. Sales in excess of that amount, as well as certificates of less than \$1,000, were limited to the 6 1/2 percent ceiling on time deposits maturing in 2 1/2 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 January 1, 1980, commercial banks are permitted to pay the same rate as thrifts on IRA and Keogh accounts and accounts of governmental units when such deposits are placed in the new 2 1/2-year or more variable-ceiling certificates or in 26-week money market certificates regardless of the level of the Treasury bill rate.

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

13. Commercial banks, savings and loan associations, and mutual savings banks were authorized to offer money market time deposits effective June 1, 1978. The ceiling rate for commercial banks on money market time deposits entered into before June 5, 1980, is the discount rate (auction average) on most recently issued six-month U.S. Treasury bills. Until Mar. 15, 1979, the ceiling rate for savings and loan associations and mutual savings banks was 1/4 percentage point higher than the rate for commercial banks. Beginning March 15, 1979, the 1/4-percentage-point interest differential is removed when the six-month Treasury bill rate is 9 percent or more. The full differential is in effect when the six-month bill rate is 8 3/4 percent

or less. Thrift institutions may pay a maximum 9 percent when the six-month bill rate is between 8 3/4 and 9 percent. Also effective March 15, 1979, interest compounding was prohibited on six-month money market time deposits at all offering institutions. The maximum allowable rates in June for commercial banks and thrift institutions were as follows: June 2, 14.741; June 9, 14.250; June 16, 13.606; June 23, 14.189; June 30, 13.871. Effective for all six-month money market certificates issued beginning June 5, 1980, the interest rate ceilings will be determined by the discount rate (auction average) of most recently issued six-month U.S. Treasury bills as follows:

<i>Bill rate</i>	<i>Commercial bank ceiling</i>	<i>Thrift ceiling</i>
8.75 and above	bill rate + 1/4 percent	bill rate + 1/4 percent
8.50 to 8.75	bill rate + 1/4 percent	9.00
7.50 to 8.50	bill rate + 1/4 percent	bill rate + 1/2 percent
7.25 to 7.50	7.75	bill rate + 1/2 percent
Below 7.25	7.75	7.75

The prohibition against compounding interest in these certificates continues.

14. Effective Jan. 1, 1980, commercial banks, savings and loan associations, and mutual savings banks were authorized to offer variable-ceiling nonnegotiable time deposits with no required minimum denomination and with maturities of 2 1/2 years or more. The maximum rate for commercial banks is 3/4 percentage point below the yield on 2 1/2-year U.S. Treasury securities; the ceiling rate for thrift institutions is 1/4 percentage point higher than that for commercial banks. Effective Mar. 1, 1980, a temporary ceiling of 11 3/4 percent was placed on these accounts at commercial banks; the temporary ceiling is 12 percent at savings and loan associations and mutual savings banks. Effective for all variable-ceiling nonnegotiable time deposits with maturities of 2 1/2 years or more issued beginning June 2, 1980, the ceiling rates of interest will be determined as follows:

<i>Treasury yield</i>	<i>Commercial bank ceiling</i>	<i>Thrift ceiling</i>
12.00 and above	11.75	12.00
9.50 to 12.00	Treasury yield less 1/4 percent	Treasury yield
Below 9.50	9.25	9.50

Interest may be compounded on these time deposits. The ceiling rates of interest at which these accounts may be offered vary biweekly. The maximum allowable rates in June for commercial banks were as follows: June 9, 11.75; June 23, 11.75. The maximum allowable rates in June for thrift institutions were as follows: June 9, 12.00; June 23, 12.00.

15. Between July 1, 1979, and Dec. 31, 1979, commercial banks, savings and loan associations, and mutual savings banks were authorized to offer variable ceiling accounts with no required minimum denomination and with maturities of 4 years or more. The maximum rate for commercial banks was 1 1/4 percentage points below the yield on 4-year U.S. Treasury securities; the ceiling rate for thrift institutions was 1/4 percentage point higher than that for commercial banks.

NOTE: Before Mar. 31, 1980, the maximum rates that could be paid by federally insured commercial banks, mutual savings banks, and savings and loan associations were established by the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board under the provisions of 12 CFR 217, 329, and 526 respectively. Title II of the Depository Institutions Deregulation and Monetary Control Act of 1980 (P.L. 96-221) transferred the authority of the agencies to establish maximum rates of interest payable on deposits to the Depository Institutions Deregulation Committee. The maximum rates on time deposits in denominations of \$100,000 or more with maturities of 30-89 days were suspended in June 1970; such deposits maturing in 90 days or more were suspended in May 1973. For information regarding previous interest rate ceilings on all types of accounts, see earlier issues of the FEDERAL RESERVE BULLETIN, the *Federal Home Loan Bank Board Journal*, and the *Annual Report of the Federal Deposit Insurance Corporation*.

A10 Domestic Financial Statistics □ July 1981

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS

Millions of dollars

Type of transaction	1978	1979	1980	1980		1981				
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
U.S. GOVERNMENT SECURITIES										
Outright transactions (excluding matched sale-purchase transactions)										
<i>Treasury bills</i>										
1 Gross purchases	16,628	15,998	7,668	0	1,331	1,100	0	1,607	1,141	790
2 Gross sales	13,725	6,855	7,331	600	0	3,865	357	0	0	0
3 Exchange	0	0	0	0	0	0	0	0	0	0
4 Redemptions	2,033	2,900	3,389	500	49	1,000	0	0	0	0
<i>Others within 1 year¹</i>										
5 Gross purchases	1,184	3,203	912	0	100	0	0	0	115	0
6 Gross sales	0	0	0	0	0	0	23	0	0	0
7 Maturity shift	-5,170	17,339	12,427	2,368	754	462	990	878	522	2,900
8 Exchange	0	-11,308	-18,251	-879	-967	0	-1,936	-1,385	-261	-1,281
9 Redemptions	0	2,600	0	0	0	0	0	0	0	0
<i>1 to 5 years</i>										
10 Gross purchases	4,188	2,148	2,138	0	0	0	0	0	469	0
11 Gross sales	0	0	0	0	0	0	0	0	0	0
12 Maturity shift	-178	-12,693	-8,909	-2,368	-754	-462	-990	-878	-522	-1,724
13 Exchange	0	7,508	13,412	500	967	0	1,211	1,385	261	681
<i>5 to 10 years</i>										
14 Gross purchases	1,526	523	703	0	0	0	0	0	164	0
15 Gross sales	0	0	0	0	0	0	0	0	0	0
16 Maturity shift	2,803	-4,646	-3,092	0	0	0	0	0	0	-1,176
17 Exchange	0	2,181	2,970	220	0	0	400	0	0	300
<i>Over 10 years</i>										
18 Gross purchases	1,063	454	811	0	0	0	0	0	89	0
19 Gross sales	0	0	0	0	0	0	0	0	0	0
20 Maturity shift	2,545	0	-426	0	0	0	0	0	0	0
21 Exchange	0	1,619	1,869	159	0	0	325	0	0	300
<i>All maturities¹</i>										
22 Gross purchases	24,591	22,325	12,232	0	1,431	1,100	0	1,607	1,977	790
23 Gross sales	13,725	6,855	7,331	600	0	3,865	380	0	0	0
24 Redemptions	2,033	5,500	3,389	500	49	1,000	0	0	0	0
Matched transactions										
25 Gross sales	511,126	627,350	674,000	40,944	79,754	61,427	30,819	32,003	37,251	45,658
26 Gross purchases	510,854	624,192	675,496	41,129	78,734	63,062	31,651	30,441	37,295	43,492
Repurchase agreements										
27 Gross purchases	151,618	107,051	113,902	24,169	11,534	6,108	0	1,623	9,458	1,219
28 Gross sales	152,436	106,968	113,040	23,924	11,381	8,137	0	1,246	9,835	1,219
29 Net change in U.S. government securities	7,743	6,896	3,869	-670	516	-4,159	452	422	1,644	-1,376
FEDERAL AGENCY OBLIGATIONS										
Outright transactions										
30 Gross purchases	301	853	668	0	0	0	0	0	0	0
31 Gross sales	173	399	0	0	0	0	0	0	0	0
32 Redemptions	235	134	145	0	22	0	3	15	2	*
Repurchase agreements										
33 Gross purchases	40,567	37,321	28,895	4,825	1,889	652	0	494	1,211	186
34 Gross sales	40,885	36,960	28,863	4,880	1,767	1,177	0	437	1,268	186
35 Net change in federal agency obligations	-426	681	555	-55	99	-525	-3	42	-58	0
BANKERS ACCEPTANCES										
36 Outright transactions, net	0	0	0	0	0	0	0	0	0	0
37 Repurchase agreements, net	-366	116	73	-43	253	-776	0	298	-298	0
38 Net change in bankers acceptances	-366	116	73	-43	253	-776	0	298	-298	0
39 Total net change in System Open Market Account	6,951	7,693	4,497	-768	868	-5,460	450	762	1,287	-1,376

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

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

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements

Millions of dollars

Account	Wednesday					End of month		
	1981					1981		
	May 27	June 3	June 10	June 17	June 24	Apr.	May	June
Consolidated condition statement								
ASSETS								
1 Gold certificate account.....	11,154	11,154	11,154	11,154	11,154	11,154	11,154	11,154
2 Special drawing rights certificate account.....	2,818	2,818	2,818	2,818	2,818	2,818	2,818	3,068
3 Coin.....	391	378	382	388	397	412	396	380
Loans								
4 To depository institutions.....	1,851	5,742	3,613	6,357	1,803	2,333	1,366	1,010
5 Other.....	0	0	0	0	0	0	0	0
Acceptances								
6 Held under repurchase agreements.....	0	0	0	0	0	0	0	0
Federal agency obligations								
7 Bought outright.....	8,720	8,720	8,707	8,707	8,707	8,720	8,720	8,694
8 Held under repurchase agreements.....	0	0	0	0	0	0	0	0
U.S. government securities								
Bought outright								
9 Bills.....	40,769	44,951	40,325	44,922	42,936	43,263	41,887	43,593
10 Notes.....	58,818	58,818	58,818	58,818	58,818	59,118	58,818	58,818
11 Bonds.....	17,606	17,606	17,606	17,606	17,606	17,306	17,606	17,606
12 Total ¹	117,193	121,375	116,749	121,346	119,360	119,687	118,311	120,017
13 Held under repurchase agreements.....	0	0	0	0	0	0	0	0
14 Total U.S. government securities.....	117,193	121,375	116,749	121,346	119,360	119,687	118,311	120,017
15 Total loans and securities.....	127,764	135,837	129,069	136,410	129,870	130,740	128,397	129,721
16 Cash items in process of collection.....	11,963	11,113	9,318	11,256	11,270	9,224	9,096	11,297
17 Bank premises.....	470	470	471	472	474	467	470	475
Other assets								
18 Denominated in foreign currencies ²	6,858	6,412	6,468	6,494	6,496	6,768	6,412	6,430
19 All other.....	2,640	2,640	2,636	3,559	3,491	3,321	2,719	3,802
20 Total assets.....	164,058	170,822	162,316	172,551	165,970	164,904	161,462	166,327
LIABILITIES								
21 Federal Reserve notes.....	123,962	123,978	124,695	124,444	124,246	121,852	123,251	124,783
Deposits								
22 Depository institutions.....	24,084	31,586	25,011	30,951	26,122	26,063	24,304	23,626
23 U.S. Treasury—General account.....	2,880	4,127	2,391	5,215	2,909	4,460	2,288	2,923
24 Foreign—Official accounts.....	299	186	238	196	237	476	346	338
25 Other.....	245	441	400	435	284	311	275	536
26 Total deposits.....	27,508	36,340	28,040	36,797	29,552	31,310	27,213	27,423
27 Deferred availability cash items.....	7,881	6,280	5,241	6,596	6,955	7,068	6,554	8,791
28 Other liabilities and accrued dividends ³	1,965	1,677	1,615	1,956	2,455	1,979	1,744	2,387
29 Total liabilities.....	161,316	168,275	159,591	169,793	163,208	162,201	158,762	163,384
CAPITAL ACCOUNTS								
30 Capital paid in.....	1,237	1,235	1,237	1,244	1,246	1,233	1,238	1,246
31 Surplus.....	1,203	1,203	1,203	1,203	1,203	1,203	1,203	1,203
32 Other capital accounts.....	302	109	285	311	313	267	259	494
33 Total liabilities and capital accounts.....	164,058	170,822	162,316	172,551	165,970	164,904	161,462	166,327
34 MEMO: Marketable U.S. government securities held in custody for foreign and international account.....	97,516	96,536	97,410	95,853	95,846	100,546	96,635	97,549
Federal Reserve note statement								
35 Federal Reserve notes outstanding (issued to bank).....	143,959	144,094	144,091	144,354	144,704	143,716	143,936	145,062
36 Less—held by bank ⁴	19,997	20,116	19,396	19,910	20,458	21,864	20,685	20,279
37 Federal Reserve notes, net.....	123,962	123,978	124,695	124,444	124,246	121,852	123,251	124,783
Collateral for Federal Reserve notes								
38 Gold certificate account.....	11,154	11,154	11,154	11,154	11,154	11,154	11,154	11,154
39 Special drawing rights certificate account.....	2,818	2,818	2,818	2,818	2,818	2,818	2,818	3,068
40 Other eligible assets.....	9	0	109	0	0	0	0	27
41 U.S. government and agency securities.....	109,981	110,006	110,614	110,472	110,274	107,880	109,279	110,534
42 Total collateral.....	123,962	123,978	124,695	124,444	124,246	121,852	123,251	124,783

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

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

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

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

A12 Domestic Financial Statistics □ July 1981

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holdings

Millions of dollars

Type and maturity groupings	Wednesday					End of month		
	1981					1981		
	May 27	June 3	June 10	June 17	June 24	Apr. 30	May 31	June 30
1 Loans—Total	1,851	5,742	3,613	6,357	1,803	2,333	1,366	1,010
2 Within 15 days	1,810	5,592	3,481	6,245	1,769	1,905	1,317	964
3 16 days to 90 days	41	150	132	109	34	428	49	46
4 91 days to 1 year	0	0	0	3	0	0	0	0
5 Acceptances—Total	0	0	0	0	0	0	0	0
6 Within 15 days	0	0	0	0	0	0	0	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	117,193	121,375	116,749	121,346	119,360	119,687	118,311	120,017
10 Within 15 days ¹	2,923	6,294	5,450	5,754	3,617	2,098	3,162	1,714
11 16 days to 90 days	20,442	21,666	17,704	23,092	21,843	21,291	21,552	23,875
12 91 days to 1 year	30,774	30,309	30,489	29,394	30,794	31,983	30,543	31,742
13 Over 1 year to 5 years	34,297	34,349	34,349	34,349	34,349	34,981	34,297	33,928
14 Over 5 years to 10 years	13,042	13,042	13,042	13,042	13,042	13,918	13,042	13,042
15 Over 10 years	15,715	15,715	15,715	15,715	15,715	15,416	15,715	15,716
16 Federal agency obligations—Total	8,720	8,720	8,707	8,707	8,707	8,720	8,720	8,694
17 Within 15 days ¹	178	88	0	217	217	69	178	207
18 16 days to 90 days	471	533	533	449	449	615	471	446
19 91 days to 1 year	1,853	1,867	1,912	1,779	1,779	1,752	1,853	1,779
20 Over 1 year to 5 years	4,593	4,607	4,636	4,636	4,636	4,658	4,593	4,636
21 Over 5 years to 10 years	982	982	982	982	982	982	982	982
22 Over 10 years	643	643	644	644	644	644	643	644

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

1.20 BANK DEBITS AND DEPOSIT TURNOVER

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

Bank group, or type of customer	1978	1979	1980	1981				
				Jan.	Feb.	Mar.	Apr.	May
Debits to demand deposits ¹ (seasonally adjusted)								
1 All commercial banks	40,297.8	49,775.0	63,013.4	72,402.3	73,174.6	75,487.3	73,621.7	74,800.5
2 Major New York City banks	15,008.7	18,512.7	25,192.5	29,656.0	29,752.0	30,276.0	29,501.3	29,610.9
3 Other banks	25,289.1	31,262.3	37,820.9	42,746.3	43,422.5	45,211.3	44,120.4	45,189.6
Debits to savings deposits ² (not seasonally adjusted)								
4 ATS/NOW ³	17.1	83.3	158.4	529.3	526.6	668.7	815.4	693.3
5 Business ⁴	56.7	77.3	93.4	108.2	93.4	112.8	112.4	112.0
6 Others ⁵	359.7	515.2	605.3	685.7	553.1	556.8	590.1	518.3
7 All accounts	432.9	675.8	857.2	1,323.2	1,173.1	1,338.3	1,517.9	1,323.6
Demand deposit turnover ¹ (seasonally adjusted)								
8 All commercial banks	139.4	163.5	201.6	244.6	253.6	262.9	257.2	260.9
9 Major New York City banks	541.9	646.2	813.7	956.2	952.6	959.5	1,001.9	975.1
10 Other banks	96.8	113.3	134.3	161.3	168.7	176.9	171.8	176.3
Savings deposit turnover ² (not seasonally adjusted)								
11 ATS/NOW ³	7.0	7.8	9.7	15.1	12.5	14.2	15.2	13.5
12 Business ⁴	5.1	7.2	9.3	10.9	9.8	11.3	11.6	11.7
13 Others ⁵	1.7	2.7	3.4	4.1	3.4	3.5	3.6	3.3
14 All accounts	1.9	3.1	4.2	6.3	5.5	6.1	6.7	6.0

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

2. Excludes special club accounts, such as Christmas and vacation clubs.

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

4. Represents corporations and other profit-seeking organizations (excluding commercial banks but including savings and loan associations, mutual savings banks, credit unions, the Export-Import Bank, and federally sponsored lending agencies).

5. Savings accounts other than NOW; business; and, from December 1978, ATS.

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

1.21 MONEY STOCK MEASURES AND COMPONENTS

Billions of dollars, averages of daily figures

Item	1977 Dec. r	1978 Dec. r	1979 Dec. r	1980 Dec. r	1981				
					Jan. r	Feb. r	Mar. r	Apr. r	May
Seasonally adjusted									
MEASURES ¹									
1 M1-A.....	331.4	354.8	372.7	387.7	375.1	367.2	365.8	366.6	364.9
2 M1-B.....	336.4	364.2	390.5	415.6	419.2	421.2	425.8	433.7	431.5
3 M2.....	1,296.4	1,404.2	1,525.2	1,669.4	1,680.8	1,695.7	1,718.4	1,737.8	1,743.7
4 M3.....	1,462.5	1,625.7	1,775.1	1,963.5	1,988.3	2,007.9	2,025.9	2,044.3	2,059.8
5 L ²	1,722.7	1,936.5	2,151.1	2,377.4	2,408.1	2,431.2	2,442.3	n.a.	n.a.
COMPONENTS									
6 Currency.....	88.6	97.4	106.1	116.1	116.6	117.2	117.9	118.9	119.8
7 Demand deposits.....	239.7	253.9	262.8	267.4	254.4	245.8	243.5	243.1	240.7
8 Travelers checks ³	3.1	3.5	3.8	4.2	4.2	4.2	4.4	4.6	4.4
9 Savings deposits.....	486.5	475.5	416.5	393.0	376.9	370.8	368.3	367.0	361.0
10 Small-denomination time deposits ⁴	453.8	533.3	652.7	756.8	775.7	783.3	789.4	790.0	798.6
11 Large-denomination time deposits ⁵	145.1	194.0	219.7	256.8	268.0	273.9	271.0	269.5	278.6
Not seasonally adjusted									
MEASURES ¹									
12 M1-A.....	340.1	364.2	382.5	397.7	378.9	358.7	358.9	369.5	359.4
13 M1-B.....	345.1	373.6	400.6	425.9	423.5	411.5	417.8	436.7	424.4
14 M2.....	1,299.0	1,409.0	1,531.3	1,675.2	1,683.6	1,685.1	1,713.3	1,745.4	1,737.7
15 M3.....	1,467.7	1,634.6	1,785.5	1,974.0	1,993.9	1,999.8	2,023.5	2,050.8	2,052.8
16 L ²	1,726.7	1,943.6	2,158.8	2,384.0	2,411.0	2,424.3	2,443.1	n.a.	n.a.
COMPONENTS									
17 Currency.....	90.3	99.4	108.3	118.4	115.7	115.8	116.8	118.4	119.3
18 Demand deposits.....	247.0	261.5	270.8	275.4	259.2	238.9	237.9	246.8	235.9
19 Travelers checks ³	2.9	3.3	3.5	3.9	4.0	4.0	4.2	4.3	4.2
20 Other checkable deposits ⁶	5.0	9.4	18.2	28.3	44.8	53.0	59.2	67.5	65.3
21 Overnight RPs and Eurodollars ⁷	18.6	23.9	25.4	32.4	32.7	31.9	33.2	34.0	38.5
22 Money market mutual funds.....	3.8	10.3	43.6	75.8	80.7	92.4	105.6	117.1	118.1
23 Savings deposits.....	483.1	472.6	413.9	390.2	374.2	365.6	365.7	366.4	359.6
24 Small-denomination time deposits ⁴	451.3	531.7	651.4	755.2	776.9	787.7	794.8	795.2	801.1
25 Large-denomination time deposits ⁵	147.7	198.1	223.9	261.4	270.8	276.3	273.8	268.3	277.7

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

M1-A: Averages of daily figures for (1) demand deposits at all commercial banks other than those due to domestic banks, the U.S. government, and foreign banks and official institutions less cash items in the process of collection and Federal Reserve float; (2) currency outside the Treasury, Federal Reserve Banks, and the vaults of commercial banks; and (3) travelers checks of nonbank issuers.

M1-B: M1-A plus negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at banks and thrift institutions, credit union share draft accounts, and demand deposits at mutual savings banks.

M2: M1-B plus savings and small-denomination time deposits at all depository institutions, overnight repurchase agreements at commercial banks, overnight Eurodollars held by U.S. residents other than banks at Caribbean branches of member banks, and money market mutual fund shares.

M3: M2 plus large-denomination time deposits at all depository institutions and term RPs at commercial banks and savings and loan associations.

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

3. Outstanding amount of U.S. dollar-denominated travelers checks of nonbank issuers.

4. Small-denomination time deposits are those issued in amounts of less than \$100,000.

5. Large-denomination time deposits are those issued in amounts of \$100,000 or more and are net of the holdings of domestic banks, thrift institutions, the U.S. government, money market mutual funds, and foreign banks and official institutions.

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

7. Overnight (and continuing contract) RPs are those issued by commercial banks to the nonbank public, and overnight Eurodollars are those issued by Caribbean branches of member banks to U.S. nonbank customers.

NOTE. Latest monthly and weekly figures are available from the Board's H.6(508) release. Back data are available from the Banking Section, Division of Research and Statistics. The monetary aggregates and their components have been revised due to benchmark revisions made on June 26, 1981; for more information see H.6 statistical release, June 26, 1981, or "Announcements," this BULLETIN.

A14 Domestic Financial Statistics □ July 1981

1.22 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MEMBER BANK DEPOSITS¹

Billions of dollars, averages of daily figures

Item	1978 Dec.	1979 Dec.	1980 Dec.	1980			1981				
				Oct.	Nov. ²	Dec.	Jan.	Feb.	Mar.	Apr.	May
				Seasonally adjusted							
1 Total reserves ³	41.16	43.46	40.13	41.73	41.23	40.13	40.10	39.76	40.25	40.25	40.81
2 Nonborrowed reserves	40.29	41.98	38.44	40.42	39.17	38.44	38.71 ^r	38.45	39.25	38.91	38.58
3 Required reserves	40.93	43.13	39.58	41.52	40.73	39.58	39.56	39.57	39.87	40.10	40.55
4 Monetary base ⁴	142.2	153.7	159.8	160.9	160.7	159.8	160.1	160.6	161.3	162.2	163.6
5 Member bank deposits subject to reserve requirements ⁵	616.1	644.5	701.8	684.7	694.3	701.8	703.8	704.3	703.4	711.2	715.0
6 Time and savings	428.7	451.2	485.6	485.5	475.4	485.6	517.5	523.4	524.7	531.1	538.1
7 Demand	185.1	191.5	196.0	195.6	198.1	196.0	184.1	178.8	176.7 ^r	177.4	174.7
8 U.S. government	2.2	1.8	1.9	2.4	2.2	1.9	2.3	2.1	2.0	2.8	2.2
	Not seasonally adjusted										
9 Monetary base ⁴	144.6	156.2	162.5	160.6	161.5	162.5	161.0	158.9	159.6	161.7	162.7
10 Member bank deposits subject to reserve requirements ⁵	624.0	652.7	710.3	684.2	694.6	710.3	712.6	701.5	702.9	713.5	710.0
11 Time and savings	429.6	452.1	486.5	485.7	493.0	505.0	520.6	524.9	527.8	531.6	538.1
12 Private	191.9	198.6	203.2	196.4	199.6	203.3	189.9	174.5	173.0	178.9	169.8
13 U.S. government	2.5	2.0	2.1	2.1	1.9	2.1	2.1	2.0	2.1	3.0	2.1

1. Reserves of depository institutions series reflect actual reserve requirement percentages with no adjustment to eliminate the effect of changes in Regulations D and M. Before Nov. 13, 1980, the date of implementation of the Monetary Control Act, only the reserves of commercial banks that were members of the Federal Reserve System were included in the series. Since that date the series include the reserves of all depository institutions. In conjunction with the implementation of the act, required reserves of member banks were reduced about \$4.3 billion and required reserves of other depository institutions were increased about \$1.4 billion. Effective Oct. 11, 1979, an 8 percentage point marginal reserve requirement was imposed on "Managed Liabilities." This action raised required reserves about \$320 million. Effective Mar. 12, 1980, the 8 percentage point marginal reserve requirement was raised to 10 percentage points. In addition the base upon which the marginal reserve requirement was calculated was reduced. This action increased required reserves about \$1.7 million in the week ending Apr. 2, 1980. Effective May 29, 1980, the marginal reserve requirement was reduced from 10 to 5 percentage points and the base upon which the marginal reserve requirement was calculated was raised. This action reduced required reserves about \$980 million in the week ending June 18, 1980. Effective July 24, 1980, the 5 percent marginal reserve requirement on managed liabilities and the 2 percent supplementary reserve requirement against large time deposits were removed. These actions reduced required reserves about \$3.2 billion.

2. Reserve measures for November reflect increases in required reserves associated with the reduction of weekend avoidance activities of a few large banks. The reduction in these activities lead to essentially a one-time increase in the average level of required reserves that need to be held for a given level of deposits entering the money supply. In November, this increase in required reserves is estimated at \$550 million to \$600 million.

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

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

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

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

1.23 LOANS AND SECURITIES All Commercial Banks¹

Billions of dollars; averages of Wednesday figures

Category	1978 Dec.	1979 Dec.	1980 Dec.	1981		1978 Dec.	1979 Dec.	1980 Dec.	1981	
				Apr.	May				Apr.	May
	Seasonally adjusted					Not seasonally adjusted				
1 Total loans and securities²	1,013.4³	1,134.6⁴	1,237.3⁵	1,267.0	1,279.3	1,022.5³	1,145.0⁴	1,248.9⁵	1,265.6	1,276.1
2 U.S. Treasury securities	93.3	93.8	110.7	115.3	117.7	94.5	95.0	112.1	118.9	118.4
3 Other securities	173.2 ³	191.8	213.9	217.6	218.6	173.9 ³	192.6	214.8	218.0	219.0
4 Total loans and leases ²	746.9 ³	848.9 ⁴	912.7 ⁵	934.2	943.0	754.2 ³	857.4 ⁴	922.1 ⁵	928.7	938.7
5 Commercial and industrial loans	246.1 ⁶	291.1 ⁴	324.9 ⁵	333.1 ^{7r}	335.0	247.7 ⁶	293.0 ⁴	327.0 ⁵	333.7 ⁷	335.8
6 Real estate loans	210.5	241.3 ⁴	260.6 ⁵	268.3	270.4	210.9	241.8 ⁴	261.1 ⁵	267.0	269.3
7 Loans to individuals	164.7	184.9	175.2	174.5	173.9	165.6	186.0	176.2	172.3	172.5
8 Security loans	19.3	18.6	17.6	19.7	20.0	20.6	19.8	18.8	19.4	19.1
9 Loans to nonbank financial institutions	27.1 ⁸	28.8 ⁴	28.7 ⁵	28.8	29.3	27.6 ⁸	29.3 ⁴	29.2 ⁵	28.4	29.1
10 Agricultural loans	28.2	31.1	31.6	31.9	32.1	28.1	30.9	31.4	31.5	32.0
11 Lease financing receivables	7.5	9.3	10.9	12.0 ^r	12.1	7.5	9.3	10.9	12.0 ^r	12.1
12 All other loans	43.6 ³	44.0	63.4	65.8	70.2	46.2 ³	47.3	67.5	64.4	68.8
MEMO:										
13 Total loans and securities plus loans sold^{2,9}	1,017.1³	1,137.6^{4,10}	1,240.0⁵	1,269.7^r	1,282.1	1,026.2³	1,148.0^{4,10}	1,251.6⁵	1,268.3	1,278.9
14 Total loans plus loans sold ^{2,9}	750.6 ³	851.9 ^{4,10}	915.5 ⁵	936.9	945.8	757.9 ³	860.4 ^{4,10}	924.8 ⁵	931.4	941.4
15 Total loans sold to affiliates ⁹	3.7	3.0 ^{8,10}	2.7	2.7	2.8	3.7	3.0 ^{8,10}	2.7	2.7	2.8
16 Commercial and industrial loans plus loans sold ⁹	248.0 ^{6,11}	293.1 ^{4,10}	326.6 ⁵	334.9 ⁷	336.9	249.6 ^{6,11}	295.0 ^{4,10}	328.8 ⁵	335.6 ⁷	337.7
17 Commercial and industrial loans sold ⁹	1.9 ¹¹	2.0 ¹⁰	1.8	1.9	1.9	1.9 ¹¹	2.0 ¹⁰	1.8	1.9	1.9
18 Acceptances held	6.6	8.2	8.1	9.6	9.4	7.3	9.1	8.8	9.3	9.1
19 Other commercial and industrial loans	239.5	282.9	316.7	323.5	325.6	240.4	283.9	318.2	324.4	326.7
20 To U.S. addressees ¹²	226.0	264.1	295.2	297.8	300.7	225.9	264.1	295.2	298.9	302.1
21 To non-U.S. addressees	13.5	18.8	21.5	25.7	24.9	14.5	19.8	23.0	25.5	24.7
22 Loans to foreign banks	21.5	18.5	23.2	22.8	23.7	23.2	20.0	24.9	22.1	22.9

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

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

3. As of Dec. 31, 1978, total loans and securities were reduced by \$0.1 billion. "Other securities" were increased by \$1.5 billion and total loans were reduced by \$1.6 billion largely as the result of reclassifications of certain tax-exempt obligations. Most of the loan reduction was in "all other loans."

4. As of Jan. 3, 1979, as the result of reclassifications, total loans and securities and total loans were increased by \$0.6 billion. Business loans were increased by \$0.4 billion and real estate loans by \$0.5 billion. Nonbank financial loans were reduced by \$0.3 billion.

5. Absorption of a nonbank affiliate by a large commercial bank added the following to February figures: total loans and securities, \$1.0 billion; total loans and leases, \$1.0 billion; commercial and industrial loans, \$.5 billion; real estate loans, \$.1 billion; nonbank financial, \$.1 billion.

6. As of Dec. 31, 1978, commercial and industrial loans were reduced \$0.1 billion as a result of reclassifications.

7. An accounting procedure change by one bank reduced commercial and industrial loans by \$0.1 billion as of Apr. 1, 1981.

8. As of Dec. 1, 1978, nonbank financial loans were reduced \$0.1 billion as the result of reclassification.

9. 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.

10. As of Dec. 1, 1979, loans sold to affiliates were reduced \$800 million and commercial and industrial loans sold were reduced \$700 million due to corrections of two banks in New York City.

11. As of Dec. 31, 1978, commercial and industrial loans sold outright were increased \$0.7 billion as the result of reclassifications, but \$0.1 billion of this amount was offset by a balance sheet reduction of \$0.1 billion as noted above.

12. 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.

A16 Domestic Financial Statistics □ July 1981

1.24 MAJOR NONDEPOSIT FUNDS OF COMMERCIAL BANKS¹

Monthly averages, billions of dollars

Source	December outstanding			Outstanding in 1980 and 1981								
	1977	1978	1979	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
Total nondeposit funds												
1 Seasonally adjusted ²	61.5	91.2	121.1	114.0	119.9	116.9	120.5	124.7 ^r	122.3 ^r	117.5 ^r	112.0 ^r	118.5
2 Not seasonally adjusted	60.1	90.2	119.8	114.5	120.8	120.1	119.9	122.2	121.5 ^r	117.2 ^r	111.6 ^r	122.9
Federal funds, RPs, and other borrowings from non-banks ³												
3 Seasonally adjusted	58.4	80.7	90.0	102.2	105.7	105.4	109.6	113.6 ^r	110.9 ^r	110.7 ^r	109.6 ^r	106.8
4 Not seasonally adjusted	57.0	79.7	88.7	102.7	106.6	108.6	109.0	111.1	110.2 ^r	110.5 ^r	109.2 ^r	111.2
5 Net balances due to foreign-related institutions, not seasonally adjusted	-1.5	6.8	28.1	8.9	11.4	8.9	8.2	8.3	8.5	4.0	- .3	8.9
6 Loans sold to affiliates, not seasonally adjusted ^{4,5}	4.7	3.7	3.0	2.9	2.8	2.6	2.7	2.8	2.8	2.8	2.7	2.8
MEMO												
7 Domestically chartered banks net positions with own foreign branches, not seasonally adjusted ⁶	-12.5	-10.2	6.5	-14.5	-12.9	-14.2	-14.7	-16.2	-14.7	-16.9	-21.2 ^r	-13.4
8 Gross due from balances	21.1	24.9	22.8	38.2	38.3	37.3	37.5	37.5	36.4	38.9	43.3 ^r	44.3
9 Gross due to balances	8.6	14.7	29.3	23.7	25.5	23.1	22.8	21.2	21.7	22.0	22.1 ^r	30.9
10 Foreign-related institutions net positions with directly related institutions, not seasonally adjusted ⁷	10.9	17.0	21.6	23.3	24.3	23.1	22.9	24.5	23.2	20.9	20.9 ^r	22.3
11 Gross due from balances	10.7	14.3	28.9	30.3	30.8	31.0	32.5	31.4	31.7	31.7	33.5 ^r	34.7
12 Gross due to balances	21.7	31.3	50.5	53.6	55.2	54.1	55.4	55.9	54.9	52.6	54.4 ^r	57.0
Security RP borrowings												
13 Seasonally adjusted ⁸	36.0	44.8	49.2	56.2	59.7	58.8	63.4	68.7	67.0	67.1	67.0	64.4
14 Not seasonally adjusted	35.1	43.6	47.9	58.7	59.5	60.9	61.7	65.0	65.2	65.8	65.6	67.7
U.S. Treasury demand balances ⁹												
15 Seasonally adjusted	4.4	8.7	8.9	11.0 ^r	11.5 ^r	8.1 ^r	8.4 ^r	6.9 ^r	8.2 ^r	11.7 ^r	12.3 ^r	14.2
16 Not seasonally adjusted	5.1	10.3	9.7	13.8 ^r	12.6 ^r	6.7 ^r	9.0 ^r	8.0 ^r	8.1 ^r	10.3 ^r	12.1 ^r	12.4
Time deposits, \$100,000 or more ¹⁰												
17 Seasonally adjusted	162.0	213.0	227.1	244.7 ^r	247.8 ^r	254.9 ^r	265.8 ^r	277.0 ^r	282.5 ^r	281.1 ^r	284.3 ^r	294.8
18 Not seasonally adjusted	165.4	217.9	232.8	241.0 ^r	246.8 ^r	257.9 ^r	272.4 ^r	282.0 ^r	287.0 ^r	285.9 ^r	283.7 ^r	293.6

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

2. Includes seasonally adjusted federal funds, RPs, and other borrowings from nonbanks and not seasonally adjusted net Eurodollars and loans to affiliates. 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. As of Dec. 1, 1979, loans sold to affiliates were reduced \$800 million due to corrections of two New York City banks.

6. Averages of daily figures for member and nonmember banks. Before October 1980 nonmember banks were interpolated from quarterly call report data.

7. Includes averages of current and previous month-end data until August 1979; beginning September 1979 averages of daily data.

8. Based on daily average data reported by 122 large banks beginning February 1980 and 46 banks before February 1980.

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

10. Averages of Wednesday figures.

NOTE. Movement of federal funds, RPs, and other borrowings from nonbanks (lines 3 and 4) is based on fluctuations in security RP borrowings (lines 13 and 14) and borrowings from unaffiliated foreign sources (not shown) after October 1980. U.S. Treasury demand balances (lines 15 and 16) and time deposits of \$100,000 or more (lines 17 and 18) have revised beginning July 1980 to reflect benchmarking to the June, September and December 1980 call reports.

1.25 ASSETS AND LIABILITIES OF COMMERCIAL BANKING INSTITUTIONS Last-Wednesday-of-Month Series
 Billions of dollars except for number of banks

Account	1980					1981					
	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar. ¹	Apr.	May	June
DOMESTICALLY CHARTERED COMMERCIAL BANKS¹											
1 Loans and securities, excluding interbank	1,108.5	1,117.9	1,134.8	1,150.8	1,177.1	1,166.0	1,167.0	1,169.5	1,187.8	1,194.6	1,205.3
2 Loans, excluding interbank	801.9	809.1	821.6	832.8	851.4	840.2	839.0	840.6	855.4	862.4	872.2
3 Commercial and industrial	259.5	263.9	269.0	275.7	281.5	277.6	276.3	277.5	285.4	287.9	293.1
4 Other	542.4	545.2	552.6	557.1	569.9	562.6	562.7	563.1	570.1	574.5	579.1
5 U.S. Treasury securities	101.4	103.2	104.4	107.1	111.2	112.0	113.7	112.9	115.8	114.9	116.1
6 Other securities	205.2	205.6	208.9	210.9	214.6	213.8	214.3	216.0	216.6	217.3	216.9
7 Cash assets, total	148.8	156.6	155.9	175.6	194.2	159.3	165.9	167.9	181.8	180.3	169.8
8 Currency and coin	18.2	17.8	18.3	16.9	19.9	18.7	18.6	17.8	18.8	19.5	19.1
9 Reserves with Federal Reserve Banks	29.0	31.1	31.7	30.4	28.2	25.2	30.4	31.8	38.3	25.2	25.4
10 Balances with depository institutions	45.9	46.8	47.2	56.1	63.0	54.9	54.6	55.1	57.3	62.0	60.7
11 Cash items in process of collection	55.8	60.9	58.8	72.2	83.0	60.5	62.3	63.3	67.4	73.6	64.6
12 Other assets ²	150.3	154.4	151.3	151.3	165.6	155.8	160.1	163.4	167.7	158.8	168.6
13 Total assets/total liabilities and capital	1,407.7	1,428.9	1,442.1	1,477.7	1,537.0	1,481.0	1,493.0	1,500.9	1,537.3	1,533.7	1,543.7
14 Deposits	1,062.8	1,077.2	1,092.9	1,126.2	1,187.4	1,128.7	1,132.0	1,136.5	1,151.7	1,170.3	1,165.9
15 Demand	363.4	369.7	375.7	393.0	432.2	351.1	345.5	345.3	356.8	360.7	350.9
16 Savings	208.5	209.1	210.9	209.5	201.3	211.9	214.3	220.5	222.7	220.9	220.7
17 Time	490.9	498.5	506.2	523.7	553.8	565.7	572.3	570.7	572.2	588.7	594.3
18 Borrowings	158.5	163.7	161.7	157.3	156.4	156.4	163.2	163.8	179.5	155.7	169.3
19 Other liabilities	75.4	75.6	74.7	78.1	79.0	76.7	80.3	80.6	81.8	82.3	81.8
20 Residual (assets less liabilities)	111.0	112.3	112.7	116.1	114.2	119.3	117.5	120.0	124.3	125.4	126.7
MEMO:											
21 U.S. Treasury note balances included in borrowing	8.7	15.7	11.5	4.4	9.5	9.5	8.5	10.2	16.9	5.5	17.4
22 Number of banks	14,666	14,678	14,760	14,692	14,693	14,689	14,696	14,701	14,713	14,719	14,719
ALL COMMERCIAL BANKING INSTITUTIONS³											
23 Loans and securities, excluding interbank		1,194.3			1,262.4			1,253.8			
24 Loans, excluding interbank		881.5			932.5			920.9			
25 Commercial and industrial		308.1			330.6			329.3			
26 Other		573.4			601.9			591.6			
27 U.S. Treasury securities		105.6			113.6			115.2			
28 Other securities		207.2			216.3			217.7			
29 Cash assets, total		178.2			218.6			193.6			
30 Currency and coin		17.8			20.0			17.8			
31 Reserves with Federal Reserve Banks		31.6			29.0			32.7			
32 Balances with depository institutions		66.4			85.0			77.9			
33 Cash items in process of collection		62.4			84.7			65.3			
34 Other assets ²		204.3			222.7			225.5			
35 Total assets/total liabilities and capital		1,576.8			1,703.7			1,673.0			
36 Deposits		1,122.1			1,239.9			1,190.6			
37 Demand		388.8			453.6			367.4			
38 Savings		209.5			201.6			220.7			
39 Time		523.9			584.7			602.5			
40 Borrowings		211.0			210.4			223.3			
41 Other liabilities		129.7			135.5			137.2			
42 Residual (assets less liabilities)		113.9			117.9			121.9			
MEMO:											
43 U.S. Treasury note balances included in borrowing		15.7			9.5			10.2			
44 Number of banks		15,084			15,120			15,147			

n.a.

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.

A18 Domestic Financial Statistics □ July 1981

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

Millions of dollars, Wednesday figures

Account	1981									
	Apr. 29	May 6	May 13	May 20	May 27 [†]	June 30 [†]	June 10 [†]	June 17 [†]	June 24 [†]	
1 Cash items in process of collection	55,348	56,242	54,134	53,492	59,894	57,965	56,568	66,599	53,159	
2 Demand deposits due from banks in the United States	19,504	19,536	19,680	19,684	19,536	21,964	19,478	19,027	21,507	
3 All other cash and due from depository institutions	42,633	33,910	30,714	35,571	29,911	36,154	30,776	37,279	31,538	
4 Total loans and securities	558,677	564,716	561,613	559,536	563,300	571,413	572,730	573,191	571,939	
<i>Securities</i>										
5 U.S. Treasury securities	39,720	40,190	39,655	39,560	39,632	42,128	43,334	43,138	40,945	
6 Trading account	5,440	5,590	4,985	5,108	5,306	7,685	8,879	8,836	7,071	
7 Investment account, by maturity	34,280	34,600	34,671	34,452	34,326	34,444	34,455	34,303	33,874	
8 One year or less	9,997	10,439	10,359	10,150	10,126	10,627	10,788	10,758	10,506	
9 Over one through five years	20,447	20,367	20,531	20,484	20,393	19,994	19,840	19,708	19,596	
10 Over five years	3,836	3,794	3,781	3,817	3,807	3,823	3,827	3,836	3,772	
11 Other securities	77,596	78,317	76,813	76,761	76,857	78,914	78,092	77,593	77,000	
12 Trading account	2,671	3,663	2,117	2,079	2,078	3,711	2,945	2,723	2,353	
13 Investment account	74,925	74,654	74,696	74,682	74,779	75,202	75,148	74,870	74,648	
14 U.S. government agencies	16,395	16,364	16,411	16,410	16,449	16,556	16,406	16,364	16,256	
15 States and political subdivision, by maturity	55,680	55,537	55,527	55,495	55,555	55,882	55,970	55,745	55,672	
16 One year or less	7,269	7,344	7,288	7,277	7,338	7,733	7,767	7,502	7,398	
17 Over one year	48,412	48,194	48,239	48,218	48,217	48,149	48,203	48,242	48,274	
18 Other bonds, corporate stocks and securities	2,849	2,753	2,757	2,777	2,776	2,764	2,771	2,761	2,720	
<i>Loans</i>										
19 Federal funds sold ¹	26,696	27,266	28,826	26,717	29,213	28,491	32,141	27,334	29,959	
20 To commercial banks	17,853	18,312	18,830	18,754	19,975	19,753	22,469	19,136	20,965	
21 To nonbank brokers and dealers in securities	6,605	6,799	6,634	5,961	6,399	6,714	6,427	6,266	6,432	
22 To others	2,238	2,155	3,361	2,002	2,840	3,245	3,245	1,932	2,563	
23 Other loans, gross	426,478	430,788	428,174	428,386	429,509	433,858	431,209	437,230	436,122	
24 Commercial and industrial	174,456	176,899	175,545	174,878	176,464	176,639	176,005	178,296	178,750	
25 Bankers acceptances and commercial paper	4,414	4,576	3,803	3,758	4,256	4,209	4,217	4,585	4,878	
26 All other	170,042	172,322	171,743	171,119	171,208	172,430	171,788	173,711	173,873	
27 U.S. addresses	162,838	165,018	164,289	163,817	163,862	165,033	164,226	166,140	166,320	
28 Non-U.S. addresses	7,203	7,304	7,454	7,302	7,345	7,397	7,562	7,570	7,553	
29 Real estate	115,342	115,453	116,033	116,227	116,365	116,635	116,918	117,237	117,519	
30 To individuals for personal expenditures	70,598	70,458	70,486	70,532	70,634	70,708	70,720	70,875	71,026	
To financial institutions										
31 Commercial banks in the United States	4,917	4,828	4,868	4,430	4,773	5,274	4,870	5,321	5,363	
32 Banks in foreign countries	8,055	8,450	8,344	9,045	9,038	8,783	8,746	8,741	8,386	
33 Sales finance, personal finance companies, etc.	10,084	10,178	9,904	9,924	9,773	9,841	9,822	9,812	9,812	
34 Other financial institutions	15,225	15,631	15,661	15,810	15,543	15,966	15,907	16,114	15,948	
35 To nonbank brokers and dealers in securities	6,344	6,401	5,872	5,610	5,630	7,796	6,105	7,866	6,906	
36 To others for purchasing and carrying securities ²	2,357	2,509	2,567	2,591	2,572	2,592	2,616	2,539	2,509	
37 To finance agricultural	5,590	5,656	5,712	5,763	5,782	5,823	5,821	5,844	5,902	
38 All other	13,509	14,325	13,181	13,577	13,934	13,799	13,604	14,575	13,998	
39 Less: Unearned income	5,840	5,803	5,805	5,810	5,834	5,838	5,880	5,914	5,921	
40 Loan loss reserve	5,973	6,042	6,051	6,078	6,076	6,139	6,166	6,192	6,166	
41 Other loans, net	414,664	418,943	416,318	416,498	417,598	421,880	419,162	425,125	424,035	
42 Lease financing receivables	10,142	10,124	10,173	10,201	10,218	10,242	10,259	10,269	10,272	
43 All other assets	91,751	90,099	89,140	86,871	84,580	87,779	90,940	91,260	90,285	
44 Total assets	778,056	774,628	765,455	765,357	767,440	785,518	780,752	797,625	778,700	
<i>Deposits</i>										
45 Demand deposits	188,649	190,281	185,036	182,768	191,452	195,134	192,070	200,130	188,279	
46 Mutual savings banks	599	674	579	576	589	689	495	521	517	
47 Individuals, partnerships, and corporations	128,823	129,194	127,775	125,053	130,954	130,752	131,013	133,582	125,959	
48 States and political subdivisions	4,456	4,993	4,002	4,335	4,498	4,262	4,306	4,734	4,427	
49 U.S. government	2,880	1,829	1,183	3,099	1,104	3,312	1,913	2,098	3,193	
50 Commercial banks in the United States	32,839	35,125	35,242	32,792	35,972	36,735	35,232	34,059	36,122	
51 Banks in foreign countries	8,400	7,847	7,616	8,159	9,195	8,674	8,488	9,408	9,126	
52 Foreign governments and official institutions	1,987	1,992	1,469	1,271	1,558	1,725	1,990	1,623	1,492	
53 Certified and officers' checks	8,664	8,625	7,169	7,483	7,580	8,985	8,633	14,105	7,441	
54 Time and savings deposits	322,988	326,510	328,552	330,722	331,715	334,602	333,130	331,623	334,260	
55 Savings	77,894	78,439	77,679	77,344	77,064	77,797	77,822	77,719	76,796	
56 Individuals and nonprofit organizations	73,904	74,480	73,691	73,415	73,133	73,903	73,953	73,920	72,919	
57 Partnerships and corporations operated for profit	3,376	3,341	3,311	3,265	3,300	3,244	3,273	3,180	3,194	
58 Domestic governmental units	597	596	655	640	610	633	579	599	662	
59 All other	17	21	22	24	21	16	18	21	22	
60 Time	245,094	248,070	250,873	253,378	254,650	256,805	255,308	253,904	257,463	
61 Individuals, partnerships, and corporations	211,052	213,863	216,054	218,236	219,492	221,968	220,914	220,197	223,663	
62 States and political subdivisions	19,924	19,910	20,218	20,309	20,176	19,852	19,626	19,250	19,268	
63 U.S. government	228	233	257	253	255	258	240	264	271	
64 Commercial banks in the United States	7,833	7,884	8,147	8,351	8,421	8,394	8,272	7,934	8,020	
65 Foreign governments, official institutions, and banks	6,057	6,180	6,196	6,228	6,307	6,333	6,256	6,258	6,241	
<i>Liabilities for borrowed money</i>										
66 Borrowings from Federal Reserve Banks	7,478	965	2,530	2,352	369	4,843	2,669	5,447	616	
67 Treasury tax-and-loan notes	12,536	10,008	8,743	4,009	3,568	2,023	5,306	11,360	12,578	
68 All other liabilities for borrowed money ³	128,539	129,508	122,596	124,728	121,896	128,969	132,092	130,599	124,707	
69 Other liabilities and subordinated notes and debentures	66,742	65,697	66,287	69,300	66,858	67,971	66,201	66,872	66,369	
70 Total liabilities	726,932	722,969	713,744	713,879	715,856	733,542	728,699	746,031	726,809	
71 Residual (total assets minus total liabilities) ⁴	51,123	51,659	51,711	51,478	51,584	51,976	52,054	51,594	51,891	

1. Includes securities purchased under agreements to resell.

2. Other than financial institutions and brokers and dealers.

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

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

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

Millions of dollars, Wednesday figures

Account	1981								
	Apr. 29	May 6	May 13	May 20	May 27 ^P	June 3 ^P	June 10 ^P	June 17 ^P	June 24 ^P
1 Cash items in process of collection.....	52,165	53,367	51,272	50,781	56,561	54,958	53,977	63,404	50,128
2 Demand deposits due from banks in the United States.....	18,855	18,814	19,097	18,825	18,751	21,319	18,943	18,424	20,739
3 All other cash and due from depository institutions.....	39,977	31,948	28,620	33,206	27,646	34,016	28,755	34,846	29,378
4 Total loans and securities.....	521,738	526,972	524,618	522,624	526,474	533,782	534,896	535,397	534,105
<i>Securities</i>									
5 U.S. Treasury securities.....	36,264	36,752	36,214	36,146	36,231	38,733	39,925	39,707	37,526
6 Trading account.....	5,370	5,525	4,917	5,046	5,244	7,613	8,801	8,750	6,993
7 Investment account, by maturity.....	30,894	31,227	31,296	31,100	30,987	31,120	31,124	30,958	30,533
8 One year or less.....	9,183	9,603	9,545	9,354	9,330	9,790	9,925	9,884	9,632
9 Over one through five years.....	18,250	18,199	18,346	18,315	18,233	17,881	17,742	17,607	17,498
10 Over five years.....	3,461	3,425	3,406	3,431	3,424	3,449	3,457	3,467	3,403
11 Other securities.....	71,333	72,073	70,602	70,529	70,635	72,593	71,818	71,358	70,740
12 Trading account.....	2,583	3,571	2,061	2,005	2,017	3,632	2,886	2,659	2,284
13 Investment account.....	68,750	68,502	68,542	68,524	68,618	68,961	68,932	68,699	68,456
14 U.S. government agencies.....	15,199	15,177	15,225	15,234	15,272	15,372	15,222	15,190	15,082
15 States and political subdivision, by maturity.....	50,873	50,743	50,731	50,690	50,747	51,001	51,115	50,925	50,831
16 One year or less.....	6,567	6,650	6,596	6,587	6,652	6,992	6,992	6,772	6,661
17 Over one year.....	44,306	44,093	44,135	44,103	44,095	44,031	44,123	44,153	44,170
18 Other bonds, corporate stocks and securities.....	2,678	2,582	2,586	2,600	2,599	2,588	2,594	2,584	2,543
<i>Loans</i>									
19 Federal funds sold ¹	24,144	23,960	26,187	24,238	26,767	25,378	28,695	24,045	26,625
20 To commercial banks.....	15,779	15,652	16,787	16,826	18,037	17,124	19,543	16,328	18,182
21 To nonbank brokers and dealers in securities.....	6,145	6,181	6,058	5,438	5,918	6,252	5,928	5,797	5,900
22 To others.....	2,220	2,127	3,342	1,974	2,812	2,002	3,224	1,919	2,542
23 Other loans, gross.....	400,830	405,051	402,484	402,610	403,765	408,068	405,513	411,393	410,302
24 Commercial and industrial.....	165,587	168,009	166,643	165,944	166,573	167,730	167,730	169,429	169,922
25 Bankers acceptances and commercial paper.....	4,231	4,398	3,631	3,587	4,087	4,028	4,040	4,404	4,701
26 All other.....	161,356	163,611	163,012	162,358	162,486	163,702	163,080	165,025	165,221
27 U.S. addressees.....	154,220	156,374	155,627	155,125	155,210	156,373	155,587	157,524	157,739
28 Non-U.S. addressees.....	7,136	7,237	7,385	7,233	7,276	7,329	7,494	7,500	7,482
29 Real estate.....	108,810	108,940	109,485	109,670	109,823	110,103	110,382	110,669	110,944
30 To individuals for personal expenditures.....	62,115	61,973	62,011	62,039	62,136	62,196	62,198	62,343	62,462
To financial institutions.....									
31 Commercial banks in the United States.....	4,817	4,724	4,763	4,325	4,673	5,165	4,764	5,173	5,216
32 Banks in foreign countries.....	8,004	8,378	8,286	8,976	8,968	8,700	8,662	8,671	8,316
33 Sales finance, personal finance companies, etc.....	9,941	10,034	9,755	9,772	9,621	9,692	9,746	9,684	9,684
34 Other financial institutions.....	14,868	15,263	15,294	15,435	15,170	15,608	15,542	15,734	15,562
35 To nonbank brokers and dealers in securities.....	6,242	6,313	5,789	5,526	5,544	7,710	6,017	7,774	6,817
36 To others for purchasing and carrying securities ²	2,152	2,302	2,365	2,392	2,376	2,393	2,418	2,336	2,306
37 To finance agricultural production.....	5,450	5,513	5,568	5,619	5,634	5,679	5,679	5,697	5,755
38 All other.....	12,844	13,603	12,525	12,910	13,246	13,092	12,985	13,883	13,318
39 Less: Unearned income.....	5,210	5,172	5,168	5,172	5,200	5,207	5,246	5,274	5,277
40 Loan loss reserve.....	5,624	5,692	5,700	5,728	5,724	5,783	5,809	5,833	5,811
41 Other loans, net.....	389,997	394,187	391,615	391,709	392,840	397,078	394,458	400,286	399,213
42 Lease financing receivables.....	9,852	9,834	9,884	9,911	9,927	9,949	9,965	9,974	9,978
43 All other assets.....	88,923	87,349	86,412	84,250	81,803	85,101	88,293	88,641	87,465
44 Total assets.....	731,510	728,285	719,903	719,597	721,161	739,125	734,829	750,687	731,794
<i>Deposits</i>									
45 Demand deposits.....	176,588	178,450	173,637	171,168	179,422	183,224	180,717	188,270	176,405
46 Mutual savings banks.....	577	642	552	550	561	651	474	500	498
47 Individuals, partnerships, and corporations.....	119,683	119,959	118,688	115,921	121,577	121,589	122,054	124,459	116,981
48 States and political subdivisions.....	3,901	4,400	3,532	3,784	3,968	3,732	3,830	4,075	3,865
49 U.S. government.....	2,220	1,628	1,082	2,839	977	3,057	1,699	1,767	2,652
50 Commercial banks in the United States.....	31,553	33,729	33,906	31,502	34,349	35,223	33,934	32,735	34,706
51 Banks in foreign countries.....	8,324	7,769	7,537	8,067	9,119	8,578	8,386	9,319	9,053
52 Foreign governments and official institutions.....	1,983	1,989	1,458	1,270	1,556	1,724	1,988	1,615	1,485
53 Certified and officers' checks.....	8,348	8,333	6,881	7,235	7,314	8,669	8,351	13,800	7,165
54 Time and savings deposits.....	301,827	305,156	307,131	309,131	310,056	312,687	311,242	309,698	312,275
55 Savings.....	71,903	72,407	71,717	71,420	71,167	71,810	71,864	71,778	70,880
56 Individuals and nonprofit organizations.....	68,238	68,768	68,042	67,799	67,542	68,233	68,301	68,270	67,348
57 Partnerships and corporations operated for profit.....	3,108	3,082	3,052	3,010	3,040	2,989	3,017	2,927	2,943
58 Domestic governmental units.....	540	536	601	587	564	571	528	560	568
59 All other.....	17	21	22	24	21	16	18	21	22
60 Time.....	229,924	232,749	235,414	237,711	238,889	240,877	239,379	237,920	241,395
61 Individuals, partnerships, and corporations.....	197,999	200,653	202,700	204,726	205,895	208,190	207,121	206,279	209,671
62 States and political subdivisions.....	18,154	18,139	18,463	18,510	18,376	18,084	17,882	17,572	17,578
63 U.S. government.....	207	212	237	235	236	241	224	250	258
64 Commercial banks in the United States.....	7,506	7,565	7,817	8,011	8,075	8,030	7,895	7,562	7,647
65 Foreign governments, official institutions, and banks.....	6,057	6,180	6,196	6,228	6,307	6,333	6,256	6,258	6,241
<i>Liabilities for borrowed money</i>									
66 Borrowings from Federal Reserve Banks.....	7,176	951	2,411	2,054	302	4,731	2,546	5,314	578
67 Treasury tax-and-loan notes.....	11,662	9,318	8,136	3,698	3,327	1,856	2,365	10,510	11,560
68 All other liabilities for borrowed money ³	121,231	121,887	115,424	117,617	114,597	121,597	124,642	123,233	117,686
69 Other liabilities and subordinated notes and debentures.....	65,309	64,248	64,855	67,819	65,262	66,446	64,689	65,484	64,811
70 Total liabilities.....	683,792	680,011	671,594	671,487	672,966	690,541	686,201	702,509	683,315
71 Residual (total assets minus total liabilities) ⁴	47,717	48,274	48,309	48,110	48,195	48,584	48,628	48,178	48,479

1. Includes securities purchased under agreements to resell.

2. Other than financial institutions and brokers and dealers.

3. Includes federal funds purchased and securities sold under agreement to repurchase; for information on these liabilities at banks with assets of \$1 billion or 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.

A20 Domestic Financial Statistics □ July 1981

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

Millions of dollars, Wednesday figures

Account	1981									
	Apr. 29	May 6	May 13	May 20	May 27 ^P	June 3 ^P	June 10 ^P	June 17 ^P	June 24 ^P	
1 Cash items in process of collection	21,805	22,135	19,698	19,706	20,653	21,808	24,382	30,078	20,189	
2 Demand deposits due from banks in the United States	13,486	13,249	14,545	13,859	12,866	15,950	13,698	13,129	15,709	
3 All other cash and due from depository institutions	9,721	10,070	7,139	8,348	5,275	9,853	8,514	10,211	5,394	
4 Total loans and securities¹	126,725	127,833	128,544	127,664	128,801	130,759	129,003	130,349	129,182	
<i>Securities</i>										
5 U.S. Treasury securities ²										
6 Trading account ²										
7 Investment account, by maturity	8,735	9,082	9,172	9,152	9,074	9,239	9,164	9,062	8,873	
8 One year or less	2,079	2,379	2,352	2,320	2,313	2,371	2,371	2,368	2,294	
9 Over one through five years	5,831	5,928	6,045	6,045	6,000	6,077	5,979	5,884	5,785	
10 Over five years	824	775	775	787	761	791	814	810	793	
11 Other securities ²										
12 Trading account ²										
13 Investment account	14,031	14,084	14,116	14,125	14,162	14,575	14,718	14,605	14,456	
14 U.S. government agencies	2,637	2,648	2,648	2,628	2,621	2,663	2,642	2,642	2,588	
15 States and political subdivision, by maturity	10,756	10,814	10,844	10,849	10,884	11,260	11,424	11,314	11,260	
16 One year or less	1,484	1,524	1,558	1,575	1,604	1,948	2,007	1,878	1,842	
17 Over one year	9,272	9,290	9,286	9,274	9,279	9,312	9,416	9,436	9,418	
18 Other bonds, corporate stocks and securities	638	622	623	648	658	652	651	649	608	
<i>Loans</i>										
19 Federal funds sold ³	8,034	7,069	8,994	8,251	9,017	7,400	8,110	6,372	7,549	
20 To commercial banks	3,751	2,812	4,302	4,673	4,502	2,737	3,903	2,464	3,427	
21 To nonbank brokers and dealers in securities	3,323	3,365	3,294	2,721	3,448	3,720	2,998	2,954	2,953	
22 To others	960	891	1,398	857	1,067	943	1,210	954	1,169	
23 Other loans, gross	99,043	100,709	99,374	99,269	99,690	102,726	100,231	103,567	101,558	
24 Commercial and industrial	51,431	52,120	51,385	50,956	51,347	52,150	51,696	52,622	51,994	
25 Bankers acceptances and commercial paper	1,248	1,198	870	936	1,060	1,259	1,354	1,562	1,578	
26 All other	50,183	50,922	50,515	50,019	50,288	50,890	50,342	51,059	50,415	
27 U.S. addressees	47,661	48,385	48,028	47,472	47,714	48,322	47,663	48,405	47,859	
28 Non-U.S. addressees	2,522	2,537	2,486	2,547	2,574	2,568	2,679	2,654	2,556	
29 Real estate	15,549	15,596	15,770	15,806	15,866	15,875	15,856	15,951	16,020	
30 To individuals for personal expenditures	9,700	9,724	9,767	9,805	9,829	9,890	9,914	9,950	9,974	
31 To financial institutions										
Commercial banks in the United States	1,373	1,334	1,250	888	1,172	1,618	1,025	1,364	1,428	
Banks in foreign countries	3,804	4,090	4,024	4,696	4,656	4,501	4,419	4,417	4,040	
32 Sales finance, personal finance companies, etc.	4,174	4,300	3,935	4,083	3,983	4,036	3,982	4,036	4,088	
33 Other financial institutions	4,203	4,388	4,537	4,488	4,543	4,651	4,724	4,716	4,606	
34 To nonbank brokers and dealers in securities	3,780	3,811	3,645	3,375	3,226	5,136	3,715	5,170	4,294	
35 To others for purchasing and carrying securities ⁴	486	622	635	620	618	628	647	614	584	
36 To finance agricultural production	434	431	434	454	449	440	428	417	407	
37 All other	4,109	4,291	3,992	4,097	4,000	3,800	3,826	4,308	4,122	
38 LESS: Unearned income	1,238	1,218	1,212	1,223	1,238	1,249	1,267	1,289	1,303	
39 Loan loss reserve	1,880	1,894	1,900	1,909	1,904	1,932	1,953	1,969	1,950	
40 Other loans, net	95,926	97,597	96,263	96,137	96,548	99,545	97,011	100,309	98,305	
41 Lease financing receivables	2,255	2,252	2,246	2,247	2,248	2,240	2,241	2,241	2,241	
42 All other assets ⁵	36,531	35,708	33,796	33,501	32,158	36,951	40,611	39,387	37,270	
44 Total assets	210,523	211,247	205,968	205,326	202,001	217,563	218,450	225,396	209,986	
<i>Deposits</i>										
45 Demand deposits	64,827	66,281	63,612	62,396	64,631	69,242	70,236	75,627	67,360	
46 Mutual savings banks	295	343	304	305	291	306	246	241	266	
47 Individuals, partnerships, and corporations	31,422	32,369	30,043	30,100	32,276	32,690	34,225	35,546	31,038	
48 States and political subdivisions	368	494	351	426	356	417	511	467	476	
49 U.S. government	605	352	452	731	193	865	395	697	766	
50 Commercial banks in the United States	19,540	20,356	22,277	20,067	19,328	22,094	22,232	20,196	22,870	
51 Banks in foreign countries	6,587	6,157	5,844	6,303	7,259	6,748	6,580	7,381	7,357	
52 Foreign governments and official institutions	1,626	1,698	1,229	984	1,299	1,450	1,704	1,342	1,176	
53 Certified and officers' checks	4,383	4,332	3,111	3,479	3,629	4,642	4,344	9,756	3,410	
54 Time and savings deposits	57,480	58,197	58,608	58,353	57,826	58,767	58,452	58,022	59,073	
55 Savings	9,427	9,454	9,470	9,385	9,399	9,328	9,334	9,394	9,262	
56 Individuals and nonprofit organizations	9,044	9,062	9,022	8,967	8,966	8,929	8,946	9,005	8,871	
57 Partnerships and corporations operated for profit	272	271	272	272	280	271	271	264	261	
58 Domestic governmental units	107	118	173	141	149	125	115	120	124	
59 All other	2	3	3	5	3	2	5	5	6	
60 Time	48,053	48,743	49,139	48,968	48,428	49,439	49,117	48,628	49,811	
61 Individuals, partnerships, and corporations	40,791	41,396	41,776	41,692	41,170	42,060	41,757	41,451	42,484	
62 States and political subdivisions	1,797	1,806	1,829	1,784	1,706	1,811	1,826	1,722	1,708	
63 U.S. government	38	52	51	46	46	35	60	65	65	
64 Commercial banks in the United States	2,568	2,533	2,566	2,524	2,527	2,513	2,546	2,479	2,679	
65 Foreign governments, official institutions, and banks	2,859	2,955	2,917	2,922	2,978	3,008	2,952	2,916	2,875	
<i>Liabilities for borrowed money</i>										
66 Borrowings from Federal Reserve Banks	3,162	430	894			3,085	1,070	3,085		
67 Treasury tax-and-loan notes	3,019	2,405	2,225	940	1,042	389	741	3,031	2,964	
68 All other liabilities for borrowed money ⁶	40,005	41,455	38,158	40,256	37,114	43,716	46,910	44,314	39,588	
69 Other liabilities and subordinated notes and debentures	26,299	26,398	26,367	27,355	25,375	26,077	24,777	25,232	24,982	
70 Total liabilities	194,793	195,166	189,864	189,301	185,988	201,275	202,186	209,312	193,967	
71 Residual (total assets minus total liabilities) ⁷	15,730	16,081	16,104	16,025	16,013	16,288	16,264	16,084	16,019	

1. Excludes trading account securities.

2. Not available due to confidentiality.

3. Includes securities purchased under agreements to resell.

4. Other than financial institutions and brokers and dealers.

5. Includes trading account securities.

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

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

1.29 LARGE WEEKLY REPORTING COMMERCIAL BANKS Balance Sheet Memoranda
Millions of dollars, Wednesday figures

Account	1981								
	Apr. 29	May 6	May 13	May 20	may 27 ^P	June 3 ^P	June 10 ^P	June 17 ^P	June 24 ^P
BANKS WITH ASSETS OF \$750 MILLION OR MORE									
1 Total loans (gross) and securities adjusted ¹	547,720	553,421	549,770	548,241	550,463	558,363	557,437	560,839	557,699
2 Total loans (gross) adjusted ¹	430,405	434,914	433,302	431,920	433,974	437,321	436,011	440,108	439,753
3 Demand deposits adjusted ²	97,582	97,085	94,476	93,385	94,480	97,121	98,357	97,373	95,804
4 Time deposits in accounts of \$100,000 or more	158,915	161,485	164,026	165,734	166,792	168,079	166,411	164,915	169,072
5 Negotiable CDs	114,194	116,126	118,038	119,009	120,051	120,636	118,938	117,544	121,226
6 Other time deposits	44,722	45,358	45,988	46,725	46,741	47,443	47,473	47,371	47,846
7 Loans sold outright to affiliates ³	2,748	2,705	2,754	2,778	2,773	2,880	2,902	2,837	2,799
8 Commercial and industrial	1,880	1,869	1,917	1,946	1,942	2,027	2,071	1,995	1,960
9 Other	868	836	838	831	831	853	831	843	838
BANKS WITH ASSETS OF \$1 BILLION OR MORE									
10 Total loans (gross) and securities adjusted ¹	511,975	517,461	513,937	512,372	514,688	522,483	521,644	525,003	521,795
11 Total loans (gross) adjusted ¹	404,379	408,636	407,121	405,696	407,822	411,157	409,902	413,937	413,528
12 Demand deposits adjusted ²	90,650	89,726	87,377	86,046	87,534	89,985	91,107	90,364	88,919
13 Time deposits in accounts of \$100,000 or more	150,589	153,049	155,464	157,014	157,988	159,193	157,529	155,998	160,042
14 Negotiable CDs	108,490	110,339	112,167	113,024	113,990	114,537	112,878	111,448	115,067
15 Other time deposits	42,099	42,709	43,297	43,990	43,997	44,656	44,651	44,550	44,975
16 Loans sold outright to affiliates ³	2,692	2,654	2,697	2,726	2,718	2,824	2,841	2,775	2,732
17 Commercial and industrial	1,842	1,828	1,868	1,904	1,896	1,980	2,018	1,943	1,906
18 Other	850	826	829	822	822	844	822	832	826
BANKS IN NEW YORK CITY									
19 Total loans (gross) and securities adjusted ^{1,4}	124,718	126,798	126,104	125,236	126,269	129,584	127,295	129,778	127,580
20 Total loans (gross) adjusted ¹	101,953	103,631	102,816	101,959	103,032	105,771	103,413	106,111	104,252
21 Demand deposits adjusted ²	22,877	23,258	21,184	21,892	24,457	24,474	23,227	24,655	23,535
22 Time deposits in accounts of \$100,000 or more	37,775	38,383	38,667	38,302	37,728	38,572	38,226	37,694	39,021
23 Negotiable CDs	28,308	28,666	28,908	28,507	28,020	28,363	27,991	27,553	28,831
24 Other time deposits	9,467	9,717	9,759	9,795	9,708	10,209	10,235	10,141	10,191

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.

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

Industry classification	Outstanding					Net change during				
	1981					1981		1981		
	Feb. 25	Mar. 25	Apr. 29	May 27	June 24 ^p	Q1	Q2 ^p	Apr.	May	June ^p
1 Durable goods manufacturing.....	24,650	24,654	24,570	24,623	25,274	-217	620	-84	52	651
2 Nondurable goods manufacturing.....	19,051	19,401	19,845	20,266	20,618	-1,229	1,217	444	421	352
3 Food, liquor, and tobacco.....	4,544	4,580	4,409	4,577	4,404	-834	-176	-171	168	-173
4 Textiles, apparel, and leather.....	4,365	4,351	4,469	4,603	4,920	200	569	118	134	317
5 Petroleum refining.....	3,005	2,982	3,298	3,457	3,412	-724	430	316	159	-45
6 Chemicals and rubber.....	3,690	3,838	4,036	3,957	4,055	-100	217	198	-79	98
7 Other nondurable goods.....	3,446	3,650	3,633	3,672	3,826	230	176	-18	40	154
8 Mining (including crude petroleum and natural gas).....	15,974	15,750	16,752	17,182	18,194	-695	2,444	1,002	430	1,012
9 Trade.....	25,316	25,617	26,778	26,306	26,107	-729	490	1,160	-472	-199
10 Commodity dealers.....	1,874	1,950	2,337	1,865	1,499	-613	-451	387	-472	-366
11 Other wholesale.....	11,735	11,875	12,244	12,023	12,087	-467	212	369	-221	65
12 Retail.....	11,707	11,792	12,196	12,418	12,520	352	728	404	222	102
13 Transportation, communication, and other public utilities.....	20,428	19,973	20,338	20,403	20,824	-1,518	851	365	65	421
14 Transportation.....	8,235	8,107	8,156	8,343	8,196	-377	89	49	187	-147
15 Communication.....	3,110	3,160	3,275	3,462	3,542	-174	381	115	186	79
16 Other public utilities.....	9,082	8,705	8,906	8,597	9,086	-967	381	201	-308	489
17 Construction.....	6,126	6,225	6,446	6,988	6,984	218	758	221	542	-4
18 Services.....	23,719	23,611	24,074	24,422	24,546	555	934	463	347	124
19 All other ²	15,046	15,181	15,416	15,020	15,192	-878	11	234	-396	173
20 Total domestic loans.....	150,310	150,413	154,220	155,210	157,739	-4,492	7,326	3,807	990	2,529
21 MEMO: Term loans (original maturity more than 1 year) included in domestic loans.....	80,147	79,298	80,333	82,441	83,481	-2,492	4,183	1,036	2,108	1,040

1. Adjustment bank amounts represent accumulated adjustments originally made to offset the cumulative effects of mergers. These adjustment amounts should be added to outstanding data for any date in the year to establish comparability with any date in the subsequent year. Changes shown have been adjusted for these amounts.

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

NOTE. New series. The 134 large weekly reporting commercial banks with domestic assets of \$1 billion or more as of December 31, 1977, are included in this series. The revised 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.

NOTES TO TABLE 1.31

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

2. Beginning with the March 1979 survey, the demand deposit ownership survey 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 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. 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.

1.31 GROSS DEMAND DEPOSITS of Individuals, Partnerships, and Corporations¹

Billions of dollars, estimated daily-average balances

Type of holder	Commercial banks									
	1975 Dec.	1976 Dec.	1977 Dec.	1978 Dec.	1979 ²	1980				1981
					Dec.	Mar.	June	Sept.	Dec.	Mar. ³
1 All holders—Individuals, partnerships, and corporations	236.9	250.1	274.4	294.6	302.2	288.4	288.6	302.0	315.5	280.8
2 Financial business	20.1	22.3	25.0	27.8	27.1	28.4	27.7	29.6	29.8	30.8
3 Nonfinancial business	125.1	130.2	142.9	152.7	157.7	144.9	145.3	151.9	162.3	144.3
4 Consumer	78.0	82.6	91.0	97.4	99.2	97.6	97.9	101.8	102.4	86.7
5 Foreign	2.4	2.7	2.5	2.7	3.1	3.1	3.3	3.2	3.3	3.4
6 Other	11.3	12.4	12.9	14.1	15.1	14.4	14.4	15.5	17.2	15.6
	Weekly reporting banks									
	1975 Dec.	1976 Dec.	1977 Dec.	1978 Dec.	1979 ⁴	1980				1981
					Dec.	Mar.	June	Sept.	Dec.	Mar. ³
7 All holders—Individuals, partnerships, and corporations	124.4	128.5	139.1	147.0	139.3	133.6	133.9	140.6	147.4	133.2
8 Financial business	15.6	17.5	18.5	19.8	20.1	20.1	20.2	21.2	21.8	21.9
9 Nonfinancial business	69.9	69.7	76.3	79.0	74.1	69.1	69.2	72.4	78.3	69.8
10 Consumer	29.9	31.7	34.6	38.2	34.3	34.2	33.9	36.0	35.6	30.6
11 Foreign	2.3	2.6	2.4	2.5	3.0	3.0	3.1	3.1	3.1	3.2
12 Other	6.6	7.1	7.4	7.5	7.8	7.2	7.5	7.9	8.6	7.7

For notes see bottom of page A22.

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Instrument	1977 Dec.	1978 Dec.	1979 ¹ Dec.	1980 Dec.	1980		1981				
					Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
	Commercial paper (seasonally adjusted)										
1 All issuers	65,051	83,438	112,809	125,148	124,606	125,148	128,656	130,306	132,702	134,229	141,466
Financial companies ²											
Dealer-placed paper ³											
2 Total	8,796	12,181	17,377	19,631	19,591	19,631	19,886	20,859	22,643	24,206	25,061
3 Bank-related	2,132	3,521	2,874	3,561	3,436	3,561	3,670	3,742	4,163	4,437	4,800
Directly placed paper ⁴											
4 Total	40,574	51,647	64,748	67,888	67,340	67,888	68,956	68,936	69,461	69,537	71,842
5 Bank-related	7,102	12,314	17,598	22,382	21,939	22,382	22,570	22,331	21,604	22,858	23,880
6 Nonfinancial companies ⁵	15,681	19,610	30,684	37,629	37,675	37,629	39,814	40,511	40,598	40,486	44,563
	Bankers dollar acceptances (not seasonally adjusted)										
7 Total	25,450	33,700	45,321	54,744	55,226	54,744	54,465	58,084	60,089	62,320	60,551
Holder											
8 Accepting banks	10,434	8,579	9,865	10,564	10,236	10,564	9,371	9,911	10,117	10,781	10,138
9 Own bills	8,915	7,653	8,327	8,963	8,837	8,963	7,951	8,770	8,735	9,626	9,049
10 Bills bought	1,519	927	1,538	1,601	1,399	1,601	1,420	1,141	1,382	1,155	1,088
Federal Reserve Banks											
11 Own account	954	1	704	776	523	776	0	0	298	0	0
12 Foreign correspondents	362	664	1,382	1,791	1,852	1,791	1,771	1,399	1,372	1,383	1,255
13 Others	13,700	24,456	33,370	41,614	42,616	41,614	43,323	46,779	48,303	50,156	49,158
Basis											
14 Imports into United States	6,378	8,574	10,270	11,776	11,774	11,776	11,903	12,976	13,292	13,634	12,775
15 Exports from United States	5,863	7,586	9,640	12,712	13,670	12,712	12,816	12,979	13,451	13,368	13,057
16 All other	13,209	17,540	25,411	30,257	29,782	30,257	29,746	32,129	33,347	35,319	34,768

1. A change in reporting instructions results in offsetting shifts in the 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.

A24 Domestic Financial Statistics □ July 1981

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
1980—Dec. 10	20.00	1981—Mar. 17	17.50	1980—Apr.	19.77	1981—Jan.	20.16
16	21.00	Apr. 2	17.00	May	16.57	Feb.	19.43
19	21.50	24	17.50	June	12.63	Mar.	18.05
		30	18.00	July	11.48	Apr.	17.15
1981—Jan. 2	20.50	May 4	19.00	Aug.	19.00	May	19.61
9	20.00	11	19.50	Sept.	12.23	June	20.03
Feb. 3	19.50	19	20.00	Oct.	13.79		
23	19.00	22	20.50	Nov.	16.06		
Mar. 10	18.00	June 3	20.00	Dec.	20.35		

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

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)	16,840,794	853,190	481,971	767,519	2,118,788	1,041,775	11,577,551
2 Number of loans	164,452	121,015	14,694	12,003	12,686	1,706	2,346
3 Weighted-average maturity (months)	2.0	3.1	3.8	3.5	3.2	3.3	1.4
4 Weighted-average interest rate (percent per annum)	19.99	19.45	19.87	19.10	19.93	19.58	20.14
5 Interquartile range ¹	19.00-20.85	17.85-21.15	18.83-21.74	17.00-21.00	18.95-21.49	18.39-20.75	19.36-20.85
<i>Percentage of amount of loans</i>							
6 With floating rate	49.0	30.1	41.2	43.2	64.7	60.7	47.2
7 Made under commitment	52.8	24.6	33.1	48.1	49.1	56.7	56.4
8 With no stated maturity	21.6	13.4	12.6	21.4	20.7	29.5	22.0
LONG-TERM COMMERCIAL AND INDUSTRIAL LOANS							
9 Amount of loans (thousands of dollars)	3,633,958	280,677		450,944		175,691	2,726,645
10 Number of loans	21,441	17,936		2,725		277	503
11 Weighted-average maturity (months)	50.6	35.4		53.1		43.8	52.2
12 Weighted-average interest rate (percent per annum)	19.25	19.22		19.34		19.48	19.23
13 Interquartile range ¹	19.00-20.00	17.87-21.34		18.68-20.16		19.00-20.74	19.00-19.76
<i>Percentage of amount of loans</i>							
14 With floating rate	78.6	49.5		68.4		87.1	82.7
15 Made under commitment	77.2	25.7		34.6		78.0	89.5
CONSTRUCTION AND LAND DEVELOPMENT LOANS							
16 Amount of loans (thousands of dollars)	874,542	74,010	81,222	169,763	223,133	326,415	
17 Number of loans	13,956	7,690	2,363	2,333	1,332	237	
18 Weighted-average maturity (months)	13.2	3.3	4.1	17.7	12.0	16.1	
19 Weighted-average interest rate (percent per annum)	19.09	19.83	19.06	16.10	20.74	19.35	
20 Interquartile range ¹	18.00-21.94	18.00-21.91	15.00-21.74	8.25-18.40	20.40-22.54	19.00-21.55	
<i>Percentage of amount of loans</i>							
21 With floating rate	66.3	58.5	42.3	19.4	83.2	87.0	
22 Secured by real estate	93.1	93.3	85.5	97.9	92.4	93.0	
23 Made under commitment	64.8	63.5	62.3	19.8	80.9	78.1	
24 With no stated maturity	10.5	20.6	5.2	4.7	4.0	17.0	
<i>Type of construction</i>							
25 1- to 4-family	32.3	64.1	85.5	12.5	24.0	27.7	
26 Multifamily	13.1	2.9	3.3	3.0	10.1	25.2	
27 Nonresidential	54.7	33.0	11.2	84.5	65.9	47.2	
LOANS TO FARMERS							
28 Amount of loans (thousands of dollars)	1,419,090	188,183	236,302	220,646	180,935	281,187	311,838
29 Number of loans	77,593	50,065	15,850	6,450	2,740	1,957	531
30 Weighted-average maturity (months)	6.8	6.8	6.4	6.6	6.3	7.7	6.8
31 Weighted-average interest rate (percent per annum)	17.88	17.50	17.59	17.67	17.78	17.97	18.46
32 Interquartile range ¹	16.53-19.10	16.64-18.68	16.64-18.81	16.64-18.50	16.64-18.50	16.53-18.77	16.10-20.75
<i>By purpose of loan</i>							
33 Feeder livestock	18.44	17.98	18.43	17.91	18.07	18.49	18.93
34 Other livestock	17.98	17.28	18.42	17.39	18.75	17.64	(2)
35 Other current operating expenses	17.73	17.46	17.36	17.65	17.88	18.27	17.85
36 Farm machinery and equipment	17.61	17.53	17.62	17.63	17.01	(2)	(2)
37 Other	17.68	17.30	17.25	17.58	17.22	17.35	19.73

1. Interest rate range that covers the middle 50 percent of the total dollar amount of loans made.
2. Fewer than 10 sample loans.

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

1.35 INTEREST RATES Money and Capital Markets

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

Instrument	1978	1979	1980	1981				1981, week ending				
				Mar.	Apr.	May	June	June 5	June 12	June 19	June 26	July 3
MONEY MARKET RATES												
1 Federal funds ^{1,2}	7.93	11.19	13.36	14.70	15.72	18.52	19.10	18.40	19.33	19.10	19.20	18.84
Commercial paper ^{3,4}												
2 1-month	7.76	10.86	12.76	14.15	14.79	17.91	17.34	17.81	17.41	17.32	17.03	17.29
3 3-month	7.94	10.97	12.66	13.94	14.56	17.56	16.32	16.90	16.24	15.99	16.24	16.35
4 6-month	7.99	10.91	12.29	13.59	14.17	16.66	15.22	15.72	15.12	14.90	15.12	15.46
Finance paper, directly placed ^{3,4}												
5 1-month	7.73	10.78	12.44	13.78	14.24	17.47	16.66	17.27	16.90	16.21	16.36	16.78
6 3-month	7.80	10.47	11.49	13.08	13.28	15.56	14.58	15.13	14.87	14.25	14.21	14.21
7 6-month	7.78	10.25	11.28	12.89	12.94	14.97	14.13	14.65	14.37	13.85	13.79	13.79
Bankers acceptances ^{4,5}												
8 3-month	8.11	11.04	12.78	13.88	14.65	17.56	16.27	16.71	16.10	16.09	16.21	16.53
9 6-month	n.a.	n.a.	n.a.	13.49	14.19	16.26	15.02	15.33	14.78	14.89	15.04	15.46
Certificates of deposit, secondary market ⁶												
10 1-month	7.88	11.03	12.91	14.33	14.92	18.16	17.55	17.78	17.61	14.78	17.49	17.43
11 3-month	8.22	11.22	13.07	14.43	15.08	18.27	16.90	17.37	16.72	16.60	16.97	17.10
12 6-month	8.61	11.44	12.99	14.48	15.12	17.66	16.09	16.49	15.88	15.79	16.21	16.42
13 Eurodollar deposits, 3-month ²	8.78	11.96	14.00	15.36	15.95	19.06	17.86	17.98	18.04	17.35	18.00	18.01
U.S. Treasury bills ⁴												
Secondary market ⁷												
14 3-month	7.19	10.07	11.43	13.36	13.69	16.30	14.73	15.69	14.79	14.31	14.39	14.34
15 6-month	7.58	10.06	11.37	12.81	13.45	15.29	14.09	14.62	13.99	13.86	13.98	14.04
16 1-year	7.74	9.75	10.89	12.28	12.79	14.29	13.22	13.53	13.15	13.03	13.20	13.30
Auction average ⁸												
17 3-month	7.221	10.041	11.506	13.478	13.635	16.295	14.557	15.456	14.982	13.451	14.337	13.909
18 6-month	7.572	10.017	11.374	12.983	13.434	15.334	13.947	14.491	14.000	13.356	13.939	13.621
19 1-year	7.678	9.817	10.748	11.481	12.991	14.623	13.146	.....	.....	13.146	.....	.....
CAPITAL MARKET RATES												
U.S. Treasury notes and bonds ⁹												
Constant maturities ¹⁰												
20 1-year	8.34	10.67	12.05	13.71	14.32	16.20	14.86	15.22	14.73	14.67	14.86	14.94
21 2-year	8.34	10.12	11.77	13.57	14.15	15.46	14.51	14.65	14.37	14.36	14.61	14.74
22 2-1/2-year ¹¹	.....	.....	.....	.....	.....	.....	.....	14.50	.....	14.35	.....	14.65
23 3-year	8.29	9.71	11.55	13.51	14.09	15.08	14.29	14.42	14.16	14.15	14.39	14.58
24 5-year	8.32	9.52	11.48	13.41	13.99	14.63	13.95	14.06	13.83	13.81	14.05	14.28
25 7-year	8.36	9.48	11.43	13.24	13.85	14.30	13.67	13.72	13.56	13.49	13.76	14.10
26 10-year	8.41	9.44	11.46	13.12	13.68	14.10	13.47	13.53	13.34	13.29	13.61	13.88
27 20-year	8.48	9.33	11.39	12.94	13.46	13.82	13.20	13.28	13.06	13.01	13.32	13.61
28 30-year	8.49	9.29	11.30	12.69	13.20	13.60	12.96	13.08	12.85	12.76	13.05	13.31
29 Composite ¹²	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Over 10 years (long-term)	7.89	8.74	10.81	12.15	12.62	12.96	12.39	12.48	12.30	12.18	12.48	12.76
State and local notes and bonds												
Moody's series ¹³												
30 Aaa	5.52	5.92	7.85	9.50	9.78	9.90	9.86	10.00	9.75	9.75	9.95	9.80
31 Baa	6.27	6.73	9.01	10.40	10.85	11.28	11.21	11.20	11.20	11.20	11.25	11.25
32 Bond Buyer series ¹⁴	6.03	6.52	8.59	10.16	10.62	10.78	10.67	10.59	10.63	10.73	10.74	10.85
Corporate bonds												
Seasoned issues ¹⁵												
33 All industries	9.07	10.12	12.75	14.26	14.66	15.15	14.76	14.86	14.78	14.65	14.72	14.91
34 Aaa	8.73	9.63	11.94	13.33	13.88	14.32	13.75	13.84	13.73	13.61	13.77	14.04
35 Aa	8.92	9.94	12.50	13.90	14.39	14.88	14.41	14.65	14.47	14.21	14.28	14.51
36 A	9.12	10.20	12.89	14.47	14.82	15.43	15.08	15.18	15.14	15.02	15.00	15.11
37 Baa	9.45	10.69	13.67	15.34	15.56	15.95	15.80	15.78	15.76	15.75	15.82	15.97
Aaa utility bonds ¹⁶												
38 New issue	8.96	10.03	12.74	14.71	15.68	15.81	14.76	14.93	15.01	14.35	.....	.....
39 Recently offered issues	8.97	10.02	12.70	14.41	15.48	15.48	14.81	15.03	14.74	14.59	14.79	14.94
MEMO: Dividend/price ratio ¹⁷												
40 Preferred stocks	8.25	9.07	10.57	11.81	11.80	12.03	12.23	12.29	12.36	12.11	12.17	12.23
41 Common stocks	5.28	5.46	5.25	4.88	4.84	4.98	5.03	5.08	5.03	4.98	5.02	5.03

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 (not compounded) 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 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	1978	1979	1980	1981						
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Prices and trading (averages of daily figures)										
<i>Common stock prices</i>										
1 New York Stock Exchange (Dec. 31, 1965 = 50) ..	53.76	55.67	68.06	76.69	76.24	73.52	76.46	77.60	76.28	76.80
2 Industrial	58.30	61.82	78.64	90.37	89.23	85.74	89.39	90.57	88.78	88.63
3 Transportation	43.25	45.20	60.52	75.74	74.43	72.76	77.09	80.63	76.78	76.71
4 Utility	39.23	36.46	37.35	37.84	38.53	37.59	37.78	38.34	38.27	39.23
5 Finance	56.74	58.65	64.28	67.46	70.04	68.48	72.82	74.59	74.65	79.79
6 Standard & Poor's Corporation (1941-43 = 10) ¹ ..	96.11	107.94	118.71	133.48	132.97	128.40	133.19	134.43	131.73	132.28
7 American Stock Exchange (Aug. 31, 1973 = 100) ..	144.56	186.56	300.94	347.56	344.21	338.28	347.07	363.09	365.52	369.64
<i>Volume of trading (thousands of shares)</i>										
8 New York Stock Exchange	28,591	32,233	44,867	46,620	45,500	42,963	53,387	54,124	45,272	50,517
9 American Stock Exchange	3,622	4,182	6,377	6,410	6,024	4,816	5,682	6,339	5,650	6,096
Customer financing (end-of-period balances, in millions of dollars)										
10 Regulated margin credit at brokers/dealers ²	11,035	11,619	14,721	14,721	14,242	14,171	14,243	14,869	14,951	↑
11 Margin stock ³	10,830	11,450	14,500	14,500	14,020	13,950	14,020	14,630	14,700	↑
12 Convertible bonds	205	167	219	219	221	220	222	238	251	↑
13 Subscription issues	1	2	2	2	1	1	1	1	1	n.a.
<i>Free credit balances at brokers⁴</i>										
14 Margin-account	835	1,105	2,105	2,105	2,065	2,225	2,340	2,270	2,340	↓
15 Cash-account	2,510	4,060	6,070	6,070	5,655	5,700	6,530	6,530	6,150	↓
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	↑
<i>By equity class (in percent)⁵</i>										
17 Under 40	33.0	16.0	14.0	14.0	20.0	20.0	16.0	20.8	21.3	↑
18 40-49	28.0	29.0	30.0	30.0	30.0	31.0	28.0	26.8	25.3	↑
19 50-59	18.0	27.0	25.0	25.0	22.0	21.0	26.0	23.7	25.3	↑
20 60-69	10.0	14.0	14.0	14.0	13.0	13.0	14.0	12.6	12.7	↑
21 70-79	6.0	8.0	9.0	9.0	8.0	8.0	9.0	8.1	8.0	↑
22 80 or more	5.0	7.0	8.0	8.0	7.0	7.0	8.0	8.0	7.4	↑
Special miscellaneous-account balances at brokers (end of period)										
23 Total balances (millions of dollars) ⁶	13,092	16,150	21,690	21,690	21,686	21,861	22,548	22,748	23,930	↑
<i>Distribution by equity status (percent)</i>										
24 Net credit status	41.3	44.2	47.8	47.8	47.0	48.6	50.9	49.3	50.2	↑
<i>Debt status, equity of</i>										
25 60 percent or more	45.1	47.0	44.4	44.4	43.9	43.1	41.5	41.7	41.0	↑
26 Less than 60 percent	13.6	8.8	7.7	7.7	9.1	8.3	7.6	9.0	8.8	↑
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 SAVINGS INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1978	1979	1980					1981				
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May ^a
Savings and loan associations												
1 Assets	523,542	578,962	603,295	609,320	617,773	623,939	629,829	631,228	634,405	636,859	639,827	644,362
2 Mortgages	432,808	475,688	487,036	491,895	496,495	499,973	502,812	504,068	505,309	507,152	509,525	511,986
3 Cash and investment securities ¹	44,884	46,341	53,336	53,435	56,146	57,302	57,572	57,460	58,401	58,461	56,886	58,871
4 Other	45,850	56,933	62,923	63,990	65,132	66,664	69,445	69,700	70,695	71,246	72,416	73,505
5 Liabilities and net worth	523,542	578,962	603,295	609,320	617,773	623,939	629,829	631,228	634,405	636,859	639,827	644,362
6 Savings capital	430,953	470,004	497,403	496,991	500,861	503,365	510,959	512,946	515,250	518,990	516,071	517,541
7 Borrowed money	42,907	55,232	55,396	58,418	60,727	62,067	64,491	62,938	62,270	64,197	67,704	69,832
8 FHLBB	31,990	40,441	41,005	42,547	44,325	45,505	47,045	46,629	46,360	47,310	49,607	50,961
9 Other	10,917	14,791	15,871	16,402	16,562	17,446	16,309	15,910	16,887	18,097	18,097	18,871
10 Loans in process	10,721	9,582	8,243	8,654	8,853	8,783	8,120	7,833	7,756	7,840	7,840	7,997
11 Other	9,904	11,506	16,190	12,776	14,502	16,433	12,227	14,104	16,071	13,271	14,946	17,129
12 Net worth ²	29,057	32,638	32,787	32,892	33,029	33,221	33,319	33,120	32,981	32,645	32,266	31,863
13 MEMO: Mortgage loan commitments outstanding ³	18,911	16,007	20,278	20,311	19,077	17,979	16,102	15,972	16,279	17,374	18,552	18,553
Mutual savings banks⁴												
14 Assets	158,174	163,405	168,752	169,409	170,432	171,126	171,564 ^r	171,891	172,349	173,232	172,837	↑
Loans												
15 Mortgage	95,157	98,908	99,289	99,306	99,523	99,677	99,865 ^r	99,816	99,739	99,719	99,798	
16 Other	7,195	9,253	11,122	11,415	11,382	11,477	11,733 ^r	12,199	12,598	13,248	12,756	
Securities												
17 U.S. government ⁵	4,959	7,658	8,079	8,434	8,622	8,715	8,949 ^r	9,000	9,032	9,203	9,262	
18 State and local government	3,333	2,930	2,709	2,728	2,754	2,736	2,390 ^r	2,378	2,376	2,359	2,314	
19 Corporate and other ⁶	39,732	37,086	39,327	39,609	39,720	39,888	39,282 ^r	39,256	39,223	39,236	39,247	
20 Cash	3,665	3,156	3,456	3,153	3,592	3,717	4,334 ^r	4,133	4,205	4,238	4,172	n.a.
21 Other assets	4,131	4,412	4,770	4,764	4,839	4,916	5,011 ^r	5,107	5,177	5,231	5,288	↓
22 Liabilities	158,174	163,405	168,752	169,409	170,432	171,126	171,564 ^r	171,891	172,349	173,232	172,837	
23 Deposits	142,701	146,006	150,187	151,765	151,998	152,133	153,501 ^r	153,143	153,332	154,805	153,692	
24 Regular ⁷	141,170	144,070	148,018	149,395	149,797	150,109	151,416 ^r	151,051	151,346	152,630	151,429	
25 Ordinary savings	71,816	61,123	58,191	58,658	57,651	56,256	53,971 ^r	52,737	52,035	53,049	52,331	
26 Time and other	69,354	82,947	89,827	90,736	92,146	93,853	97,445 ^r	98,314	99,311	99,581	99,098	
27 Other	1,531	1,936	2,169	2,370	2,200	2,042	2,086 ^r	2,092	1,986	2,174	2,264	
28 Other liabilities	4,565	5,873	7,211	6,299	7,117	7,644	6,695 ^r	7,426	7,753	7,265	8,103	
29 General reserve accounts	10,907	11,525	11,353	11,344	11,317	11,349	11,368 ^r	12,957	13,412	11,163	11,042	
30 MEMO: Mortgage loan commitments outstanding ⁸	4,400	3,182	1,849	1,883	1,817	1,682	1,476 ^r	1,316	1,331	1,379	1,614	
Life insurance companies												
31 Assets	389,924	432,282	459,362	464,483	468,057	473,529	476,190	463,150	482,264	487,067	489,431	↑
Securities												
32 Government	20,009	0,338	20,833	20,853	20,942	21,204	21,453	21,891	22,092	22,132	21,646	
33 United States ⁹	4,822	4,888	5,386	5,361	5,390	5,568	5,753	6,016	6,066	6,024	5,369	
34 State and local	6,402	6,428	6,421	6,474	6,484	6,568	6,682	6,831	6,900	6,948	7,103	
35 Foreign ¹⁰	8,785	9,022	9,026	9,018	9,068	9,068	9,018	9,044	9,126	9,160	9,174	
36 Business	198,105	222,332	230,477	233,652	236,115	239,150	238,048	240,630	241,600	243,304	245,498	
37 Bonds	162,587	178,371	187,839	189,586	191,229	191,753	191,090	194,889	195,521	196,439	198,385	
38 Stocks	35,518	39,757	42,638	44,066	44,886	47,397	46,958	45,741	46,079	46,865	47,113	
39 Mortgages	106,167	118,421	127,357	128,089	128,977	129,878	131,145	131,710	132,445	133,150	133,659	
40 Real estate	11,764	13,007	14,184	14,460	14,702	15,183	15,247	15,235	16,026	16,370	16,575	
41 Policy loans	30,146	34,825	39,925	40,258	40,548	40,878	41,411	42,032	42,604	43,264	43,795	
42 Other assets	23,733	27,563	26,586	27,171	26,765	27,236	28,836	26,983	27,497	28,847	27,934	↓
Credit unions												
43 Total assets/liabilities and capital	62,348	65,854	69,553	70,515	70,702	71,335	71,709	70,754	71,446	73,214	72,783	73,565
44 Federal	34,760	35,934	38,168	39,219	39,155	39,428	39,801	39,142	39,636	40,624	40,207	40,648
45 State	27,588	29,920	31,385	31,296	31,547	31,907	31,908	31,612	31,810	32,590	32,576	32,917
46 Loans outstanding	50,269	53,125	47,884	47,211	47,221	47,299	47,774	47,309	47,451	47,815	47,994	48,499
47 Federal	27,687	28,698	25,401	25,381	25,288	25,273	25,627	25,272	25,376	25,618	25,707	26,038
48 State	22,582	24,426	22,483	21,830	21,933	22,026	22,147	22,037	22,075	22,197	22,287	22,461
49 Savings	53,517	56,232	61,403	63,728	63,957	64,304	64,399	63,874	64,357	65,744	65,495	65,988
50 Federal (shares)	29,802	35,530	33,964	35,961	36,030	36,183	36,348	35,915	36,236	36,896	36,684	36,967
51 State (shares and deposits)	23,715	25,702	27,439	27,767	27,927	28,121	28,051	27,959	28,121	28,846	28,811	29,021

For notes see bottom of page A28.

A28 Domestic Financial Statistics □ July 1981

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year 1978	Fiscal year 1979	Fiscal year 1980	Calendar year					
				1979	1980		1981		
				H2	H1	H2	Mar.	Apr.	May
<i>U.S. budget</i>									
1 Receipts ¹	401,997	465,940	520,050	233,952	270,864	262,152	44,623	74,464	38,514
2 Outlays ^{1,2}	450,804	493,635	579,613	263,004	289,905	310,972	54,217	57,198	54,608
3 Surplus, or deficit (-)	-48,807	-27,694	-59,563	-29,052	-19,041	-48,821	-9,593	17,266	-16,094
4 Trust funds	12,693	18,335	8,791	9,679	4,383	-2,551	-601	1,896	3,639
5 Federal funds ³	-61,532	-46,069	-67,752	-38,773	-23,418	-46,306	-8,992	15,370	-19,733
<i>Off-budget entities (surplus, or deficit (-))</i>									
6 Federal Financing Bank outlays	-10,661	-13,261	-14,549	-5,909	-7,735	-7,552	-3,420	-2,088	-1,943
7 Other ⁴	302	793	303	765	-522	376	-35	-73	-342
<i>U.S. budget plus off-budget, including Federal Financing Bank</i>									
8 Surplus, or deficit (-)	-59,166	-40,162	-73,808	-34,197	-27,298	-55,998	-13,048	15,251	-18,379
9 Source or financing									
10 Borrowing from the public	59,106	33,641	70,515	31,320	24,435	54,764	15,138	-3,725	539
11 Cash and monetary assets (decrease, or increase (-)) ⁵	-3,023	-408	-355	3,059	-3,482	-6,730	-5,852	-5,122	22,809
12 Other ⁶	3,083	6,929	3,648	-182	6,345	7,964	3,762	6,404	-4,969
MEMO:									
12 Treasury operating balance (level, end of period)	22,444	24,176	20,990	15,924	14,092	12,305	10,717	21,150	5,702
13 Federal Reserve Banks	16,647	6,489	4,102	4,075	3,199	3,062	3,032	4,460	2,288
14 Tax and loan accounts	5,797	17,687	16,888	11,849	10,893	9,243	7,685	16,690	3,414

1. Effective June 1978, earned income credit payments in excess of an individual's tax liability, formerly treated as income tax refunds, are classified as outlays retroactive to January 1976.

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

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

4. Includes Postal Service Fund; Rural Electrification and Telephone Revolving Fund; and Rural Telephone Bank.

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

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

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

NOTES TO TABLE 1.37

1. Holdings of stock of the Federal Home Loan Banks are included in "other assets."

2. Includes net undistributed income, which is accrued by most, but not all, associations.

3. Excludes figures for loans in process, which are shown as a liability.

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

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, prior to April 1979, nonguaranteed issues of U.S. government agencies.

7. Excludes checking, club, and school accounts.

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

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

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

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

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

Life insurance companies: Estimates of the American Council of Life Insurance for all life insurance companies in the United States. Annual figures are 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 1978	Fiscal year 1979	Fiscal year 1980	Calendar year					
				1979	1980		1981		
				H2	HI	H2	Mar.	Apr.	May
RECEIPTS									
1 All sources¹	401,997	465,955	520,050	233,952	270,864	262,152	44,623	74,464	38,514
2 Individual income taxes, net.....	180,988	217,841	244,069	115,488	119,988	131,962	13,693	38,659	10,496
3 Withheld.....	165,215	195,295	223,763	105,764	110,394	120,924	22,337	20,532	20,260
4 Presidential Election Campaign Fund.....	39	36	39	3	34	4	11	7	8
5 Nonwithheld.....	47,804	56,215	63,746	12,355	49,707	14,592	3,754	30,674	2,451
6 Refunds ¹	32,070	33,705	43,479	2,634	40,147	3,559	12,410	12,644	12,222
Corporation income taxes									
7 Gross receipts.....	65,380	71,448	72,380	29,169	43,434	28,579	10,203	10,203	1,894
8 Refunds.....	5,428	5,771	7,780	3,306	4,064	4,518	1,617	1,617	883
9 Social insurance taxes and contributions, net.....	123,410	141,591	160,747	71,031	86,597	77,262	15,784	20,201	20,694
10 Payroll employment taxes and contributions ²	99,626	115,041	133,042	60,562	69,077	66,831	14,579	13,843	15,026
11 Self-employment taxes and contributions ³	4,267	5,034	5,723	417	5,535	188	419	3,945	419
12 Unemployment insurance.....	13,850	15,387	15,336	6,899	8,690	6,742	174	1,802	4,660
13 Other net receipts ⁴	5,668	6,130	6,646	3,149	3,294	3,502	613	612	588
14 Excise taxes.....	18,376	18,745	24,329	9,675	11,383	15,332	4,210	3,754	3,953
15 Customs deposits.....	6,573	7,439	7,174	3,741	3,443	3,717	661	655	625
16 Estate and gift taxes.....	5,285	5,411	6,389	2,900	3,091	3,499	572	485	647
17 Miscellaneous receipts ⁵	7,413	9,252	12,741	5,254	6,993	6,318	1,117	1,338	1,087
OUTLAYS									
18 All types^{1,6}	450,804	493,635	579,613	263,004	289,905	310,972	54,217	57,198	54,608
19 National defense.....	105,186	117,681	135,856	62,002	69,132	72,457	13,560	13,274	13,810
20 International affairs.....	5,922	6,091	10,733	4,617	4,602	5,430	808	1,681	737
21 General science, space, and technology.....	4,742	5,041	5,722	3,299	3,150	3,205	692	505	536
22 Energy.....	5,861	6,856	6,313	3,281	3,126	3,997	475	924	1,106
23 Natural resources and environment.....	10,925	12,091	13,812	7,350	6,668	7,722	1,093	1,093	1,017
24 Agriculture.....	7,731	6,238	4,762	1,709	3,193	1,892	-54	-304	-151
25 Commerce and housing credit.....	3,324	2,565	7,782	3,002	3,878	3,163	377	321	-269
26 Transportation.....	15,445	17,459	21,120	10,298	9,582	11,547	1,605	1,685	1,581
27 Community and regional development.....	11,039	9,482	10,068	4,855	5,302	5,370	782	844	687
28 Education, training, employment, social services.....	26,463	29,685	30,767	14,579	16,686	15,221	2,666	2,564	2,677
29 Health.....	43,676	49,614	58,165	26,492	29,299	31,263	5,757	6,259	5,645
30 Income security ^{1,6}	146,180	160,159	193,100	85,967	94,605	107,912	19,242	18,768	18,576
31 Veterans benefits and services.....	18,974	19,928	21,183	10,113	9,758	11,731	1,028	2,168	1,670
32 Administration of justice.....	3,802	4,153	4,570	2,174	2,291	2,299	377	465	343
33 General government.....	3,737	4,153	4,505	2,103	2,422	2,432	749	310	393
34 General-purpose fiscal assistance.....	9,601	8,372	8,584	4,286	3,940	4,191	98	1,166	253
35 Interest ⁷	43,966	52,556	64,504	29,045	32,658	35,909	5,835	6,423	7,024
36 Undistributed offsetting receipts ^{7,8}	-15,772	-18,489	-21,933	-12,164	-10,387	-14,769	-875	-949	-1,029

1. Effective June 1978, earned income credit payments in excess of an individual's tax liability, formerly treated as income tax refunds, were classified as outlays retroactive to January 1976.

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

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

4. Supplementary medical insurance premiums, federal employee retirement contributions, and Civil Service retirement and disability fund.

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

6. Effective Oct. 1, 1980, the Pension Benefit Guaranty Corporation was re-

classified from an off-budget agency to an on-budget agency in the Department of Labor.

7. Effective September 1976, "Interest" and "Undistributed offsetting receipts" reflect the accounting conversion from an accrual basis to a cash basis for the interest on special issues for U.S. government accounts.

8. Consists of interest received by trust funds, rents and royalties on the Outer Continental Shelf, and U.S. government contributions for employee retirement.

SOURCE: "Monthly Treasury Statement of Receipts and Outlays of the U.S. Government" and the *Budget of the U.S. Government, Fiscal Year 1981*.

A30 Domestic Financial Statistics □ July 1981

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars

Item	1979				1980				1981
	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31
1 Federal debt outstanding	804.6	812.2	833.8	852.2	870.4	884.4	914.3	936.7	970.9
2 Public debt securities	796.8	804.9	826.5	845.1	863.5	877.6	907.7	930.2	964.5
3 Held by public	630.5	626.4	638.8	658.0	677.1	682.7	710.0	737.7	773.7
4 Held by agencies	166.3	178.5	187.7	187.1	186.3	194.9	197.7	192.5	190.9
5 Agency securities	7.8	7.3	7.2	7.1	7.0	6.8	6.6	6.5	6.4
6 Held by public	6.3	5.9	5.8	5.6	5.5	5.3	5.1	5.0	4.9
7 Held by agencies	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
8 Debt subject to statutory limit	797.9	806.0	827.6	846.2	864.5	878.7	908.7	931.2	965.5
9 Public debt securities	796.2	804.3	825.9	844.5	862.8	877.0	907.1	929.6	963.9
10 Other debt ¹	1.7	1.7	1.7	1.7	1.7	1.7	1.6	1.6	1.6
11 MEMO: Statutory debt limit	798.0	830.0	830.0	879.0	879.0	925.0	925.0	935.1	985.0

1. Includes guaranteed debt of government agencies, specified participation 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	1977	1978	1979	1980	1981				
					Feb.	Mar.	Apr.	May	June
1 Total gross public debt	718.9	789.2	845.1	930.2	950.5	964.5	964.0	968.5	971.2
<i>By type</i>									
2 Interest-bearing debt	715.2	782.4	844.0	928.9	946.5	963.2	962.8	964.8	969.9
3 Marketable	459.9	487.5	530.7	623.2	642.9	661.1	657.9	656.2	660.8
4 Bills	161.1	161.7	172.6	216.1	229.0	235.3	225.8	224.5	218.8
5 Notes	251.8	265.8	283.4	321.6	324.5	336.5	341.1	338.4	348.8
6 Bonds	47.0	60.0	74.7	85.4	89.4	89.3	91.0	93.3	93.2
7 Nonmarketable ¹	255.3	294.8	313.2	305.7	303.5	302.1	304.9	308.6	309.2
8 Convertible bonds ²	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
9 State and local government series	13.9	24.3	24.6	23.8	23.6	23.5	23.4	23.2	23.2
10 Foreign issues ³	22.2	29.6	28.8	24.0	24.0	24.2	24.4	24.8	23.5
11 Government	21.0	28.0	23.6	17.6	17.5	17.7	18.0	18.4	17.1
12 Public	1.2	1.6	5.3	6.4	6.4	6.4	6.4	6.4	6.4
13 Savings bonds and notes	77.0	80.9	79.0	72.5	70.7	70.3	69.8	69.5	69.2
14 Government account series ⁴	139.8	157.5	177.5	185.1	185.0	183.8	187.0	190.8	193.0
15 Non-interest-bearing debt	3.7	6.8	1.2	1.3	4.0	1.3	1.2	3.7	1.3
<i>By holder⁵</i>									
16 U.S. government agencies and trust funds	154.8	170.0	187.1	192.5	192.0	190.9	193.9	↑	↑
17 Federal Reserve Banks	102.8	109.6	117.5	121.3	118.4	119.0	119.7	↑	↑
18 Private investors	461.3	508.6	540.5	616.4	639.6	654.6	650.4	↑	↑
19 Commercial banks	101.4	93.1	91.5	104.7	107.4	108.5	104.8	↑	↑
20 Mutual savings banks	5.9	5.0	4.7	5.8	5.8	6.0	6.2	↑	↑
21 Insurance companies	15.1	14.9	14.8	15.2	15.0	14.8	14.8	↑	↑
22 Other companies	22.7	21.2	24.9	24.6	22.4	21.5	21.8	n.a.	n.a.
23 State and local governments	55.2	64.4	67.4	74.7	76.0	77.8	79.1	↑	↑
<i>Individuals</i>								↓	↓
24 Savings bonds	76.7	80.7	79.9	72.2	70.7	70.4	69.8	↓	↓
25 Other securities	28.6	30.3	36.2	56.7	65.5	68.2	68.3	↓	↓
26 Foreign and international ⁶	109.6	137.8	123.8	134.3	136.7	142.7	142.8	↓	↓
27 Other miscellaneous investors ⁷	46.1	58.2	97.4	127.9	140.0	144.7	142.8	↓	↓

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. Beginning with July 1974, the figures exclude non-interest-bearing notes issued to the International Monetary Fund.

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

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

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

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

Par value; millions of dollars, end of period

Type of holder	1979	1980	1981		1979	1980	1981	
			Mar.	Apr.			Mar.	Apr.
All maturities					1 to 5 years			
1 All holders	530,731	623,186	661,142	657,906	164,198	197,409	203,927	203,931
2 U.S. government agencies and trust funds	11,047	9,564	9,304	9,228	2,555	1,990	1,363	1,363
3 Federal Reserve Banks	117,458	121,328	119,039	119,687	8,469	35,835	35,323	34,981
4 Private investors	402,226	492,294	532,800	528,992	133,173	159,585	167,241	167,588
5 Commercial banks	69,076	77,868	80,710	77,913	38,346	44,482	41,573	41,218
6 Mutual savings banks	3,204	3,917	4,098	4,204	1,668	1,925	1,950	2,008
7 Insurance companies	11,496	11,930	11,698	11,661	4,518	4,504	4,171	4,224
8 Nonfinancial corporations	8,433	7,758	7,203	7,342	2,844	2,203	1,734	1,392
9 Savings and loan associations	3,209	4,225	4,163	4,330	1,763	2,289	2,524	2,654
10 State and local governments	15,735	21,058	22,317	22,756	3,487	4,595	4,818	5,218
11 All others	291,072	365,539	402,610	400,787	80,546	99,577	110,470	110,873
Total, within 1 year					5 to 10 years			
12 All holders	255,252	297,385	318,907	311,001	50,440	56,037	61,995	64,945
13 U.S. government agencies and trust funds	1,629	830	1,189	1,113	871	1,404	1,411	1,411
14 Federal Reserve Banks	63,219	56,858	54,525	55,373	12,977	13,458	13,797	13,918
15 Private investors	190,403	239,697	263,193	254,515	36,592	41,175	46,786	49,616
16 Commercial banks	20,171	25,197	30,106	27,183	8,086	5,793	6,424	6,695
17 Mutual savings banks	836	1,246	1,317	1,340	459	455	511	521
18 Insurance companies	2,016	1,940	2,152	1,992	2,815	3,037	3,146	3,207
19 Nonfinancial corporations	4,933	4,281	3,774	3,768	308	357	461	516
20 Savings and loan associations	1,301	1,646	1,465	1,489	69	216	111	127
21 State and local governments	5,607	7,750	8,183	7,819	1,540	2,030	2,243	2,491
22 All others	155,539	197,636	216,196	210,924	23,314	29,287	33,891	36,060
Bills, within 1 year					10 to 20 years			
23 All holders	172,644	216,104	235,315	225,849	27,588	36,854	38,238	38,202
24 U.S. government agencies and trust funds	0	1	1	1	4,520	3,686	3,685	3,685
25 Federal Reserve Banks	45,337	43,971	42,632	43,263	3,272	5,919	5,891	5,929
26 Private investors	127,306	172,132	192,681	182,585	19,796	27,250	28,662	28,587
27 Commercial banks	5,938	9,856	12,464	9,504	993	1,071	1,166	1,190
28 Mutual savings banks	262	394	425	426	127	181	186	182
29 Insurance companies	473	672	812	730	1,305	1,718	1,519	1,528
30 Nonfinancial corporations	2,793	2,363	1,879	1,900	218	431	417	839
31 Savings and loan associations	219	818	512	526	58	52	39	37
32 State and local governments	3,100	5,413	5,701	5,150	1,762	3,597	3,923	4,014
33 All others	114,522	152,616	170,888	164,349	15,332	20,200	21,413	20,798
Other, within 1 year					Over 20 years			
34 All holders	82,608	81,281	83,592	85,153	33,254	35,500	38,076	39,827
35 U.S. government agencies and trust funds	1,629	829	1,188	1,112	1,472	1,656	1,656	1,656
36 Federal Reserve Banks	17,882	12,888	11,892	12,110	9,520	9,258	9,503	9,486
37 Private investors	63,097	67,565	70,512	71,931	22,262	24,587	26,918	28,685
38 Commercial banks	14,233	15,341	17,641	17,680	1,470	1,325	1,441	1,627
39 Mutual savings banks	574	852	892	914	113	110	135	153
40 Insurance companies	1,543	1,268	1,340	1,262	842	730	710	709
41 Nonfinancial corporations	2,140	1,918	1,895	1,868	130	476	816	828
42 Savings and loan associations	1,081	828	953	963	19	21	25	23
43 State and local governments	2,508	2,337	2,481	2,669	3,339	3,086	3,150	3,213
44 All others	41,017	45,020	45,308	46,574	16,340	18,838	20,640	22,132

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

Data complete for U.S. government agencies and trust funds and Federal Reserve Banks, but data for other groups include only holdings of those institutions that report. The following figures show, for each category, the number and proportion reporting as of Apr. 30, 1981: (1) 5,342 commercial banks, 457

mutual savings banks, and 723 insurance companies, each about 80 percent; (2) 411 nonfinancial corporations and 474 savings and loan associations, each about 50 percent; and (3) 488 state and local governments, about 40 percent.

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

A32 Domestic Financial Statistics □ July 1981

1.43 U.S. GOVERNMENT SECURITIES DEALERS Transactions

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

Item	1978	1979	1980	1981			1981, week ending Wednesday					
				Mar. ^p	Apr. ^p	May ^p	May 20	May 27	June 3	June 10	June 17	June 24
Immediate delivery¹												
1 U.S. government securities	10,285	13,183		23,848	21,360	21,554	20,848	21,449	24,992	23,287	21,664	24,215
<i>By maturity</i>												
2 Bills	6,173	7,915		14,114	13,134	12,359	11,679	12,745	15,045	13,680	13,314	14,011
3 Other within 1 year	392	454		388	374	459	593	355	406	451	584	304
4 1-5 years	1,889	2,417		4,182	3,390	3,954	3,867	4,586	3,905	3,586	3,008	5,525
5 5-10 years	965	1,121		2,758	2,135	1,982	1,658	1,619	3,270	2,836	2,386	2,118
6 Over 10 years	867	1,276	n.a.	2,408	2,328	2,574	3,052	2,144	2,364	2,732	2,371	2,257
<i>By type of customer</i>												
7 U.S. government securities dealers	1,135	1,448		1,390	1,070	1,108	1,006	1,216	1,181	1,491	1,311	1,454
8 U.S. government securities brokers	3,838	5,170		11,681	10,565	10,226	10,075	9,771	11,796	11,104	10,635	11,715
9 All others ²	5,312	6,564		10,776	9,725	10,221	9,767	10,462	12,014	10,692	9,718	11,047
10 Federal agency securities	1,894	2,723		3,311	2,864	2,806	3,368	2,837	4,269	3,996	3,724	3,938
11 Certificates of deposit	n.a.	n.a.		3,717	3,518	2,992	2,823	3,079	4,004	3,686	4,168	4,829
12 Bankers acceptances				1,751	1,627	1,363	1,104	1,547	1,651	1,887	1,986	1,528
13 Commercial paper				5,073	5,302	6,047	6,193	5,877	6,572	5,669	6,652	5,834
14 Futures and forward positions ^{3,4}				n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

1. Before 1981, data for immediate transactions include forward transactions.
 2. Includes, among others, all other dealers and brokers in commodities and securities, nondealer departments of commercial banks, foreign banking agencies, and the Federal Reserve System.
 3. Futures contracts are standardized agreements arranged on an organized exchange in which parties commit to purchase or sell securities for delivery at a future date.

4. Forward transactions are agreements arranged in the over-the-counter market in which securities are purchased (sold) for delivery after 5 business days from the date of the transaction for government securities (Treasury bills, notes, and bonds) or after 30 days for mortgage-backed agency issues.
 NOTES: Averages for transactions are based on number of trading days in the period.
 Transactions are market purchases and sales of U.S. government securities dealers reporting to the Federal Reserve Bank of New York. The figures exclude allotments of, and exchanges for, new U.S. government securities, redemptions of called or matured securities, purchases or sales of securities under repurchase agreement, reverse repurchase (resale), or similar contracts.

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

Averages of daily figures, in millions of dollars

Item	1978	1979	1980	1981			1981, week ending Wednesday						
				Mar. ^p	Apr. ^p	May ^p	Apr. 29	May 6	May 13	May 20	May 27	June 3	
Positions													
Net immediate¹													
1 U.S. government securities	2,656	3,223		17,059	11,570	4,646	7,329	4,651	4,161	4,128	4,689	6,317	
2 Bills	2,452	3,813		13,608	8,471	1,820	4,361	1,944	1,176	1,745	1,635	3,215	
3 Other within 1 year	260	-325		-279	142	226	232	182	485	198	112	88	
4 1-5 years	-92	-455		817	399	499	332	428	441	221	994	329	
5 5-10 years	40	160		650	530	157	405	246	46	31	-14	735	
6 Over 10 years	-4	30	n.a.	2,263	2,027	1,944	1,998	1,850	2,013	1,932	1,962	1,950	
7 Federal agency securities	606	1,471		1,429	1,710	1,680	1,569	1,716	1,538	1,701	1,521	2,115	
8 Certificates of deposit	2,775	2,794		2,728	2,117	1,965	1,924	2,310	1,871	1,724	1,746	2,419	
9 Bankers acceptances	n.a.	n.a.		1,594	1,705	1,278	1,614	1,686	1,270	1,121	1,040	1,370	
10 Commercial paper	n.a.	n.a.		2,590	2,721	2,373	2,639	2,503	2,402	1,959	2,180	3,190	
14 Futures and forward positions	n.a.	n.a.		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Financing²													
Reverse repurchase agreements³													
11 Overnight and continuing				8,392	9,466	10,667	10,393	10,693	10,926			10,123	11,256
12 Term agreements				24,529	25,704	30,592	27,385	28,370	31,332			31,342	28,715
Repurchase agreements⁴													
13 Overnight and continuing	n.a.	n.a.	n.a.	32,456	32,515	28,075	29,842	29,223	27,343	n.a.		28,393	28,393
14 Term agreements				24,252	24,563	27,716	25,798	25,556	28,231			28,845	27,281

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

1.45 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt outstanding

Millions of dollars, end of period

Agency	1976	1977	1978	1980		1981			
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
1 Federal and federally sponsored agencies¹	103,848	112,472	137,063	188,743	193,229	195,056	194,926	198,828	200,434
2 Federal agencies	22,419	22,760	23,488	27,941	28,606	28,769	28,596	29,397	29,502
3 Defense Department ²	1,113	983	968	631	610	600	591	576	566
4 Export-Import Bank ^{3,4}	8,574	8,671	8,711	10,696	11,250	11,239	11,201	11,881	11,868
5 Federal Housing Administration ⁵	575	581	588	486	477	476	468	464	459
6 Government National Mortgage Association participation certificates ⁶	4,120	3,743	3,141	2,842	2,817	2,817	2,817	2,817	2,775
7 Postal Service ⁷	2,998	2,431	2,364	1,770	1,770	1,770	1,770	1,770	1,770
8 Tennessee Valley Authority	4,935	6,015	7,460	11,010	11,190	11,375	11,550	11,680	11,845
9 United States Railway Association ⁷	104	336	356	506	492	492	199	209	219
10 Federally sponsored agencies ¹	81,429	89,712	113,575	160,802	164,623	166,287	166,330	169,431	170,932
11 Federal Home Loan Banks	16,811	18,345	27,563	39,380	41,258	41,819	42,275	43,791	44,357
12 Federal Home Loan Mortgage Corporation	1,690	1,686	2,262	2,537	2,536	2,518	2,514	2,409	2,409
13 Federal National Mortgage Association	30,565	31,890	41,080	53,643	55,185	54,605	54,110	54,666	54,183
14 Federal Land Banks	17,127	19,118	20,360	12,365	12,365	11,507	11,507	11,507	10,583
15 Federal Intermediate Credit Banks	10,494	11,174	11,469	1,821	1,821	1,388	1,388	1,388	1,388
16 Banks for Cooperatives	4,330	4,434	4,843	584	584	584	584	584	220
17 Farm Credit Banks ¹		2,548	5,081	48,021	48,153	50,645	50,675	51,689	54,345
18 Student Loan Marketing Association ⁸	410	515	915	2,450	2,720	3,220	3,275	3,395	3,445
19 Other	2	2	2	1	1	1	2	2	2
MEMO:									
20 Federal Financing Bank debt^{1,9}	28,711	38,580	51,298	85,440	87,460	88,420	89,444	94,101	96,489
<i>Lending to federal and federally sponsored agencies</i>									
21 Export-Import Bank ⁴	5,208	5,834	6,898	10,067	10,654	10,654	10,654	11,346	11,346
22 Postal Service ⁷	2,748	2,181	2,114	1,520	1,520	1,520	1,520	1,520	1,520
23 Student Loan Marketing Association ⁸	410	515	915	2,450	2,720	3,220	3,275	3,395	3,445
24 Tennessee Valley Authority	3,110	4,190	5,635	9,285	9,465	9,650	9,825	9,955	10,120
25 United States Railway Association ⁷	104	336	356	506	492	492	199	209	219
<i>Other Lending¹⁰</i>									
26 Farmers Home Administration	10,750	16,095	23,825	39,431	39,431	39,271	39,851	41,791	43,456
27 Rural Electrification Administration	1,415	2,647	4,604	8,760	9,196	9,471	10,212	10,443	10,652
28 Other	4,966	6,782	6,951	13,421	13,982	14,142	13,908	15,442	15,731

1. In September 1977 the Farm Credit Banks issued their first consolidated bonds, and in January 1979 they began issuing these bonds on a regular basis to replace the financing activities of the Federal Land Banks, the Federal Intermediate Credit 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.

A34 Domestic Financial Statistics □ July 1981

1.46 NEW SECURITY ISSUES of State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1978	1979	1980	1980		1981				
				Nov.	Dec.	Jan. ^r	Feb. ^r	Mar. ^r	Apr.	
1 All issues, new and refunding¹	48,607	43,490	48,462	2,928	3,859	2,695	2,916	3,885	5,060	
<i>Type of issue</i>										
2 General obligation	17,854	12,109	14,100	734	558	736	876	1,249	1,323	
3 Revenue	30,658	31,256	34,267	2,183	3,297	1,952	2,037	2,625	3,731	
4 Housing Assistance Administration ²										
5 U.S. government loans	95	125	95	11	4	7	3	11	6	
<i>Type of issuer</i>										
6 State	6,632	4,314	5,304	323	127	478	530	349	544	
7 Special district and statutory authority	24,156	23,434	26,972	1,638	2,332	1,437	1,437	1,986	2,697	
8 Municipalities, counties, townships, school districts	17,718	15,617	16,090	955	1,395	773	945	1,540	1,813	
9 Issues for new capital, total	37,629	41,505	46,736	2,715	3,760	2,686	2,843	3,851	4,891	
<i>Use of proceeds</i>										
10 Education	5,003	5,130	4,572	211	198	334	292	515	484	
11 Transportation	3,460	2,441	2,621	256	53	147	322	238	118	
12 Utilities and conservation	9,026	8,594	8,149	369	408	630	452	784	1,258	
13 Social welfare	10,494	15,968	19,958	1,076	2,465	784	869	960	997	
14 Industrial aid	3,526	3,836	3,974	412	295	386	296	514	1,284	
15 Other purposes	6,120	5,536	7,462	391	341	405	612	840	750	

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

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

SOURCE: Public Securities Association.

1.47 NEW SECURITY ISSUES of Corporations

Millions of dollars

Type of issue or issuer, or use	1978	1979	1980	1980			1981			
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
1 All issues¹	47,230	51,533	73,688	5,819	3,936	5,933	5,581	4,157	6,423^r	6,511
2 Bonds	36,872	40,208	53,199	3,284	2,164	3,044	3,386	2,834	4,275^r	4,273
<i>Type of offering</i>										
3 Public	19,815	25,814	41,587	2,756	1,405	1,719	2,928	2,408	3,788 ^r	3,668
4 Private placement	17,057	14,394	11,612	528	759	1,325	458	426	497	605
<i>Industry group</i>										
5 Manufacturing	9,572	9,678	15,409	623	132	609	1,635	1,140	1,064 ^r	1,355
6 Commercial and miscellaneous	5,246	3,948	6,688	320	442	509	231	356	212	301
7 Transportation	2,007	3,119	3,329	240	147	165	353	45	172	105
8 Public utility	7,092	8,153	9,556	769	565	314	800	593	594	774
9 Communication	3,373	4,219	6,683	763	147	653	62	272	958	553
10 Real estate and financial	9,586	11,094	11,534	569	732	793	306	430	1,276 ^r	1,181
11 Stocks	10,358	11,325	20,490	2,535	1,772	2,889	2,195	1,323	2,148	2,238
<i>Type</i>										
12 Preferred	2,832	3,574	3,632	543	256	241	364	149	298	85
13 Common	7,526	7,751	16,858	1,992	1,516	2,648	1,831	1,174	1,850	153
<i>Industry group</i>										
14 Manufacturing	1,241	1,679	4,839	851	418	844	609	204	735	531
15 Commercial and miscellaneous	1,816	2,623	5,245	400	509	908	603	589	816	477
16 Transportation	263	255	549	117	53	95	124	81	17	146
17 Public utility	5,140	5,171	6,230	526	227	669	562	260	414	717
18 Communication	264	303	567	67	113	65	14	31		56
19 Real estate and financial	1,631	12,931	3,059	574	452	308	284	159	167	310

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

1933, employee stock plans, investment companies other than closed-end, 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	1979	1980	1980			1981				
			Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
INVESTMENT COMPANIES ¹										
1 Sales of own shares ²	7,495	15,266	1,523	1,289	1,242	1,676	1,347	1,696	2,000	1,789
2 Redemptions of own shares ³	8,393	12,012	1,362	1,086	1,720	1,193	960	1,112	1,594	1,282
3 Net sales.....	-898	3,254	161	203	-478	483	387	584	406	507
4 Assets ⁴	49,277	58,400	56,156	60,329	58,400	56,160	56,452	59,146	58,531	60,067
5 Cash position ⁵	4,983	5,321	5,460	5,467	5,321	4,636	4,882	4,971	5,099 ^r	5,441
6 Other.....	44,294	53,079	50,696	54,862	53,079	51,524	51,570	54,175	53,432 ^r	54,626

1. Excluding money market funds.

2. Includes reinvestment of investment income dividends. Excludes reinvestment of capital gains distributions and share issue of conversions from one fund to another in the same group.

3. Excludes share redemption resulting from conversions from one fund to another in the same group.

4. Market value at end of period, less current liabilities.

5. Also includes all U.S. government securities and other short-term debt securities.

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

1.49 CORPORATE PROFITS AND THEIR DISTRIBUTION

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

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

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

A36 Domestic Financial Statistics □ July 1981

1.50 NONFINANCIAL CORPORATIONS Current Assets and Liabilities

Billions of dollars, except for ratio

Account	1975	1976	1977	1978	1979		1980			
					Q3	Q4	Q1	Q2	Q3	Q4
1 Current assets	759.0	826.8	902.1	1,030.0	1,169.5	1,200.9	1,235.2	1,233.8	1,255.8	1,279.9
2 Cash	82.1	88.2	95.8	104.5	103.7	116.1	110.2	111.5	113.2	120.8
3 U.S. government securities	19.0	23.4	17.6	16.3	15.8	15.6	15.1	13.8	16.3	17.0
4 Notes and accounts receivable	272.1	292.8	324.7	383.8	453.0	456.8	471.2	464.2	479.2	491.1
5 Inventories	315.9	342.4	374.8	426.9	489.4	501.7	519.5	525.7	525.1	525.1
6 Other	69.9	80.1	89.2	98.5	107.7	110.8	119.3	118.7	122.0	125.9
7 Current liabilities	451.6	494.7	549.4	665.5	777.8	809.1	838.3	828.1	852.1	877.2
8 Notes and accounts payable	264.2	281.9	313.2	373.7	438.8	456.3	467.9	463.1	477.3	498.2
9 Other	187.4	212.8	236.2	291.7	339.0	352.8	370.4	364.9	374.8	379.0
10 Net working capital	307.4	332.2	352.7	364.6	391.7	391.8	397.0	405.7	403.7	402.7
11 MEMO: Current ratio ¹	1.681	1.672	1.642	1.548	1.504	1.484	1.474	1.490	1.474	1.459

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

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.

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

SOURCE: Federal Trade Commission.

1.51 TOTAL NONFARM BUSINESS EXPENDITURES on New Plant and Equipment

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

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

1. Anticipated by business.

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

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	1975	1976	1977	1978	1979	1980				1981
						Q1	Q2	Q3	Q4	Q1
ASSETS										
Accounts receivable, gross										
1 Consumer	36.0	38.6	44.0	52.6	65.7	67.7	70.2	71.7	73.6	76.1
2 Business	39.3	44.7	55.2	63.3	70.3	70.6	70.3	66.9	72.3	72.7
3 Total	75.3	83.4	99.2	116.0	136.0	138.4	140.4	138.6	145.9	148.7
4 LESS: Reserves for unearned income and losses	9.4	10.5	12.7	15.6	20.0	20.4	21.4	22.3	23.3	24.3
5 Accounts receivable, net	65.9	72.9	86.5	100.4	116.0	118.0	119.0	116.3	122.6	124.5
6 Cash and bank deposits	2.9	2.6	2.6	3.5						
7 Securities	1.0	1.1	.9	1.3	24.9 ¹	23.7	26.1	28.3	27.5	30.8
8 All other	11.8	12.6	14.3	17.3						
9 Total assets	81.6	89.2	104.3	122.4	140.9	141.7	145.1	144.7	150.1	155.3
LIABILITIES										
10 Bank loans	8.0	6.3	5.9	6.5	8.5	9.7	10.1	10.1	13.2	13.1
11 Commercial paper	22.2	23.7	29.6	34.5	43.3	40.8	40.7	40.5	43.4	44.2
Debt										
12 Short-term, n.e.c.	4.5	5.4	6.2	8.1	8.2	7.4	7.9	7.7	7.5	8.2
13 Long-term, n.e.c.	27.6	32.3	36.0	43.6	46.7	48.9	50.5	52.0	52.4	51.6
14 Other	6.8	8.1	11.5	12.6	14.2	15.7	16.0	14.6	14.3	17.3
15 Capital, surplus, and undivided profits	12.5	13.4	15.1	17.2	19.9	19.2	19.9	19.8	19.4	20.9
16 Total liabilities and capital	81.6	89.2	104.3	122.4	140.9	141.7	145.1	144.7	150.1	155.3

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

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

1.53 DOMESTIC FINANCE COMPANIES Business Credit

Millions of dollars, seasonally adjusted except as noted

Type	Accounts receivable outstanding Apr. 30, 1981 ¹	Changes in accounts receivable			Extensions			Repayments		
		1981			1981			1981		
		Feb.	Mar.	Apr.	Feb.	Mar.	Apr.	Feb.	Mar.	Apr.
1 Total	74,065	280	-773	1,409	18,207	18,096	18,133	17,927	18,869	16,724
2 Retail automotive (commercial vehicles)	11,646	-160	-295	-213	885	749	790	1,045	1,044	1,003
3 Wholesale automotive	11,669	-494	-1,075	890	5,351	5,050	5,865	5,845	6,125	4,975
4 Retail paper on business, industrial and farm equipment	23,872	591	556	56	1,800	1,788	1,384	1,209	1,232	1,328
5 Loans on commercial accounts receivable and factored commercial accounts receivable	8,019	-262	178	139	7,792	8,142	7,735	8,054	7,964	7,596
6 All other business credit	18,859	605	-137	537	2,379	2,367	2,359	1,774	2,504	1,822

1. Not seasonally adjusted.

1.54 MORTGAGE MARKETS

Millions of dollars; exceptions noted.

Item	1978	1979	1980	1981						
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Terms and yields in primary and secondary markets										
PRIMARY MARKETS										
Conventional mortgages on new homes										
<i>Terms¹</i>										
1 Purchase price (thousands of dollars)	62.6	74.4	83.5	90.1	87.0	90.3	90.9	88.5	88.9	94.5
2 Amount of loan (thousands of dollars)	45.9	53.3	59.3	63.0	63.0	65.6	64.5	64.1	65.5	67.9
3 Loan/price ratio (percent)	75.3	73.9	73.3	72.9	75.6	75.6	73.9	74.7	76.7	74.0
4 Maturity (years)	28.0	28.5	28.2	28.2	29.1	29.0	28.7	28.6	28.5	28.1
5 Fees and charges (percent of loan amount) ²	1.39	1.66	2.10	2.40	2.40	2.59	2.64	2.61	2.60	2.47
6 Contract rate (percent per annum)	9.30	10.48	12.25	12.80	12.80	13.02	13.48	13.62	13.56	14.07
<i>Yield (percent per annum)</i>										
7 FHLBB series ³	9.54	10.77	12.65	13.28	13.26	13.54	14.02	14.15	14.10	14.54
8 HUD series ⁴	9.68	11.15	13.95	15.05	14.95	15.10	15.25	15.70	16.35	16.40
SECONDARY MARKETS										
<i>Yield (percent per annum)</i>										
9 FHA mortgages (HUD series) ⁵	9.70	10.87	13.42	14.08	14.23	14.79	15.04	15.91	16.03	16.31
10 GNMA securities ⁶	8.98	10.22	12.55	13.62	13.50	14.13	14.22	14.69	15.31	15.02
<i>FNMA auctions⁷</i>										
11 Government-underwritten loans	9.77	11.17	14.11	15.21	14.87	15.24	15.67	16.54	16.43	16.17
12 Conventional loans	10.01	11.77	14.43	15.54	14.95	15.05	15.33	15.66	16.44	16.30
Activity in secondary markets										
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
<i>Mortgage holdings (end of period)</i>										
13 Total	43,311	51,091	57,327	57,327	57,390	57,434	57,362	57,436	57,586	↑
14 FHA-insured	21,243	24,489	38,969 ⁸	38,969	38,955	38,972	38,878	38,919	39,030	↑
15 VA-guaranteed	10,544	10,496	18,358	18,358	18,435	18,462	18,484	18,517	18,556	↑
16 Conventional	11,524	16,106	18,358	18,358	18,435	18,462	18,484	18,517	18,556	↑
<i>Mortgage transactions (during period)</i>										
17 Purchases	12,303	10,805	8,100	855	185	161	87	206	283	n.a.
18 Sales	9	0	0	0	0	0	0	0	0	↓
<i>Mortgage commitments⁹</i>										
19 Contracted (during period)	18,959	10,179	8,044	403	241	244	320	383	802	↓
20 Outstanding (end of period)	9,185	6,409	3,278	3,278	3,063	2,683	2,173	2,031	2,328	↓
<i>Auction of 4-month commitments to buy</i>										
<i>Government-underwritten loans</i>										
21 Offered	12,978	8,860	8,605	242.1	210.7	155.3	145.3	139.1	2,048	237.6
22 Accepted	6,747.2	3,921	4,002	110.8	93.0	104.7	104.7	114.5	179.1	216.1
<i>Conventional loans</i>										
23 Offered	9,933.0	4,495	3,639	84.8	32.0	108.6	149.2	126.9	281.3	307.1
24 Accepted	5,111	2,344	1,749	54.1	30.3	79.1	97.6	92.0	113.2	142.0
FEDERAL HOME LOAN MORTGAGE CORPORATION										
<i>Mortgage holdings (end of period)¹⁰</i>										
25 Total	3,064	4,035	5,067	5,067	5,039	5,107	5,161	5,176	5,223	↑
26 FHA/VA	1,243	1,102	1,033	1,033	1,029	1,025	1,021	1,017	1,013	↑
27 Conventional	1,165	1,957	2,830	2,830	2,825	2,883	2,931	2,952	2,988	↑
<i>Mortgage transactions (during period)</i>										
28 Purchases	6,525	5,717	3,722	285	152	174	148	125	480	n.a.
29 Sales	6,211	4,544	2,526	48	168	94	127	97	422	↓
<i>Mortgage commitments¹¹</i>										
30 Contracted (during period)	7,451	5,542	3,859	126	203	294	768	886	1,016	↓
31 Outstanding (end of period)	1,410	797	447	653	487	394	699	678	322	↓

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

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

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

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

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

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

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

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

8. Beginning March 1980, FHA-insured and VA-guaranteed mortgage holdings in lines 14 and 15 are combined.

9. 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.

10. Includes participation as well as whole loans.

11. Includes conventional and government-underwritten loans.

1.55 MORTGAGE DEBT OUTSTANDING

Millions of dollars, end of period

Type of holder, and type of property	1978	1979	1980	1980				1981
				Q1	Q2	Q3	Q4	Q1
1 All holders	1,169,412	1,326,750	1,451,840	1,357,660	1,380,928	1,414,881	1,451,840	1,474,943^c
2 1- to 4-family	765,217	878,931	960,422	897,608	910,286	935,393	960,422	973,601
3 Multifamily	121,138	128,852	136,580	130,363	132,194	134,193	136,580	139,087 ^c
4 Commercial	211,851	236,451	258,338	242,776	247,444	251,651	258,338	262,140
5 Farm	71,206	82,516	96,500	86,913	91,004	93,644	96,500	100,115
6 Major financial institutions	848,177	938,567	998,386	951,276	958,750	977,281	998,386	1,008,265
7 Commercial banks ¹	214,045	245,187	264,602	250,702	253,103	258,003	264,602	268,102
8 1- to 4-family	129,167	149,460	160,746	152,553	153,753	156,737	160,746	162,872
9 Multifamily	10,266	11,180	12,304	11,557	11,764	11,997	12,304	12,467
10 Commercial	66,115	75,957	82,688	77,993	79,110	80,626	82,688	83,782
11 Farm	8,497	8,590	8,864	8,599	8,476	8,643	8,864	8,981
12 Mutual savings banks	95,157	98,908	99,827	99,151	99,150	99,306	99,827	99,840
13 1- to 4-family	62,252	64,706	65,307	64,865	64,864	64,966	65,307	65,316
14 Multifamily	16,529	17,340	17,180	17,223	17,223	17,249	17,340	17,342
15 Commercial	16,319	16,963	17,120	17,004	17,004	17,031	17,120	17,122
16 Farm	57	59	60	59	59	60	60	60
17 Savings and loan associations	432,808	475,688	502,812	478,952	481,042	491,895	502,812	507,040
18 1- to 4-family	356,114	394,345	419,446	398,009	399,746	409,896	419,446	422,964
19 Multifamily	36,053	37,579	38,113	37,215	37,329	37,728	38,113	38,443
20 Commercial	40,461	43,764	45,253	43,728	43,967	44,271	45,253	45,633
21 Life insurance companies	106,167	118,784	131,145	122,471	125,455	128,077	131,145	133,283
22 1- to 4-family	14,436	16,193	17,911	16,850	17,796	17,996	17,911	18,203
23 Multifamily	19,000	19,274	19,614	19,590	19,284	19,357	19,614	19,934
24 Commercial	62,232	71,137	80,776	73,618	75,693	77,995	80,776	82,093
25 Farm	10,499	12,180	12,844	12,413	12,682	12,729	12,844	13,053
26 Federal and related agencies	81,739	97,084	114,300	103,921	108,539	110,526	114,300	116,306
27 Government National Mortgage Association	3,509	3,852	4,642	3,919	4,466	4,389	4,642	4,966
28 1- to 4-family	877	763	704	749	736	719	704	730
29 Multifamily	2,632	3,089	3,938	3,170	3,730	3,670	3,938	4,236
30 Farmers Home Administration	926	1,274	3,492	2,845	3,375	3,525	3,492	2,837
31 1- to 4-family	288	417	916	1,139	1,383	978	916	1,321
32 Multifamily	320	71	610	408	636	774	610	528
33 Commercial	101	174	411	409	402	370	411	479
34 Farm	217	612	1,555	889	954	1,403	1,555	509
35 Federal Housing and Veterans Administration	5,305	5,555	5,640	5,621	5,691	5,600	5,640	5,723
36 1- to 4-family	1,673	1,955	2,051	2,022	2,085	1,986	2,051	2,098
37 Multifamily	3,632	3,600	3,589	3,599	3,606	3,614	3,589	3,625
38 Federal National Mortgage Association	43,311	51,091	57,327	53,990	55,419	55,632	57,327	57,362
39 1- to 4-family	37,579	45,488	51,775	48,394	49,837	50,071	51,775	51,842
40 Multifamily	5,732	5,603	5,552	5,596	5,582	5,561	5,552	5,520
41 Federal Land Banks	25,624	31,277	38,131	33,311	35,574	36,837	38,131	40,258
42 1- to 4-family	927	1,552	2,099	1,708	1,893	1,985	2,099	2,228
43 Farm	24,697	29,725	36,032	31,603	33,681	34,852	36,032	38,030
44 Federal Home Loan Mortgage Corporation	3,064	4,035	5,068	4,235	4,014	4,543	5,068	5,160
45 1- to 4-family	2,407	3,059	3,873	3,210	3,037	3,459	3,873	3,952
46 Multifamily	657	976	1,195	1,025	977	1,084	1,195	1,208
47 Mortgage pools or trusts ²	88,633	119,278	142,258	124,632	129,647	136,583	142,258	147,251
48 Government National Mortgage Association	54,347	76,401	93,874	80,843	84,282	89,452	93,874	97,184
49 1- to 4-family	52,732	74,546	91,602	78,872	82,208	87,276	91,602	94,810
50 Multifamily	1,615	1,855	2,272	1,971	2,074	2,176	2,272	2,374
51 Federal Home Loan Mortgage Corporation	11,892	15,180	16,854	15,454	16,120	16,659	16,854	17,100
52 1- to 4-family	9,657	12,149	13,471	12,359	12,886	13,318	13,471	13,680
53 Multifamily	2,235	3,031	3,383	3,095	3,234	3,341	3,383	3,420
54 Farmers Home Administration	22,394	27,697	31,530	28,335	29,245	30,472	31,530	32,967
55 1- to 4-family	13,400	14,884	16,683	14,926	15,224	16,226	16,683	16,640
56 Multifamily	1,116	2,163	2,612	2,159	2,159	2,235	2,612	2,825
57 Commercial	3,560	4,328	5,271	4,495	4,763	5,059	5,271	5,382
58 Farm	4,318	6,322	6,964	6,755	7,099	6,952	6,964	8,120
59 Individual and others ³	150,863	171,821	196,896	177,831	183,992	190,491	196,896	203,121
60 1- to 4-family	83,708	99,414	113,838	101,952	104,838	109,780	113,838	116,945
61 Multifamily	21,351	23,251	26,058	23,755	24,596	25,407	26,058	27,165
62 Commercial	22,883	24,128	26,819	25,529	26,505	26,299	26,819	27,649
63 Farm	22,921	25,028	30,181	26,595	28,053	29,005	30,181	31,362

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

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

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

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.

A40 Domestic Financial Statistics □ July 1981

1.56 CONSUMER INSTALLMENT CREDIT¹ Total Outstanding, and Net Change

Millions of dollars

Holder, and type of credit	1978	1979	1980	1980		1981				
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
Amounts outstanding (end of period)										
1 Total	273,645	312,024	313,435	308,051	313,435	310,554	309,188	310,766	313,419	315,465
<i>By major holder</i>										
2 Commercial banks	136,016	154,177	145,765	145,147	145,765	143,749	142,030	141,897	142,070	142,143
3 Finance companies	54,298	68,318	76,756	75,690	76,756	77,131	78,090	79,490	81,033	81,794
4 Credit unions	44,334	46,517	44,041	43,606	44,041	43,601	43,776	44,212	44,390	45,055
5 Retailers ²	25,987	28,119	29,410	26,469	29,410	28,300	27,329	26,965	27,227	27,319
6 Savings and loans	7,097	8,424	9,911	9,687	9,911	10,023	10,173	10,458	10,792	11,148
7 Gasoline companies	3,220	3,729	4,717	4,662	4,717	4,929	4,958	4,898	5,046	5,157
8 Mutual savings banks	2,693	2,740	2,835	2,790	2,835	2,821	2,832	2,846	2,861	2,849
<i>By major type of credit</i>										
9 Automobile	101,647	116,362	116,327	116,517	116,327	115,262	115,677	117,517	118,479	118,932
10 Commercial banks	60,510	67,367	61,025	61,848	61,025	59,608	59,061	59,378	59,252	59,169
11 Indirect paper	33,850	38,338	34,857	35,284	34,857	33,947	33,667	34,016	33,931	33,913
12 Direct loans	26,660	29,029	26,168	26,564	26,168	25,661	25,394	25,362	25,321	25,256
13 Credit unions	21,200	22,244	21,060	20,852	21,060	20,850	20,933	21,142	21,227	21,545
14 Finance companies	19,937	26,751	34,242	33,817	34,242	34,804	35,683	36,997	38,000	38,218
15 Revolving	48,309	56,937	59,862	55,304	59,862	58,985	57,566	56,831	57,322	57,524
16 Commercial banks	24,341	29,862	30,001	28,360	30,001	29,952	29,412	29,051	29,127	29,096
17 Retailers	20,748	23,346	25,144	22,282	25,144	24,104	23,196	22,882	23,149	23,271
18 Gasoline companies	3,220	3,729	4,717	4,662	4,717	4,929	4,958	4,898	5,046	5,157
19 Mobile home	15,235	16,838	17,327	17,293	17,327	17,244	17,189	17,273	17,422	17,626
20 Commercial banks	9,545	10,647	10,376	10,452	10,376	10,271	10,174	10,153	10,142	10,159
21 Finance companies	3,152	3,390	3,745	3,702	3,745	3,741	3,740	3,762	3,828	3,909
22 Savings and loans	2,067	2,307	2,737	2,675	2,737	2,768	2,809	2,888	2,980	3,079
23 Credit unions	471	494	469	464	469	464	466	470	472	479
24 Other	108,454	121,887	119,919	118,937	119,919	119,063	118,756	119,145	120,196	121,383
25 Commercial banks	41,620	46,301	44,363	44,487	44,363	43,918	43,383	43,315	43,549	43,719
26 Finance companies	31,209	38,177	38,769	38,171	38,769	38,586	38,667	38,731	39,205	39,667
27 Credit unions	22,663	23,779	22,512	22,290	22,512	22,287	22,377	22,600	22,691	23,031
28 Retailers	5,239	4,773	4,266	4,187	4,266	4,196	4,133	4,083	4,078	4,048
29 Savings and loans	5,030	6,117	7,174	7,012	7,174	7,255	7,364	7,570	7,812	8,069
30 Mutual savings banks	2,693	2,740	2,835	2,790	2,835	2,821	2,832	2,846	2,861	2,849
Net change (during period) ³										
31 Total	43,079	38,381	1,410	839	1,619	869	1,996	3,108	2,331	1,346
<i>By major holder</i>										
32 Commercial banks	23,641	18,161	-8,412	-120	-276	-1,357	-544	612	-345	-14
33 Finance companies	9,430	14,020	8,438	594	860	1,113	1,530	1,539	1,253	409
34 Credit unions	6,729	2,185	-2,475	218	378	288	444	287	272	391
35 Retailers ²	2,497	2,132	1,291	52	316	409	103	253	531	-3
36 Savings and loans	7	1,327	1,485	-14	190	232	254	418	421	519
37 Gasoline companies	257	509	988	72	83	106	209	6	141	67
38 Mutual savings banks	518	47	95	37	68	78	0	5	58	-23
<i>By major type of credit</i>										
39 Automobile	18,736	14,715	-35	245	302	-63	979	1,682	428	-195
40 Commercial banks	10,933	6,857	-6,342	-138	-491	-1,253	-346	229	-461	-208
41 Indirect paper	6,471	4,488	-3,481	-44	-181	-839	-229	268	-256	-83
42 Direct loans	4,462	2,369	-2,861	-94	-310	-414	-117	-39	-205	-125
43 Credit unions	3,101	1,044	-1,184	101	174	206	211	132	142	160
44 Finance companies	4,702	6,814	7,491	282	619	984	1,114	1,321	747	-147
45 Revolving	9,035	8,628	2,925	265	616	557	441	587	838	350
46 Commercial banks	5,967	5,521	139	121	211	59	166	346	153	230
47 Retailers	2,811	2,598	1,798	72	322	392	66	247	544	53
48 Gasoline companies	257	509	988	72	83	106	209	-6	141	67
49 Mobile home	286	1,603	488	24	66	-24	-47	88	145	243
50 Commercial banks	419	1,102	-271	-33	-34	-85	-102	-35	-15	7
51 Finance companies	74	238	355	44	48	15	18	25	58	78
52 Savings and loans	-276	240	430	11	47	46	31	97	99	152
53 Credit unions	69	23	-25	2	5	0	6	1	3	6
54 Other	15,022	13,435	-1,968	305	635	399	623	751	920	948
55 Commercial banks	6,322	4,681	-1,938	-70	38	-78	-262	72	-22	-43
56 Finance companies	4,654	6,968	592	268	193	114	398	193	448	478
57 Credit unions	3,559	1,118	-1,266	115	199	82	227	154	127	225
58 Retailers	-314	-466	-507	-20	-6	17	37	6	-13	-56
59 Savings and loans	283	1,087	1,056	-25	143	186	223	321	322	367
60 Mutual savings banks	518	47	95	37	68	78	0	5	58	-23

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

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

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

1.57 CONSUMER INSTALLMENT CREDIT Extensions and Liquidations

Millions of dollars; monthly data are seasonally adjusted.

Holder, and type of credit	1978	1979	1980	1980		1981				
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
Extensions										
1 Total	297,668	324,777	305,887	25,991	27,149	27,059	28,706	29,822	28,878	28,149
<i>By major holder</i>										
2 Commercial banks	142,433	154,733	133,605	11,432	11,484	10,397	11,648	12,676	11,986	12,055
3 Finance companies	50,505	61,518	60,801	4,852	5,185	5,904	6,193	5,911	5,218	4,937
4 Credit unions	38,111	34,926	29,594	2,795	3,035	2,994	3,167	3,153	3,181	3,212
5 Retailers ¹	44,571	47,676	50,959	4,250	4,497	4,673	4,500	4,685	5,002	4,486
6 Savings and loans	3,724	5,901	6,621	444	658	715	751	1,038	985	1,066
7 Gasoline companies	16,017	18,005	22,402	2,024	2,061	2,130	2,284	2,180	2,272	2,243
8 Mutual savings banks	2,307	2,018	1,905	194	229	246	163	179	234	148
<i>By major type of credit</i>										
9 Automobile	87,981	93,901	83,002	7,117	7,234	7,237	8,333	8,700	7,205	7,320
10 Commercial banks	52,969	53,554	40,657	3,552	3,271	2,598	3,560	4,117	3,438	3,627
11 Indirect paper	29,342	29,623	22,269	1,962	1,857	1,230	1,944	2,365	1,929	2,071
12 Direct loans	23,627	23,931	18,388	1,590	1,414	1,368	1,616	1,752	1,509	1,556
13 Credit unions	18,539	17,397	15,294	1,402	1,538	1,592 ^c	1,613	1,586	1,589	1,608
14 Finance companies	16,473	22,950	27,051	2,163	2,425	3,047	3,160	2,997	2,178	2,085
15 Revolving	105,125	120,174	129,580	10,953	11,614	11,483	11,867	12,071	12,352	11,904
16 Commercial banks	51,333	61,048	61,847	5,155	5,554	5,185	5,602	5,695	5,561	5,613
17 Retailers	37,775	41,121	45,331	3,774	3,999	4,168	3,981	4,196	4,519	4,048
18 Gasoline companies	16,017	18,005	22,402	2,024	2,061	2,130	2,284	2,180	2,272	2,243
19 Mobile home	5,412	6,471	5,098	424	479	383	409	641	551	609
20 Commercial banks	3,697	4,542	2,942	243	254	171	185	259	251	250
21 Finance companies	886	797	898	93	89	81	88	88	100	112
22 Savings and loans	609	948	1,146	74	119	119	118	269	184	230
23 Credit unions	220	184	113	14	17	12	18	25	16	17
24 Other	99,150	104,231	88,207	7,497	7,822	7,956	8,097	8,410	8,770	8,316
25 Commercial banks	34,434	35,589	28,159	2,482	2,405	2,443	2,301	2,605	2,736	2,565
26 Finance companies	33,146	37,771	32,852	2,596	2,671	2,776	2,945	2,826	2,940	2,740
27 Credit unions	19,352	17,345	14,187	1,379	1,480	1,390	1,536	1,542	1,576	1,587
28 Retailers	6,796	6,555	5,628	476	498	505	519	489	483	438
29 Savings and loans	3,115	4,953	5,476	370	539	596	633	769	801	838
30 Mutual savings banks	2,307	2,018	1,905	194	229	246	163	179	234	148
Liquidations										
31 Total	254,589	286,396	304,477	25,152	25,530	26,190	26,710	26,714	26,547	26,803
<i>By major holder</i>										
32 Commercial banks	118,792	136,572	142,017	11,552	11,760	11,754	12,192	12,064	12,331	12,069
33 Finance companies	41,075	47,498	52,363	4,258	4,325	4,791	4,663	4,372	3,965	4,528
34 Credit unions	31,382	32,741	32,069	2,577	2,657	2,706	2,723	2,866	2,909	2,821
35 Retailers ¹	42,074	45,544	49,668	4,198	4,181	4,264	4,397	4,432	4,471	4,489
36 Savings and loans	3,717	4,574	5,136	458	468	483	497	620	564	549
37 Gasoline companies	15,760	17,496	21,414	1,952	1,978	2,024	2,075	2,186	2,131	2,176
38 Mutual savings banks	1,789	1,971	1,810	157	161	168	163	174	176	171
<i>By major type of credit</i>										
39 Automobile	69,245	79,186	83,037	6,872	6,932	7,300	7,354	7,018	6,777	7,515
40 Commercial banks	42,036	46,697	46,999	3,690	3,762	3,851	3,906	3,888	3,899	3,835
41 Indirect paper	22,871	25,135	25,750	2,006	2,038	2,069	2,173	2,097	2,185	2,154
42 Direct loans	19,165	21,562	21,249	1,684	1,724	1,782	1,733	1,791	1,714	1,681
43 Credit unions	15,438	16,353	16,478	1,301	1,364	1,386	1,402	1,454	1,447	1,448
44 Finance companies	11,771	16,136	19,560	1,881	1,806	2,063	2,046	1,676	1,431	2,232
45 Revolving	96,090	111,546	126,655	10,688	10,998	10,926	11,426	11,484	11,514	11,554
46 Commercial banks	45,366	55,527	61,708	5,034	5,343	5,126	5,436	5,349	5,408	5,383
47 Retailers	34,964	38,523	43,533	3,702	3,677	3,776	3,915	3,949	3,975	3,995
48 Gasoline companies	15,760	17,496	21,414	1,952	1,978	2,024	2,075	2,186	2,131	2,176
49 Mobile home	5,126	4,868	4,610	400	413	407	456	553	406	366
50 Commercial banks	3,278	3,440	3,213	276	288	256	287	294	266	243
51 Finance companies	812	559	543	49	41	66	70	63	42	34
52 Savings and loans	885	708	716	63	72	73	87	172	85	78
53 Credit unions	151	161	138	12	12	12	12	24	13	11
54 Other	84,128	90,796	90,175	7,192	7,187	7,557	7,474	7,659	7,850	7,368
55 Commercial banks	28,112	30,908	30,097	2,552	2,367	2,521	2,563	2,533	2,758	2,608
56 Finance companies	28,492	30,803	32,260	2,328	2,478	2,662	2,547	2,633	2,492	2,362
57 Credit unions	15,793	16,227	15,453	1,264	1,281	1,308	1,309	1,388	1,449	1,622
58 Retailers	7,110	7,021	6,135	496	504	488	482	483	496	494
59 Savings and loans	2,832	3,866	4,420	395	396	410	410	448	479	471
60 Mutual savings banks	1,789	1,971	1,810	157	161	168	163	174	176	171

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

A42 Domestic Financial Statistics □ July 1981

1.58 FUNDS RAISED IN U.S. CREDIT MARKETS

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

Transaction category, sector	1975	1976	1977	1978	1979	1980	1978		1979		1980	
							H1	H2	H1	H2	H1	H2
Nonfinancial sectors												
1 Total funds raised	210.8	271.9	338.5	400.4	394.9	365.4	384.8	416.0	380.5	408.2	325.8	404.9
2 Excluding equities	200.7	261.0	335.3	398.3	390.6	353.9	387.4	409.2	377.7	402.3	318.0	389.7
<i>By sector and instrument</i>												
3 U.S. government	85.4	69.0	56.8	53.7	37.4	79.2	61.4	46.0	28.6	46.1	64.7	93.7
4 Treasury securities	85.8	69.1	57.6	55.1	38.8	79.8	62.3	47.9	30.9	46.6	65.3	94.3
5 Agency issues and mortgages	-4	-1	-9	-1.4	-1.4	-6	-9	-1.9	-2.3	-5	-6	-6
6 All other nonfinancial sectors	125.4	202.8	281.7	346.7	357.6	286.2	323.4	370.0	351.9	362.1	261.1	311.2
7 Corporate equities	10.1	10.8	3.1	2.1	4.3	11.5	-2.6	6.8	2.8	5.9	7.8	15.3
8 Debt instruments	115.3	192.0	278.6	344.6	353.2	274.7	326.0	363.2	349.1	356.2	253.4	295.9
9 Private domestic nonfinancial sectors	112.1	182.0	267.8	314.4	336.4	256.7	302.8	326.1	338.6	333.0	231.9	281.5
10 Corporate equities	9.9	10.5	2.7	2.6	3.5	9.5	-1.8	7.0	2.8	4.1	6.0	13.0
11 Debt instruments	102.2	171.5	265.1	311.8	333.0	247.2	304.6	319.1	335.8	328.9	225.9	268.5
12 Debt capital instruments	98.4	123.5	175.6	196.6	199.9	179.7	188.3	205.0	198.8	201.1	171.9	187.4
13 State and local obligations	16.1	15.7	23.7	28.3	18.9	25.0	27.8	28.7	16.0	21.8	18.5	31.6
14 Corporate bonds	27.2	22.8	21.0	20.1	21.2	27.9	20.6	19.6	22.4	19.9	33.6	22.3
<i>Mortgages</i>												
15 Home Mortgages	39.5	63.6	96.3	104.6	109.1	81.5	100.1	109.1	109.8	108.5	70.7	92.8
16 Multifamily residential	*	1.8	7.4	10.2	8.9	8.7	9.3	11.2	8.1	9.7	8.1	9.0
17 Commercial	11.0	13.4	18.4	23.3	25.7	21.6	21.2	25.4	26.0	25.4	25.5	19.3
18 Farm	4.6	6.1	8.8	10.2	16.2	14.0	9.3	11.1	16.6	15.9	15.5	12.4
19 Other debt instruments	3.8	48.0	89.5	115.2	133.0	67.2	116.3	114.1	137.0	127.8	54.0	81.1
20 Consumer credit	9.7	25.6	40.6	50.6	44.2	3.1	50.1	51.0	48.3	39.0	-4.3	8.9
21 Bank loans n.e.c.	-12.3	4.0	27.0	37.3	50.6	37.9	43.1	31.4	48.2	52.9	9.7	65.0
22 Open market paper	-2.6	4.0	2.9	5.2	10.9	5.8	5.3	5.1	12.0	9.7	29.7	-18.1
23 Other	9.0	14.4	19.0	22.2	27.3	20.4	17.8	26.5	28.4	26.2	18.9	25.2
<i>By borrowing sector</i>												
24 State and local governments	112.1	182.0	267.8	314.4	336.4	254.2	302.8	326.1	338.6	333.0	231.9	281.5
25 Households	13.7	15.2	20.4	23.6	15.5	20.7	21.0	26.1	13.0	18.0	16.6	30.4
26 Farm	49.7	90.5	139.9	162.6	164.9	100.8	156.1	169.1	167.6	161.2	88.7	113.7
27 Nonfarm noncorporate	8.8	10.9	14.7	18.1	25.8	19.0	15.3	20.8	25.5	28.1	20.9	14.7
28 Corporate	2.0	4.7	12.9	15.4	15.9	12.5	16.4	14.4	15.5	15.9	10.3	15.5
29 Foreign	37.9	60.7	79.9	94.8	114.3	101.1	93.9	95.7	118.9	107.7	95.4	107.2
30 Corporate equities	13.3	20.8	13.9	32.3	21.2	29.9	20.6	43.9	13.3	29.1	29.3	29.7
31 Debt instruments	-2	3	4	5	9	2.2	-8	-2	*	1.7	1.8	2.3
32 Bonds	13.2	20.5	13.5	32.8	20.3	27.7	21.4	44.1	13.3	27.3	27.5	27.4
33 Bank loans n.e.c.	6.2	8.6	5.1	4.0	3.9	8	5.0	3.0	3.0	4.7	2.0	4.4
34 Open market paper	3.9	6.8	3.1	18.3	2.3	11.8	9.3	27.3	1.0	3.5	4.4	18.7
35 U.S. government loans	-3	1.9	2.4	6.6	11.2	10.1	3.6	9.6	6.1	16.3	15.7	4.5
36 Other	2.8	3.3	3.0	3.9	3.0	5.0	3.6	4.2	3.1	2.8	5.4	4.6
Financial sectors												
37 Total funds raised	12.7	24.1	54.0	81.4	88.5	70.8	80.7	82.1	86.3	90.7	53.7	84.2
<i>By instrument</i>												
38 U.S. government related	13.5	18.6	26.3	41.4	52.4	47.5	38.5	44.3	45.8	59.0	45.8	48.9
39 Sponsored credit agency securities	2.3	3.3	7.0	23.1	24.3	24.3	21.9	24.3	21.5	27.0	25.1	23.7
40 Mortgage pool securities	10.3	15.7	20.5	18.3	28.1	23.2	16.6	20.1	24.2	32.0	20.7	25.2
41 Loans from U.S. government .....	.9	-4	-1.2	-	-	-	-	-	-	-	-	-
42 Private financial sectors	-8	5.5	27.7	40.0	36.1	23.3	42.2	37.8	40.5	31.7	7.9	35.3
43 Corporate equities .....	.6	1.0	.9	1.7	2.3	3.4	2.2	1.1	2.0	2.5	2.6	4.3
44 Debt instruments	-1.4	4.4	26.9	38.3	33.8	19.8	40.0	36.7	38.4	29.2	5.3	31.0
45 Corporate bonds	2.9	5.8	10.1	7.5	7.8	7.2	8.5	6.4	8.7	7.0	10.5	3.5
46 Mortgages	2.3	2.1	3.1	.9	-1.2	-9	2.1	-3	-5	-1.9	-6.8	4.8
47 Bank loans n.e.c.	-3.7	-3.7	-3	2.8	-4	1.0	2.5	3.1	-7	-2	1.0	-1.9
48 Open market paper and RPs	1.1	2.2	9.6	14.6	18.4	5.4	13.5	15.7	23.0	13.8	-3.6	14.5
49 Loans from Federal Home Loan Banks	-4.0	-2.0	4.3	12.5	9.2	7.1	13.2	11.8	7.8	10.5	4.1	10.2
<i>By sector</i>												
50 Sponsored credit agencies	3.2	2.9	5.8	23.1	24.3	24.4	21.9	24.3	21.5	27.0	25.1	23.7
51 Mortgage pools	10.3	15.7	20.5	18.3	28.1	23.2	16.6	20.1	24.2	32.0	20.7	25.2
52 Private financial sectors	-8	5.5	27.7	40.0	36.1	23.3	42.2	37.8	40.5	31.7	7.9	35.3
53 Commercial banks	1.2	2.3	1.1	1.3	1.6	.6	1.5	1.1	1.3	1.8	.8	.3
54 Bank affiliates .....	.3	-8	1.3	6.7	4.5	5.6	5.8	7.6	6.2	2.9	4.5	6.6
55 Savings and loan associations	-2.3	.1	9.9	14.3	11.4	6.4	16.4	12.2	9.9	12.9	-3.1	17.0
56 Other insurance companies	1.0	.9	.9	1.1	1.0	.8	1.0	1.1	1.0	.9	.8	.7
57 Finance companies .....	.5	6.4	17.6	18.6	18.9	8.8	18.9	18.2	23.5	14.3	5.5	10.0
58 REITs	-1.4	-2.4	-2.2	-1.0	-4	-9	-1.0	-1.0	-6	-1	-1.4	-2.0
59 Open-end investment companies	-1	-1.0	-9	-1.0	-1.0	2.0	-5	-1.5	-1.0	-9	.9	2.6
All sectors												
60 Total funds raised, by instrument	223.6	295.9	392.5	481.8	483.4	434.1	465.5	498.1	466.7	498.9	379.5	489.2
61 Investment company shares	-1	-1.0	-9	-1.0	-1.0	2.0	-5	-1.5	-1.0	-9	.9	2.6
62 Other corporate equities	10.8	12.9	4.9	4.7	7.6	15.0	.1	9.4	5.8	9.3	9.5	17.0
63 Debt instruments	212.9	284.1	388.5	478.1	476.8	417.1	465.9	490.2	461.9	490.5	369.1	469.6
64 U.S. government securities	98.2	88.1	84.3	95.2	89.9	126.8	100.0	90.4	74.5	105.2	110.6	142.8
65 State and local obligations	16.1	15.7	23.7	28.3	18.9	22.2	27.8	28.7	16.0	21.8	18.5	31.6
66 Corporate and foreign bonds	36.4	37.2	36.1	31.6	32.9	35.6	34.2	29.1	34.1	31.5	46.1	25.4
67 Mortgages	57.2	87.0	133.9	149.1	158.6	124.8	141.9	156.3	159.8	157.4	113.0	138.2
68 Consumer credit	9.7	25.6	40.6	50.6	44.2	3.1	50.1	51.0	48.3	39.0	-4.3	8.9
69 Bank loans n.e.c.	-12.2	7.0	29.8	58.4	52.5	50.7	54.9	61.8	48.6	56.2	15.1	81.7
70 Open market paper and RPs	-1.2	8.1	15.0	26.4	40.5	21.4	22.4	30.4	41.1	39.8	41.9	9.9
71 Other loans	8.7	15.3	25.2	38.6	39.5	32.6	34.6	42.5	39.4	39.5	28.4	40.0

1.59 DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

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

Transaction category, or sector	1975	1976	1977	1978	1979	1980	1978		1979		1980	
							H1	H2	H1	H2	H1	H2
1 Total funds advanced in credit markets to nonfinancial sectors	200.7	261.0	335.3	398.3	390.6	349.8	387.4	409.2	377.7	402.3	318.0	389.7
<i>By public agencies and foreign</i>												
2 Total net advances	44.6	54.3	85.1	109.7	80.1	95.8	102.8	116.6	47.6	112.5	101.5	90.4
3 U.S. government securities	22.5	26.8	40.2	43.9	2.0	22.3	43.7	44.0	-22.1	26.2	24.7	21.3
4 Residential mortgages	16.2	12.8	20.4	26.5	36.1	32.0	22.2	30.7	32.6	39.6	33.4	30.7
5 FHLB advances to savings and loans	-4.0	-2.0	4.3	12.5	9.2	7.1	13.2	11.8	7.8	10.5	4.1	10.2
6 Other loans and securities	9.8	16.6	20.2	26.9	32.8	34.5	23.7	30.1	29.2	36.3	39.3	28.3
<i>Total advanced, by sector</i>												
7 U.S. government	15.1	8.9	11.8	20.4	22.5	26.0	19.4	21.4	23.8	21.3	29.5	21.6
8 Sponsored credit agencies	14.8	20.3	26.8	44.6	57.5	48.6	39.4	49.8	49.9	65.2	43.6	52.9
9 Monetary authorities	8.5	9.8	7.1	7.0	7.7	4.5	13.4	.5	9	14.5	14.6	-5.6
10 Foreign	6.1	15.2	39.4	37.7	-7.7	16.7	30.6	44.9	-27.0	11.7	13.8	21.5
11 Agency borrowing not included in line 1	13.5	18.6	26.3	41.4	52.4	47.5	38.5	44.3	45.8	59.0	45.8	48.9
<i>Private domestic funds advanced</i>												
12 Total net advances	169.7	225.4	276.5	330.0	362.9	301.5	323.2	336.9	375.9	348.8	262.4	348.2
13 U.S. government securities	75.7	61.3	44.1	51.3	87.9	104.6	56.3	46.4	96.6	79.1	85.9	121.5
14 State and local obligations	16.1	15.7	23.7	28.3	18.9	22.2	27.8	28.7	16.0	21.8	18.5	31.6
15 Corporate and foreign bonds	32.8	30.5	22.5	22.5	25.6	25.5	24.1	20.9	26.9	24.3	32.6	19.5
16 Residential mortgages	23.2	52.6	83.3	88.2	81.8	58.1	87.1	89.5	85.1	78.5	45.2	71.0
17 Other mortgages and loans	17.9	63.3	107.3	152.2	157.9	98.2	141.1	163.3	159.1	155.6	84.2	114.7
18 Less: Federal Home Loan Bank advances	-4.0	-2.0	4.3	12.5	9.2	7.1	13.2	11.8	7.8	10.5	4.1	10.2
<i>Private financial intermediation</i>												
19 Credit market funds advanced by private financial institutions	122.5	190.1	257.0	296.9	292.5	265.6	301.7	292.0	307.5	277.4	230.7	293.0
20 Commercial banking	29.4	59.6	87.6	128.7	121.1	103.5	132.5	125.0	124.6	117.6	57.0	142.4
21 Savings institutions	53.5	70.8	82.0	75.9	56.3	57.6	75.8	75.9	57.7	54.9	32.1	81.1
22 Insurance and pension funds	40.6	49.9	67.9	73.5	70.4	76.4	76.9	70.2	75.4	65.5	86.4	68.0
23 Other finance	-1.0	9.8	19.6	18.7	44.7	28.1	16.6	20.9	49.8	39.6	55.2	1.5
24 Sources of funds	122.5	190.1	257.0	296.9	292.5	265.6	301.7	292.0	307.5	277.4	230.7	293.0
25 Private domestic deposits	92.0	124.6	141.2	142.5	136.7	163.9	138.3	146.7	121.7	151.6	148.3	183.0
26 Credit market borrowing	-1.4	4.4	26.9	38.3	33.8	19.8	40.0	36.7	38.4	29.2	5.3	31.0
27 Other sources	32.0	61.0	89.0	116.0	122.0	81.9	123.5	108.6	147.3	96.6	77.2	79.0
28 Foreign funds	-8.7	-4.6	1.2	6.3	26.3	-20.0	5.7	6.9	49.4	3.2	-18.1	-28.1
29 Treasury balances	-1.7	-1.1	4.3	6.8	.4	-2.0	1.9	11.6	5.1	-4.3	-2.5	-2.6
30 Insurance and pension reserves	29.7	34.5	49.4	62.7	49.0	58.5	66.2	59.2	53.9	44.0	62.4	55.6
31 Other, net	12.7	31.2	34.1	40.3	46.3	45.4	49.6	31.0	38.9	53.7	35.4	54.1
<i>Private domestic nonfinancial investors</i>												
32 Direct lending in credit markets	45.8	39.7	46.3	71.5	104.2	55.7	61.4	81.6	106.8	100.5	36.9	86.1
33 U.S. government securities	24.1	16.1	23.0	33.2	57.8	30.7	32.1	34.4	64.1	51.5	15.5	48.8
34 State and local obligations	8.4	3.8	2.6	4.5	-2.5	-1.8	7.0	2.0	-2.3	-2.7	-1.6	7.9
35 Corporate and foreign bonds	8.4	5.8	-3.3	-1.4	11.1	5.4	-3.7	1.0	7.8	14.2	5.2	5.3
36 Commercial paper	-1.3	1.9	9.5	16.3	10.7	-2.4	8.2	24.4	12.5	9.0	-5.7	-2.9
37 Other	6.2	12.0	14.5	18.8	27.1	23.9	17.8	19.8	24.7	28.5	23.6	27.0
38 Deposits and currency	98.1	131.9	149.5	151.8	144.7	173.5	148.7	154.8	131.1	158.1	157.3	194.6
39 Security RPs	.2	2.3	2.2	7.5	6.6	4.7	9.8	5.1	18.5	-5.3	5.3	7.4
40 Money market fund shares	1.3	.2	2.2	6.9	34.4	29.2	6.1	7.7	30.2	38.6	61.9	-3.4
41 Time and savings accounts	84.0	113.5	121.0	115.2	84.7	131.8	110.7	119.8	71.4	97.9	92.3	178.9
42 Large at commercial banks	-15.8	-13.2	23.0	45.9	4	12.7	33.9	57.9	-25.3	26.0	-12.0	72.6
43 Other at commercial banks	40.3	57.6	29.0	8.2	39.3	62.9	18.4	-1.9	41.3	37.3	60.8	37.7
44 At savings institutions	59.4	69.1	69.0	61.1	45.1	56.2	58.5	63.8	55.4	34.7	43.5	68.7
45 Money	12.6	16.1	26.1	22.2	18.9	7.8	22.1	22.3	10.9	26.8	-2.2	11.8
46 Demand deposits	6.4	8.8	17.8	12.9	11.0	-1.8	11.6	14.2	1.6	20.3	-11.3	2.2
47 Currency	6.2	7.3	8.3	9.3	7.9	9.6	10.5	8.1	9.3	6.5	9.0	11.6
48 Total of credit market instruments, deposits and currency	143.9	171.6	195.8	223.3	248.9	229.1	210.1	236.4	237.9	258.7	194.2	280.8
49 Public support rate (in percent)	22.2	20.8	25.4	27.5	20.5	27.4	26.5	28.5	12.6	28.0	31.9	23.2
50 Private financial intermediation (in percent)	72.2	84.3	93.0	90.0	80.6	88.1	93.4	86.7	81.8	79.5	87.9	84.2
51 Total foreign funds	-2.6	10.6	40.5	44.0	18.6	-3.3	36.3	51.8	22.4	14.9	-4.3	-6.6
<i>MEMO: Corporate equities not included above</i>												
52 Total net issues	10.7	11.9	4.0	3.7	6.6	17.0	-4	7.9	4.8	8.4	10.4	19.6
53 Mutual fund shares	-1	-1.0	-9	-1.0	-2.0	-2.0	-5	-1.5	-1.0	-9	9	2.6
54 Other equities	10.8	12.9	4.9	4.7	7.6	15.0	.1	9.4	5.8	9.3	9.5	17.0
55 Acquisitions by financial institutions	9.6	12.3	7.4	7.6	15.7	18.7	.4	14.7	12.5	18.9	10.5	25.1
56 Other net purchases	1.1	-4	-3.4	-3.8	-9.1	-1.7	-8	-6.8	-7.7	-10.5	-1	-5.5

NOTES BY LINE NUMBER.

1. Line 2 of p. A42.
2. Sum of lines 3-6 or 7-10.
6. Includes farm and commercial mortgages.
11. Credit market funds raised by federally sponsored credit agencies, and net issues of federally related mortgage pool securities. Included below in lines 3, 13, and 33.
12. Line 1 less line 2 plus line 11. Also line 19 less line 26 plus line 32. Also sum of lines 27, 32, 39, 40, 41, and 46.
17. Includes farm and commercial mortgages.
25. Sum of lines 39, 40, 41, and 46.
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.
47. Mainly an offset to line 9.
48. Lines 32 plus 38, or line 12 less line 27 plus 45.
49. Line 2/line 1.
50. Line 19/line 12.
51. Sum of lines 10 and 28.
52. 54. Includes issues by financial institutions.
NOTE. Full statements for sectors and transaction types quarterly, and annually for flows and for amounts outstanding, may be obtained from Flow of Funds Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

A44 Domestic Nonfinancial Statistics □ July 1981

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

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

Measure	1978	1979	1980	1980			1981					
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar. ^r	Apr. ^r	May	June
1 Industrial production¹	146.1	152.5	147.1	146.9	149.4	151.0	151.7	152.2	152.2	152.2	152.8	152.7
<i>Market groupings</i>												
2 Products, total	144.8	150.0	146.8	147.2	148.7	149.9	150.3	149.8	150.7	151.5	151.9	151.4
3 Final, total	135.9	147.2	145.4	145.8	147.5	148.3	148.3	147.9	149.2	150.3	150.9	150.7
4 Consumer goods	149.1	150.8	145.5	146.6	148.0	147.7	147.2	146.9	148.2	149.2	149.8	149.4
5 Equipment	132.8	142.2	145.1	144.8	146.7	149.1	149.8	149.1	150.7	151.7	152.5	152.4
6 Intermediate	154.1	160.5	151.9	152.4	153.5	156.1	157.7	156.9	156.3	155.9	155.3	154.3
7 Materials	148.3	156.4	147.7	146.4	150.5	152.6	153.8	154.2	154.4	153.2	154.3	154.7
<i>Industry groupings</i>												
8 Manufacturing	146.8	153.6	146.6	146.4	149.1	150.6	151.1	151.0	151.7	152.3	152.9	152.2
Capacity utilization (percent) ^{1,2}												
9 Manufacturing	84.4	85.7	79.0	78.2	79.4	79.9	80.0	79.8	79.9	80.0	80.1	79.6
10 Industrial materials industries	85.6	87.4	79.8	78.4	80.4	81.3	81.7	81.7	81.7	80.9	81.3	81.3
11 Construction contracts (1972 = 100) ³	174.1	185.6	161.8	167.0	210.0	193.0	185.0	177.0	183.0	172.0	160.0	.....
<i>Nonagricultural employment, total⁴</i>												
12 Goods-producing, total	131.8	136.5 ^r	137.6 ^r	137.8 ^r	138.1 ^r	138.2 ^r	138.4 ^r	138.7 ^r	138.8	139.0	139.1	139.1
13 Manufacturing, total	109.8	113.5 ^r	110.3 ^r	109.5 ^r	110.0 ^r	110.0 ^r	110.0 ^r	110.1 ^r	110.3	110.3	110.2	110.6
14 Manufacturing, production-worker	105.4	108.2 ^r	104.4 ^r	103.4 ^r	103.8 ^r	103.7 ^r	103.7 ^r	103.8 ^r	103.8	104.6	105.0	104.9
15 Service-producing	103.0	105.3 ^r	99.4 ^r	98.0 ^r	98.4 ^r	98.3 ^r	98.2 ^r	98.2 ^r	98.4	99.2	99.6	99.7
16 Personal income, total	143.8	149.1 ^r	152.6 ^r	153.3 ^r	153.5 ^r	153.7 ^r	154.0 ^r	154.4 ^r	154.5	154.7	154.9	154.8
17 Wages and salary disbursements	273.3	308.5	342.9	354.7	358.3	361.4	365.2	368.0 ^r	371.5	373.6	375.7	n.a.
18 Manufacturing	258.8	289.5	314.7	323.6	328.0	330.5	335.6	337.9	340.2	341.4	342.9	n.a.
19 Disposable personal income ⁵	223.1	248.6	261.5	267.6	273.1	275.8	280.1	281.3	282.9	285.8	288.4	n.a.
20 Retail sales ⁶	267.0	299.6	332.5	339.3	343.2	346.4	349.2	352.5	355.3	358.7	360.5	362.4
<i>Prices⁷</i>												
22 Consumer	253.8	281.6	300.0	308.0	313.8	315.8	326.6	331.7	3.348	3.281	3.260	3.300
23 Producer finished goods	195.4	217.4	246.8	253.9	256.2	258.4	260.5	263.2	265.1	226.8	269.0	n.a.
	194.6	216.1	246.9	255.4	256.2	257.2	260.4	262.4	265.3	267.7	268.9	269.9

1. The industrial production and capacity utilization series have been revised back to January 1979.

2. Ratios of indexes of production to indexes of capacity. Based on data from Federal Reserve, McGraw-Hill Economics Department, and Department of Commerce.

3. Index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering, from McGraw-Hill Information Systems Company, F. W. Dodge Division.

4. Based on data in *Employment and Earnings* (U.S. Department of Labor). Series covers employees only, excluding personnel in the Armed Forces.

5. Based on data in *Survey of Current Business* (U.S. Department of Commerce).

6. Based on Bureau of Census data published in *Survey of Current Business*.

7. Data without seasonal adjustment, as published in *Monthly Labor Review*. 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	1980		1981		1980		1981		1980		1981	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	Output (1967 = 100)				Capacity (percent of 1967 output)				Utilization rate (percent)			
1 Manufacturing	141.0	148.7	151.3	152.5	186.3	187.8	189.3	190.8	75.7	79.2	79.9	79.9
2 Primary processing	139.6	153.1	157.3	157.2	191.5	193.0	194.3	195.4	72.9	79.4	81.0	80.5
3 Advanced processing	141.8	146.4	148.2	149.7	183.5	185.0	186.6	188.3	77.3	79.1	79.4	79.5
4 Materials	139.2	149.8	154.1	154.1	185.8	187.2	188.7	189.8	74.9	80.0	81.7	81.1
5 Durable goods	131.5	145.1	151.1	152.9	190.0	191.5	192.8	194.0	69.2	75.8	78.4	78.8
6 Metal materials	86.6	109.9	117.2	n.a.	140.9	141.0	141.1	n.a.	61.5	78.0	83.1	n.a.
7 Nondurable goods	161.9	175.5	179.1	179.7	204.3	206.5	208.5	210.1	79.2	85.0	85.9	85.5
8 Textile, paper, and chemical	165.6	182.7	186.8	188.6	213.7	216.2	218.5	220.4	77.5	84.5	85.5	85.6
9 Textile	113.4	113.2	111.0	n.a.	139.6	140.0	140.3	n.a.	81.2	80.9	79.1	n.a.
10 Paper	142.9	148.9	151.2	n.a.	157.4	158.8	160.0	n.a.	90.7	93.8	94.5	n.a.
11 Chemical	197.9	226.9	234.6	n.a.	268.7	272.9	276.4	n.a.	73.6	83.2	84.9	n.a.
12 Energy materials	129.6	129.5	130.8	125.0	152.6	153.1	154.1	155.0	85.0	84.6	84.9	80.7

2.11 Continued

Series	Previous cycle ¹		Latest cycle ²		1980	1980			1981					
	High	Low	High	Low	June	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	
Capacity utilization rate (percent)														
13 Manufacturing	88.0	69.0	87.2	74.9	75.7	79.4	79.9	80.0	79.8	79.9	80.0	80.1	79.6	
14 Primary processing	93.8	68.2	90.1	70.9	72.7	79.6	80.8	81.2	81.2	80.5	80.6	80.5	80.2	
15 Advanced processing	85.5	69.4	86.2	77.1	77.4	79.2	79.6	79.5	79.1	79.6	79.7	79.9	79.3	
16 Materials	92.6	69.4	88.8	73.7	75.7	80.4	81.3	81.7	81.7	81.7	80.9	81.0	81.3	
17 Durable goods	91.5	63.6	88.4	68.0	70.8	76.5	77.3	78.0	78.2	78.9	78.7	78.8	78.6	
18 Metal materials	98.3	68.6	96.0	58.4	67.0	81.4	81.0	82.0	83.2	84.1	81.1	81.0	n.a.	
19 Nondurable goods	94.5	67.2	90.9	76.8	78.7	84.3	86.3	86.7	86.1	84.9	85.4	85.7	85.3	
20 Textile, paper, and chemical	95.1	65.3	91.4	74.5	77.1	83.7	85.9	86.2	85.8	84.5	85.1	85.4	85.5	
21 Textile	92.6	57.9	90.1	79.5	81.8	80.7	79.8	79.8	79.2	78.2	79.1	79.7	n.a.	
22 Paper	99.4	72.4	97.6	88.1	91.6	94.1	94.2	93.7	94.8	94.9	93.8	93.5	n.a.	
23 Chemical	95.5	64.2	91.2	69.6	72.7	82.0	85.4	85.9	85.2	83.6	84.4	84.9	n.a.	
24 Energy materials	94.6	84.8	88.3	83.1	85.8	85.5	85.0	84.6	85.2	84.8	80.3	79.7	82.7	

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	1978	1979	1980	1980	1981					
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June
HOUSEHOLD SURVEY DATA										
1 Noninstitutional population ¹	161,058	163,620	166,246	167,396	167,585	167,747	167,902	168,071	168,272	168,480
2 Labor force (including Armed Forces) ¹	102,537	104,996	106,821	107,191	107,668	107,802	108,305	108,851	109,533	108,307
3 Civilian labor force	100,420	102,908	104,719	105,067	105,543	105,681	106,177	106,722	107,406	106,176
Employment										
4 Nonagricultural industries ²	91,031	93,648	93,960	93,888	94,294	94,646	95,136	95,513	95,882	95,127
5 Agriculture	3,342	3,297	3,310	3,394	3,403	3,281	3,276	3,463	3,353	3,265
Unemployment										
6 Number	6,047	5,963	7,448	7,785	7,847	7,754	7,764	7,746	8,171	7,784
7 Rate (percent of civilian labor force)	6.0	5.8	7.1	7.4	7.4	7.3	7.3	7.3	7.6	7.3
8 Not in labor force	58,521	58,623	59,425	60,205	59,917	59,946	59,598	59,219	58,739	60,173
ESTABLISHMENT SURVEY DATA										
9 Nonagricultural payroll employment ³	86,697	89,823 ^r	90,564 ^r	90,949 ^r	91,091 ^r	91,258 ^r	91,347 ^r	91,458 ^r	91,530 ^r	91,516
10 Manufacturing	20,505	21,040 ^r	20,300 ^r	20,175 ^r	20,174 ^r	20,177 ^r	20,171 ^r	20,332 ^r	20,413 ^r	20,405
11 Mining	851	958 ^r	1,020 ^r	1,069 ^r	1,083 ^r	1,091 ^r	1,098 ^r	950 ^r	955 ^r	1,106
12 Contract construction	4,229	4,463 ^r	4,399 ^r	4,387 ^r	4,390 ^r	4,389 ^r	4,416 ^r	4,418 ^r	4,322 ^r	4,263
13 Transportation and public utilities	4,923	5,136 ^r	5,143 ^r	5,118 ^r	5,124 ^r	5,135 ^r	5,139 ^r	5,161 ^r	5,141 ^r	5,167
14 Trade	19,542	20,192 ^r	20,386 ^r	20,470 ^r	20,529 ^r	20,600 ^r	20,635 ^r	20,636 ^r	20,714 ^r	20,681
15 Finance	4,724	4,975 ^r	5,168 ^r	5,254 ^r	5,268 ^r	5,283 ^r	5,293 ^r	5,316 ^r	5,322 ^r	5,329
16 Service	16,252	17,112 ^r	17,901 ^r	18,240 ^r	18,300 ^r	18,343 ^r	18,371 ^r	18,475 ^r	18,536 ^r	18,548
17 Government	15,672	15,947 ^r	16,249 ^r	16,236 ^r	16,223 ^r	16,240 ^r	16,204 ^r	16,170 ^r	16,127 ^r	16,017

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).

A46 Domestic Nonfinancial Statistics □ July 1981

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value¹

Monthly data are seasonally adjusted.

Grouping	1967 proportion	1980 average	1980								1981					
			June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar. ^r	Apr. ^r	May ^r	June ^r	
Index (1967 = 100)																
MAJOR MARKET																
1 Total index	100.00	147.1	141.5	140.4	141.8	144.1	146.9	149.4	151.0	151.7	151.5	152.2	152.2	152.8	152.7	
2 Products	60.71	146.8	142.5	142.8	143.8	145.3	147.2	148.7	149.9	150.3	149.8	150.7	151.5	151.9	151.4	
3 Final products	47.82	145.4	142.3	142.4	142.8	143.9	145.8	147.5	148.3	148.3	147.9	149.2	150.3	150.9	150.7	
4 Consumer goods	27.68	145.5	142.1	142.0	142.7	144.3	146.6	148.0	147.7	147.2	146.9	148.2	149.2	149.8	149.4	
5 Equipment	20.14	145.1	142.6	142.9	142.9	143.2	144.8	146.7	149.1	149.8	149.1	150.7	151.7	152.5	152.4	
6 Intermediate products	12.89	151.9	146.2	144.5	147.6	150.6	152.4	153.5	156.1	157.7	156.9	156.3	155.9	155.3	154.3	
7 Materials	39.29	147.7	140.0	136.5	138.6	142.4	146.4	150.5	152.6	153.8	154.2	154.4	153.2	154.3	154.7	
<i>Consumer goods</i>																
8 Durable consumer goods	7.89	136.5	128.2	128.3	128.6	132.7	139.6	142.9	141.3	138.8	138.9	143.3	144.0	146.5	145.8	
9 Automotive products	2.83	132.7	121.6	129.2	121.5	130.6	141.8	145.3	139.1	127.1	129.0	139.4	143.6	151.3	152.4	
10 Autos and utility vehicles	2.03	109.9	97.1	106.4	94.1	105.5	120.2	124.3	115.9	99.8	103.7	116.7	120.1	129.9	131.6	
11 Autos	1.90	103.4	95.7	105.2	91.3	98.0	110.7	114.3	105.3	90.0	96.0	108.3	113.2	120.8	122.2	
12 Auto parts and allied goods	80	190.4	184.0	183.7	186.9	191.1	194.2	196.8	198.6	198.0	196.6	196.9	203.2	205.9	205.2	
13 Home goods	5.06	138.7	134.6	132.0	127.7	132.6	134.0	138.3	141.5	142.6	145.4	145.5	144.3	143.8	142.1	
14 Appliances, A/C, and TV	1.40	117.1	105.6	102.3	114.2	116.3	123.5	128.4	126.8	131.2	124.2	127.7	120.8	119.0	117.0	
15 Appliances and TV	1.33	119.5	108.5	103.4	114.2	117.6	125.6	131.0	129.2	132.7	126.7	129.7	122.3	120.1	.....
16 Carpeting and furniture	1.07	155.0	146.7	136.1	141.1	146.1	150.2	154.9	156.3	156.8	159.9	159.3	164.1	165.1	.....
17 Miscellaneous home goods	2.59	143.6	140.2	138.1	139.1	138.6	141.5	143.0	145.4	148.4	149.0	149.4	148.9	148.4	146.6	
18 Nondurable consumer goods	19.79	149.1	147.6	147.4	148.3	148.9	149.4	150.1	150.2	150.5	150.1	150.1	151.3	151.1	150.8	
19 Clothing	4.29	126.8	126.7	122.5	123.6	122.1	125.1	127.3	123.7	122.3	119.9	120.0	120.3	.....	.....
20 Consumer staples	15.50	155.3	153.4	154.3	155.1	156.3	156.1	156.4	157.5	158.3	158.5	158.9	159.9	159.4	159.3	
21 Consumer foods and tobacco	8.33	147.0	146.2	146.4	146.0	147.0	147.7	148.0	148.9	148.7	149.3	149.6	151.0	149.9	.....
22 Nonfood staples	7.17	165.0	161.7	163.6	165.7	167.1	165.9	166.2	167.6	169.5	169.1	168.8	170.2	170.5	171.2	
23 Consumer chemical products	2.63	208.7	202.6	204.3	209.3	213.0	210.2	210.0	212.5	214.7	217.6	220.0	222.9	223.6	.....
24 Consumer paper products	1.92	122.9	120.6	121.5	122.0	122.3	124.8	127.3	127.0	127.6	129.5	129.1	127.4	126.7	.....
25 Consumer energy products	2.62	151.9	150.9	153.5	153.9	154.0	151.5	150.8	152.3	154.8	149.6	146.5	148.8	149.3	.....
26 Residential utilities	1.45	171.2	170.1	176.5	178.6	178.3	175.0	171.8	171.2	174.4	167.0	166.5	170.3	.....	.....
<i>Equipment</i>																
27 Business	12.63	173.3	169.8	170.1	170.3	170.5	172.3	174.5	177.8	178.9	178.3	180.5	182.1	183.2	183.0	
28 Industrial	6.77	157.0	155.2	154.8	154.5	154.2	154.4	157.1	160.7	163.8	165.2	167.3	168.6	170.0	170.1	
29 Building and mining	1.44	241.3	241.0	244.4	243.6	243.4	244.3	250.1	255.7	265.9	272.2	279.6	285.4	289.2	289.4	
30 Manufacturing	3.85	128.5	126.1	126.0	124.4	123.9	123.9	126.4	130.6	131.1	131.0	132.0	131.9	133.1	133.3	
31 Power	1.47	149.0	147.1	142.0	145.9	146.1	146.1	146.0	146.1	149.1	149.9	149.3	149.9	149.7	149.4	
32 Commercial transit, farm	5.86	192.1	186.7	187.8	188.4	189.4	192.8	194.7	197.6	196.3	193.4	195.9	197.6	198.5	197.9	
33 Commercial	3.26	237.5	228.8	229.0	233.6	237.2	242.0	244.0	248.3	249.6	250.9	253.4	254.4	256.0	255.7	
34 Transit	1.93	139.4	138.0	140.9	138.4	133.8	135.0	136.6	137.9	131.7	122.9	126.6	129.4	130.6	129.8	
35 Farm	67	123.2	121.6	122.5	112.7	116.8	120.2	121.9	123.1	122.9	116.4	115.3	117.9	114.5	.....
36 Defense and space	7.51	97.8	96.8	97.2	96.9	97.4	98.5	99.8	100.7	101.0	100.2	100.5	100.8	100.9	100.9	
<i>Intermediate products</i>																
37 Construction supplies	6.42	140.7	128.5	128.6	133.1	137.4	140.5	142.8	144.6	147.4	147.3	147.6	146.9	146.4	144.4	
38 Business supplies	6.47	162.9	158.4	160.4	161.9	163.6	164.3	164.2	167.5	168.0	166.5	164.8	164.8	164.2	.....
39 Commercial energy products	1.14	173.6	168.7	172.1	173.7	175.2	174.6	174.0	179.4	178.3	175.0	174.4	174.1	174.2	.....
<i>Materials</i>																
40 Durable goods materials	20.35	143.1	133.8	129.0	131.3	134.2	140.4	146.6	148.4	150.2	150.7	152.4	152.4	153.7	152.7	
41 Durable consumer parts	4.58	109.0	96.0	93.9	98.1	104.2	110.8	115.5	116.3	116.2	115.9	119.9	121.9	123.0	123.3	
42 Equipment parts	5.44	187.3	182.5	177.6	176.3	176.0	178.5	184.0	185.8	189.2	188.9	191.5	192.1	194.6	194.1	
43 Durable materials n.e.c.	10.34	135.0	125.0	118.9	122.4	125.4	133.4	140.6	142.9	144.6	146.0	146.2	144.9	145.8	143.9	
44 Basic metal materials	5.57	104.6	95.9	84.7	89.4	91.7	102.0	114.4	115.0	116.3	118.1	118.1	114.7	115.3	.....
45 Nondurable goods materials	10.47	170.7	159.6	156.2	159.8	169.7	173.7	174.1	178.8	180.2	179.6	177.7	179.1	180.3	179.8	
46 Textile, paper, and chemical materials	7.62	177.0	163.4	158.5	163.2	175.1	180.5	181.0	186.5	187.7	187.4	185.4	187.2	189.6	189.0	
47 Textile materials	1.85	116.0	114.0	114.4	111.0	114.7	114.9	113.0	111.8	111.9	111.1	109.9	112.3	113.1	.....
48 Paper materials	1.62	145.1	143.4	138.4	142.0	148.2	147.3	149.5	150.0	149.6	151.7	152.2	150.9	151.3	.....
49 Chemical materials	4.15	216.7	193.3	186.1	194.9	212.6	222.9	223.8	234.1	236.4	235.5	232.1	235.0	238.7	.....
50 Containers, nondurable	1.70	165.1	157.7	159.0	158.8	167.2	168.6	166.6	169.7	172.1	171.0	169.8	170.1	167.6	.....
51 Nondurable materials n.e.c.	1.14	137.3	136.8	136.6	137.9	137.2	135.7	139.1	141.1	142.0	140.4	139.4	138.3	137.1	.....
52 Energy materials	8.48	130.0	130.4	130.4	130.0	128.4	127.2	130.9	130.5	130.2	131.3	130.7	123.3	123.4	128.4	
53 Primary energy	4.65	115.1	117.3	115.6	114.0	114.3	113.7	114.5	115.0	114.4	117.5	116.2	103.9	104.0	.....
54 Converted fuel materials	3.82	148.2	146.4	148.4	149.4	145.4	143.6	150.9	149.4	149.4	148.0	148.3	146.8	146.9	.....
<i>Supplementary groups</i>																
55 Home goods and clothing	9.35	133.2	129.5	125.3	128.5	128.5	132.2	135.0	133.9	134.8	133.2	133.8	133.3	133.4	132.1	
56 Energy, total	12.23	138.8	138.4	139.2	139.2	138.2	136.8	139.2	139.7	139.9	139.2	138.1	133.5	133.7	137.8	
57 Products	3.76	158.5	156.3	159.1	159.9	160.5	158.5	157.9	160.5	161.9	157.1	155.0	156.5	156.8	.....
58 Materials	8.48	130.0	130.4	130.4	130.0	128.4	127.2	130.9	130.5	130.2	131.3	130.7	123.3	123.4	128.4	

2.13 Continued

Grouping	SIC code	1967 proportion	1980 avg.	1980						1981						
				June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar. r	Apr.	May ^p	June ^r
Index (1967 = 100)																
MAJOR INDUSTRY																
1 Mining and utilities		12.05	150.4	150.1	150.1	150.5	150.5	150.2	152.8	154.0	155.2	155.2	155.8	151.7	152.2	156.1
2 Mining		6.36	132.9	132.9	130.6	129.6	130.5	132.1	136.0	139.3	141.1	143.3	143.5	135.8	135.9	141.3
3 Utilities		5.69	169.9	169.3	171.8	173.8	172.7	170.4	171.5	170.3	171.0	168.5	169.4	169.4	170.5	172.5
4 Electric		3.88	189.7	188.7	192.4	195.4	193.9	190.3	191.5	190.3	191.1	187.4	188.7	188.5	190.0	192.9
5 Manufacturing		87.95	146.6	140.3	139.1	140.6	143.4	146.4	149.1	150.6	151.1	151.0	151.7	152.3	152.9	152.2
6 Nondurable		35.97	161.1	155.3	154.7	156.9	160.3	161.8	163.3	165.0	165.2	166.1	165.5	166.2	166.4	165.9
7 Durable		51.98	136.6	129.9	128.3	129.4	131.7	135.8	139.3	140.6	141.4	140.7	142.2	142.6	143.6	
<i>Mining</i>																
8 Metal	10	.51	109.1	120.0	83.1	71.2	73.1	90.8	107.2	122.2	126.3	133.7	131.1	123.6	121.6	.....
9 Coal	11.12	.69	146.7	150.0	149.8	154.9	148.9	145.7	151.6	155.3	150.3	158.9	151.1	75.8	76.9	124.1
10 Oil and gas extraction	13	4.40	133.8	133.2	134.3	133.6	134.7	135.4	137.4	139.1	141.5	142.7	144.8	146.8	147.2	148.3
11 Stone and earth minerals	14	.75	131.7	123.9	123.7	123.5	128.2	129.0	133.0	137.8	140.0	138.9	137.4	134.8	133.1	.....
<i>Nondurable manufactures</i>																
12 Foods	20	8.75	149.2	149.0	148.9	148.3	148.6	149.4	150.5	150.7	150.0	151.5	152.1	153.0	152.5	.....
13 Tobacco products	21	.67	119.8	113.9	119.6	117.4	119.1	123.1	125.1	118.8	122.9	123.1	115.8	120.7	.....	.....
14 Textile mill products	22	2.68	136.8	133.6	132.5	132.6	133.0	133.8	135.0	133.9	133.8	135.5	134.0	135.9	135.7	.....
15 Apparel products	23	3.31	128.6	127.2	121.5	123.8	126.7	127.5	128.0	125.1	125.9	124.0	123.6	124.0	.....	.....
16 Paper and products	26	3.21	151.0	146.2	143.6	147.1	152.3	153.0	154.4	156.8	157.2	156.7	156.9	156.7	155.6	153.6
17 Printing and publishing	27	4.72	139.6	135.4	138.6	140.3	140.3	141.5	142.7	144.9	145.5	145.8	143.6	141.4	140.4	139.3
18 Chemicals and products	28	7.74	206.7	191.1	190.3	197.8	206.8	209.1	212.0	218.8	219.2	220.9	219.5	220.7	222.4	.....
19 Petroleum products	29	1.79	134.9	133.0	130.5	126.7	130.5	130.1	131.2	137.5	137.3	134.3	131.4	130.4	128.9	128.8
20 Rubber and plastic products	30	2.24	255.8	242.9	242.5	245.9	253.1	259.2	259.6	259.2	258.2	264.0	267.9	273.8	276.0	.....
21 Leather and products	31	.86	70.1	68.5	67.8	67.7	67.2	70.2	71.2	67.8	68.9	69.4	69.1	68.8	70.0	.....
<i>Durable manufactures</i>																
22 Ordnance, private and government	19.91	3.64	77.9	77.5	77.1	77.2	77.1	79.1	79.6	79.5	78.9	78.6	78.3	78.4	78.9	79.2
23 Lumber and products	24	1.64	119.3	109.7	112.8	121.7	122.6	122.2	124.9	122.0	126.3	126.3	125.4	126.2	126.2	.....
24 Furniture and fixtures	25	1.37	150.0	143.1	138.6	141.1	144.8	147.2	147.2	149.0	150.5	153.0	153.0	157.1	158.9	.....
25 Clay, glass, stone products	32	2.74	146.5	134.5	134.2	135.7	141.4	145.2	147.8	151.4	154.9	154.8	152.4	152.4	151.6	.....
26 Primary metals	33	6.57	101.6	90.4	81.7	86.0	90.1	100.6	113.4	112.1	113.9	114.2	114.3	112.1	112.2	109.8
27 Iron and steel	33.1.2	4.21	91.7	75.4	68.1	75.3	79.8	93.3	107.4	103.5	108.0	107.8	107.3	105.5	105.9	.....
28 Fabricated metal products	34	5.93	135.0	126.1	123.8	125.8	129.0	132.8	134.1	137.4	137.6	139.1	141.3	141.0	141.0	140.4
29 Nonelectrical machinery	35	9.15	162.8	158.3	158.5	158.8	159.1	161.1	163.4	167.5	168.9	169.1	170.7	171.5	173.2	173.5
30 Electrical machinery	36	8.05	172.7	166.6	165.0	166.7	167.5	170.0	173.0	174.9	177.9	174.6	177.1	178.4	179.2	177.4
31 Transportation equipment	37	9.27	116.8	110.0	110.7	108.3	112.9	118.8	121.7	120.6	117.3	114.9	119.4	120.2	123.3	123.2
32 Motor vehicles and parts	37.1	4.50	118.8	106.7	107.9	104.4	113.4	124.2	129.0	126.3	119.2	117.5	127.4	129.7	136.1	136.5
33 Aerospace and miscellaneous transportation equipment	37.2-9	4.77	114.9	113.1	113.4	111.9	112.3	113.6	114.8	115.2	115.5	112.5	111.9	111.2	111.2	110.5
34 Instruments	38	2.11	171.0	169.2	167.5	167.6	167.4	169.6	169.9	172.1	174.0	171.3	169.9	170.0	170.6	169.5
35 Miscellaneous manufactures	39	1.51	147.8	43.7	144.7	144.2	142.8	145.0	147.5	149.5	151.8	153.6	154.9	156.0	153.5	152.5
Gross value (billions of 1972 dollars, annual rates)																
MAJOR MARKET																
36 Products, total		507.4	602.1	585.0	586.7	585.9	593.3	604.7	610.9	615.5	614.0	612.0	617.8	617.4	620.1	618.4
37 Final		390.9	465.4	455.6	456.9	453.0	458.0	467.7	473.0	475.5	472.6	470.4	476.7	477.8	480.9	480.3
38 Consumer goods		277.5	313.5	305.8	307.7	305.1	309.0	316.6	320.0	320.3	317.2	316.5	320.4	321.4	323.2	322.7
39 Equipment		113.4	151.9	149.8	149.2	147.9	149.0	151.1	153.0	155.2	155.4	154.0	156.3	156.4	157.7	157.6
40 Intermediate		116.6	136.7	129.4	129.9	132.9	135.3	137.1	137.9	140.0	141.5	141.5	141.2	139.6	139.1	138.1

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

A48 Domestic Nonfinancial Statistics □ July 1981

2.14 HOUSING AND CONSTRUCTION

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

Item	1978	1979	1980	1980			1981				
				Oct.	Nov.	Dec.	Jan.	Feb. ^r	Mar. ^r	Apr.	May
Private residential real estate activity (thousands of units)											
New UNITS											
1 Permits authorized	1.801	1.552	1,191 ^r	1,351 ^r	1,366 ^r	1,249 ^r	1,214 ^r	1,165	1,153	1,186 ^r	1,182 ^r
2 1-family	1.183	981	710 ^r	820 ^r	809 ^r	753 ^r	715 ^r	677	678	689 ^r	655 ^r
3 2-or-more-family	618	571 ^r	481 ^r	531 ^r	557 ^r	496 ^r	499 ^r	488	475	497 ^r	528 ^r
4 Started	2.020	1.745	1,292	1,519	1,550	1,535	1,660	1,215	1,297 ^r	1,340 ^r	1,152 ^r
5 1-family	1.433	1,194	852	1,009	1,019	974	993	791	838 ^r	900 ^r	753 ^r
6 2-or-more-family	587	551	440	510	531	561	667	424	459 ^r	440 ^r	399 ^r
7 Under construction, end of period ¹	1.310	1,140	896 ^r	886	905	915	940 ^r	938 ^r	924 ^r	916 ^r	↑
8 1-family	765	639	515	514	529	535	544	541 ^r	533 ^r	531 ^r	↑
9 2-or-more-family	546	501	382 ^r	373 ^r	376	381 ^r	397 ^r	397 ^r	390 ^r	386 ^r	↑
10 Completed	1.868	1,855	1,502 ^r	1,287	1,274	1,373	1,252 ^r	1,389 ^r	1,354 ^r	1,449 ^r	n.a.
11 1-family	1.369	1,286	957 ^r	823	819	895	903 ^r	965 ^r	932 ^r	932 ^r	↓
12 2-or-more-family	498 ^r	569 ^r	545	464	455	478	349 ^r	424 ^r	482 ^r	567 ^r	↓
13 Mobile homes shipped	276	277	222	236	239	261	233	256	255	265	↓
Merchant builder activity in 1-family units											
14 Number sold	818	709	530	549	560	514	523 ^r	500 ^r	507 ^r	436 ^r	504
15 Number for sale, end of period ¹	419	402	340 ^r	334	337	336	329 ^r	334 ^r	325 ^r	329	326
Price (thousands of dollars) ²											
Median											
16 Units sold	55.8	62.7	64.9	66.1	67.1	67.2	67.9	65.8 ^r	67.1 ^r	69.0 ^r	72.6
Average											
17 Units sold	62.7	71.9	76.6	77.7	82.2	81.5	80.2 ^r	80.1 ^r	81.0 ^r	83.4 ^r	83.9
EXISTING UNITS (1-family)											
18 Number sold	3.863	3.701	2.881	3.120	2.960	2.910	2.580	2.560	2.490	2.610 ^r	2.510
Price of units sold (thous. of dollars) ²											
19 Median	48.7	55.5	62.1	62.7	64.3	63.0	64.5	64.1	64.4	65.3 ^r	66.4
20 Average	55.1	64.0	72.7	73.4	74.9	74.0	76.1	75.7	76.2	77.3	78.6
Value of new construction ³ (millions of dollars) ^r											
CONSTRUCTION											
21 Total put in place	205,559	230,781	230,273	228,932	234,275	245,433	259,049	254,458	250,274	248,948	237,322
22 Private	159,664	181,690	174,896	174,913	180,882	187,875	193,877	193,155	189,641	192,509	186,500
23 Residential	93,423	99,032	87,260	89,826	95,617	98,898	100,686	99,684	96,266	98,330	94,115
24 Nonresidential, total	66,241	82,658	87,636	85,087	85,265	88,977	93,191	93,471	93,375	94,179	92,385
Buildings											
25 Industrial	10,993	14,953	13,839	12,449	12,916	14,293	15,339	15,094	15,380	15,504	14,876
26 Commercial	18,561	24,919	29,940	29,086	29,572	30,763	32,955	33,379	33,307	33,395	31,544
27 Other	6,739	7,427	8,654	8,786	8,961	9,268	9,891	9,938	9,588	9,196	8,947
28 Public utilities and other	29,948	35,359	35,203	34,766	33,816	34,653	35,006	35,060	35,100	36,084	37,018
29 Public	45,896	49,090	55,375	54,018	53,393	57,558	65,173	61,302	60,633	56,439	50,822
30 Military	1,501	1,648	1,880	2,025	1,770	1,743	1,810	2,173	1,685	1,915	1,749
31 Highway	10,708	11,998	13,784	12,963	12,786	13,127	19,882	17,812	15,515	14,144	n.a.
32 Conservation and development	4,457	4,586	5,089	4,885	5,177	5,383	6,242	6,197	6,018	5,688	n.a.
33 Other	29,230	30,858	34,622	34,145	33,660	37,305	37,239	35,120	37,415	34,692	n.a.

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 due to changes by the Bureau of the Census in its estimating techniques. For a description of these changes see *Construction Reports* (C-30-76-5), issued by the Bureau in July 1976.

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

2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data, except as noted

Item	12 months to		3 months (at annual rate) to				1 month to					Index level May 1981 (1967 = 100) ¹
	1980 May	1981 May	1980			1981	1981					
			June	Sept.	Dec.	Mar.	Jan.	Feb.	Mar.	Apr.	May	
CONSUMER PRICES²												
1 All items	14.4	9.8	11.4	7.8	13.2	9.6	.7	1.0	.6	.4	.7	269.0
2 Commodities	12.4	8.9	5.4	13.2	11.0	8.9 ^r	.6	1.1	.5	.0	.2	251.9
3 Food	6.9	8.8	5.8	19.7	13.1	2.1	-.1	.3	.4	.0	-.2	272.5
4 Commodities less food	14.9	8.8	5.2	10.6	9.9	12.3	1.0	1.4	.5	.0	.4	239.6
5 Durable	9.5	8.1	7.5	15.2	11.8	-.7	.3	-.3	-.1	.3	.9	223.9
6 Nondurable	21.9	9.6	3.8	5.0	6.2	29.8	2.1	3.2	1.3	-.2	-.2	258.2
7 Services	17.3	11.3	20.5	.7	16.8	10.3	.9	.8	.8	1.0	1.4	299.6
8 Rent	8.7	9.0	10.0	8.6	9.6	7.0	.7	.5	.5	.6	.8	205.9
9 Services less rent	18.6	11.6	22.1	-.3	17.8	10.9	.9	.9	.8	1.0	1.5	317.4
<i>Other groupings</i>												
10 All items less food	16.1	10.1	12.7	5.7	13.2	11.7	1.0	1.1	.7	.5	.9	267.0
11 All items less food and energy	13.2	9.5	14.0	5.8	14.4	5.8	.6	.4	.4	.6	1.1	253.0
12 Homeownership	22.8	10.3	26.4	-.3.5	23.1	3.1	.5	.0	.3	.7	1.7	345.0
PRODUCER PRICES												
13 Finished goods	13.5	10.5	8.4	13.5	8.3	12.0	1.2 ^r	.8 ^r	.9 ^r	.8	.4	268.9
14 Consumer	14.5	10.4	7.6	14.5	7.4	12.1	1.2 ^r	.7 ^r	1.0 ^r	.8	.2	270.6
15 Foods	2.5	8.7	-1.4	31.0	4.3	.3	.1	-.6 ^r	.6 ^r	.0	.0	252.0
16 Excluding foods	20.9	10.9	12.2	7.5	8.9	17.4	1.6 ^r	1.3 ^r	1.2 ^r	1.1	.3	276.1
17 Capital equipment	10.2	10.9	10.9	9.9	11.8	11.5	1.2 ^r	.9	.6 ^r	.9	.9	262.6
18 Intermediate materials ³	16.7	11.1	6.2	7.8	12.9	13.2	1.4	.6 ^r	1.1 ^r	1.1	.6	310.5
<i>Crude materials</i>												
19 Nonfood	20.6	26.1	.2	32.3	27.5	35.7	2.0	7.0 ^r	-1.1 ^r	1.4	1.5	488.6
20 Food	-4.1	7.2	-.3	73.9	-4.0	-23.1	-1.1	-3.3	-2.0	1.5	-2.2	260.6

1. Not seasonally adjusted.

2. Figures for consumer prices are those for all urban consumers.

3. Excludes intermediate materials for food manufacturing and manufactured animal feeds.

SOURCE: Bureau of Labor Statistics.

A50 Domestic Nonfinancial Statistics □ July 1981

2.16 GROSS NATIONAL PRODUCT AND INCOME

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

Account	1978	1979	1980	1980				1981
				Q1	Q2	Q3	Q4	Q1 ^r
GROSS NATIONAL PRODUCT								
1 Total	2,156.1	2,413.9	2,626.1	2,571.7	2,564.8	2,637.3	2,730.6	2,853.0
<i>By source</i>								
2 Personal consumption expenditures	1,348.7	1,510.9	1,672.8	1,631.0	1,626.8	1,682.2	1,751.0	1,810.0
3 Durable goods	199.3	212.3	211.9	220.9	194.4	208.8	223.3	238.3
4 Nondurable goods	529.8	602.2	675.7	661.1	664.0	674.2	703.5	726.0
5 Services	619.6	696.3	785.2	749.0	768.4	799.2	824.2	845.8
6 Gross private domestic investment	375.3	415.8	395.3	415.6	390.9	377.1	397.7	437.1
7 Fixed investment	353.2	398.3	401.2	413.1	383.5	393.2	415.1	432.7
8 Nonresidential	242.0	279.7	296.0	297.8	289.8	294.0	302.1	315.9
9 Structures	78.7	96.3	108.8	108.2	108.4	107.3	111.5	117.2
10 Producers' durable equipment	163.3	183.4	187.1	189.7	181.4	186.8	190.7	198.7
11 Residential structures	111.2	118.6	105.3	115.2	93.6	99.2	113.0	116.7
12 Nonfarm	106.9	113.9	100.3	110.1	88.9	94.5	107.6	111.4
13 Change in business inventories	22.2	17.5	-5.9	2.5	7.4	-16.0	-17.4	4.5
14 Nonfarm	21.8	13.4	-4.7	1.5	6.1	-12.3	-14.0	6.8
15 Net exports of goods and services	-0.6	13.4	23.3	8.2	17.1	44.5	23.3	29.2
16 Exports	219.8	281.3	339.8	337.3	333.3	342.4	346.1	367.4
17 Imports	220.4	267.9	316.5	329.1	316.2	297.9	322.7	338.2
18 Government purchases of goods and services	432.6	473.8	534.7	516.8	530.0	533.5	558.6	576.5
19 Federal	153.4	167.9	198.9	190.0	198.7	194.9	212.0	221.6
20 State and local	279.2	305.9	335.8	326.8	331.3	338.6	346.6	354.9
<i>By major type of product</i>								
21 Final sales, total	2,133.9	2,396.4	2,632.0	2,569.1	2,557.4	2,653.4	2,748.0	2,848.5
22 Goods	946.6	1,055.9	1,130.4	1,116.9	1,106.4	1,129.4	1,169.0	1,247.5
23 Durable	409.8	451.2	458.6	456.4	444.6	456.5	476.7	501.4
24 Nondurable	536.8	604.7	671.9	660.5	661.8	672.9	692.2	746.1
25 Services	976.3	1,097.2	1,229.6	1,178.6	1,205.6	1,249.0	1,285.3	1,317.1
26 Structures	233.2	260.8	266.0	276.2	252.8	258.9	276.4	288.4
27 Change in business inventories	22.2	17.5	-5.9	2.5	7.4	-16.0	-17.4	4.5
28 Durable goods	17.8	11.5	-4.0	-11.8	3.3	-8.4	.7	-4.2
29 Nondurable goods	4.4	6.0	-1.8	14.3	4.1	-7.7	-18.1	8.6
30 MEMO: Total GNP in 1972 dollars	1,436.9	1,483.0	1,480.7	1,501.9	1,463.3	1,471.9	1,485.6	1,516.0
NATIONAL INCOME								
31 Total	1,745.4	1,963.3	2,121.4	2,088.5	2,070.0	2,122.4	2,204.8	2,291.1
32 Compensation of employees	1,299.7	1,460.9	1,596.5	1,558.0	1,569.0	1,597.4	1,661.8	1,722.4
33 Wages and salaries	1,105.4	1,235.9	1,343.6	1,314.5	1,320.4	1,342.3	1,397.3	1,442.9
34 Government and government enterprises	219.6	235.9	253.6	243.3	250.5	253.9	263.3	267.1
35 Other	885.7	1,000.0	1,090.0	1,067.9	1,069.9	1,088.4	1,134.0	1,175.7
36 Supplement to wages and salaries	194.3	225.0	252.9	243.5	248.6	255.0	264.5	279.5
37 Employer contributions for social insurance	92.1	106.4	115.8	112.6	113.6	116.0	121.0	131.5
38 Other labor income	102.2	118.6	137.1	130.9	135.1	139.1	143.5	148.0
39 Proprietors' income ¹	117.1	131.6	130.6	133.7	124.9	129.7	134.0	132.1
40 Business and professional ¹	91.0	100.7	107.2	107.9	101.6	107.6	111.6	113.2
41 Farm ¹	26.1	30.8	23.4	25.7	23.3	22.1	22.5	18.9
42 Rental income of persons ²	27.4	30.5	31.8	31.2	31.5	32.0	32.4	32.7
43 Corporate profits ¹	199.0	196.8	182.7	200.2	169.3	177.9	183.3	203.0
44 Profits before tax ³	223.3	255.4	245.5	277.1	217.9	237.6	249.5	259.1
45 Inventory valuation adjustment	-24.3	-42.6	-45.7	-61.4	-31.1	-41.7	-48.4	-39.2
6 Capital consumption adjustment	-13.5	-15.9	-17.2	-15.4	-17.6	-17.9	-17.8	-16.9
47 Net interest	115.8	143.4	179.8	165.4	175.3	185.3	193.3	200.8

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

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

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	1978	1979	1980	1980				1981
				Q1	Q2	Q3	Q4		Q1^{r}
PERSONAL INCOME AND SAVING								
1 Total personal income	1,721.8	1,943.8	2,160.2	2,088.2	2,114.5	2,182.1	2,256.2	2,319.8
2 Wage and salary disbursements	1,105.2	1,236.1	1,343.7	1,314.7	1,320.4	1,341.8	1,397.8	1,442.9
3 Commodity-producing industries	389.1	437.9	465.4	461.7	456.0	460.1	484.0	501.3
4 Manufacturing	299.2	333.4	350.7	347.9	343.2	346.7	364.0	377.4
5 Distributive industries	270.5	303.0	328.9	322.6	323.2	329.2	340.6	351.9
6 Service industries	226.1	259.2	295.7	283.6	290.8	298.7	310.0	322.5
7 Government and government enterprises	219.4	236.1	253.6	246.8	250.5	253.9	263.3	267.1
8 Other labor income	102.2	118.6	137.1	130.9	135.1	139.1	143.5	148.0
9 Proprietors' income ¹	117.2	131.6	130.6	133.7	124.9	129.7	134.0	132.1
10 Business and professional ¹	91.0	100.8	107.2	107.9	101.6	107.6	111.6	113.2
11 Farm ¹	26.1	30.8	23.4	25.7	23.3	22.1	22.5	18.9
12 Rental income of persons ²	27.4	30.5	31.8	31.2	31.5	32.0	32.4	32.7
13 Dividends	43.1	48.6	54.4	52.4	54.2	55.1	56.1	58.0
14 Personal interest income	173.2	209.6	256.3	239.9	253.6	261.8	269.7	288.7
15 Transfer payments	223.3	249.4	294.2	271.7	280.7	310.7	313.9	319.6
16 Old-age survivors, disability, and health insurance benefits	116.2	131.8	153.8	142.0	144.7	163.2	165.3	169.8
17 LESS: Personal contributions for social insurance	69.6	80.6	87.9	86.2	85.9	88.1	91.2	102.3
18 EQUALS: Personal income	1,721.8	1,943.8	2,160.2	2,088.2	2,114.5	2,182.1	2,256.2	2,319.8
19 LESS: Personal tax and nontax payments	258.8	302.0	338.5	323.1	330.3	341.5	359.2	372.0
20 EQUALS: Disposable personal income	1,462.9	1,641.7	1,821.7	1,765.1	1,784.1	1,840.6	1,897.0	1,947.8
21 LESS: Personal outlays	1,386.6	1,555.5	1,720.4	1,678.7	1,674.1	1,729.2	1,799.4	1,858.9
22 EQUALS: Personal saving	76.3	86.2	101.3	86.4	110.0	111.4	97.6	88.9
MEMO:								
Per capita (1972 dollars)								
23 Gross national product	6,568	6,721	6,646	6,768	6,580	6,597	6,641	6,764
24 Personal consumption expenditures	4,136	4,219	4,196	4,251	4,134	4,172	4,232	4,283
25 Disposable personal income	4,487	4,584	4,571	4,600	4,532	4,565	4,585	4,609
26 Saving rate (percent)	5.2	5.2	5.6	4.9	6.2	6.1	5.1	4.6
GROSS SAVING								
27 Gross saving	355.2	412.0	401.9	404.5	394.5	402.0	406.7	442.7
28 Gross private saving	355.4	398.9	432.9	413.0	435.9	446.5	436.4	447.7
29 Personal saving	76.3	86.2	101.3	86.4	110.0	111.4	97.6	88.9
30 Undistributed corporate profits ¹	57.9	59.1	44.3	52.1	42.1	42.8	40.4	52.3
31 Corporate inventory valuation adjustment	-24.3	-42.6	-45.7	-61.4	-31.1	-41.7	-48.4	-39.2
<i>Capital consumption allowances</i>								
32 Corporate	136.4	155.4	175.4	167.1	173.0	178.4	183.2	187.5
33 Noncorporate	84.8	98.2	111.8	107.4	110.7	113.4	115.8	119.0
34 Wage accruals less disbursements .....	.0	.0	.0	.0	.0	.5	-.5	.0
35 Government surplus, or deficit (-), national income and product accounts	-0.2	11.9	-32.1	1.7	-29.6	-45.6	-30.8	-6.2
36 Federal	-29.2	-14.8	-61.2	-36.3	-66.5	-74.2	-67.9	-43.3
37 State and local	29.0	26.7	29.1	26.6	23.9	28.6	37.1	37.0
38 Capital grants received by the United States, net .....	.0	1.1	1.1	1.1	1.1	1.1	1.1	1.2
39 Gross investment	361.6	414.1	401.2	407.3	392.5	405.0	400.1	446.0
40 Gross private domestic	375.3	415.8	395.3	415.6	390.9	377.1	397.7	437.1
41 Net foreign	-13.8	-1.7	5.9	-8.3	1.7	27.8	2.3	8.9
42 Statistical discrepancy	6.4	2.2	-7	2.8	-1.9	3.0	-6.6	3.4

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	1978	1979 ^r	1980	1980 ^r				1981
				Q1	Q2	Q3	Q4		Q1^{p}
1 Balance on current account	-14,075 ^r	1,414	3,723	-2,095	-545	4,975	1,390	3,087
2 Not seasonally adjusted				-1,575	905	1,149	3,244	3,368
3 Merchandise trade balance ²	-33,759	-27,346	-25,342	-10,126	-6,744	-2,902	-5,570	-4,602
4 Merchandise exports	142,054	184,473	223,966	54,898	55,667	56,252	57,149	61,117
5 Merchandise imports	-175,813	-211,819	-249,308	-65,024	-62,411	-59,154	-62,719	-65,719
6 Military transactions, net	738 ^r	-1,947	-2,515	-918	-427	-455	-715	-701
7 Investment income, net ³	21,400 ^r	33,462	32,762	9,836	6,518	8,154	8,257	8,869
8 Other service transactions, net	2,613 ^r	2,839	5,874	991	1,440	1,681	1,762	1,033
9 Remittances, pensions, and other transfers	-1,884	-2,057	-2,397	-542	-545	-591	-720	-562
10 U.S. government grants (excluding military)	-3,183 ^r	-3,536	-4,659	-1,336	-787	-912	-1,624	-950
11 Change in U.S. government assets, other than official reserve assets, net (increase, -)	-4,644	-3,767	-5,165	-1,456	-1,187	-1,427	-1,094	-1,358
12 Change in U.S. official reserve assets (increase, -)	732	-1,132	-8,155	-3,268	-502	-1,109	-4,279	-4,529
13 Gold	-65	-65	0	0	0	0	0	0
14 Special drawing rights (SDRs)	1,249	-1,136	-16	-1,152	-112	-261	1,285	-1,441
15 Reserve position in International Monetary Fund	4,231	-189	-1,667	-34	-99	-294	-1,240	-707
16 Foreign currencies	-4,683	257	-6,472	-2,082	489	-554	-4,324	-2,381
17 Change in U.S. private assets abroad (increase, -) ³	-57,158 ^r	-57,739	-71,456	-7,915	-24,152	-16,766	-22,622	-12,633
18 Bank-reported claims	-33,667 ^r	-26,213	-46,947	-1,203	-20,165	-12,440	-13,139	-11,163
19 Nonbank-reported claims	-3,853	-3,026	-2,653	-1,083	92	343	-2,005	-701
20 U.S. purchase of foreign securities, net	-3,582 ^r	-4,552	-3,310	-766	-1,369	-818	-356	-488
21 U.S. direct investments abroad, net ³	-16,056 ^r	-23,948	-18,546	-4,863	-2,710	-3,851	-7,122	-982
22 Change in foreign official assets in the United States (increase, +)	33,561 ^r	-13,757	15,492	-7,462	-7,557	7,686	7,712	5,384
23 U.S. Treasury securities	23,555 ^r	-22,435	9,683	-5,357	-4,360	3,769	6,911	7,055
24 Other U.S. government obligations	666	463	2,187	801	250	549	587	454
25 Other U.S. government liabilities ⁴	2,359 ^r	-133	636	-68	420	80	205	55
26 Other U.S. liabilities reported by U.S. banks	5,551 ^r	7,213	-159	-3,198	-1,676	1,823	-460	-3,009
27 Other foreign official assets ⁵	1,4530 ^r	1,135	3,145	360	851	1,465	469	829
28 Change in foreign private assets in the United States (increase, +) ³	30,187 ^r	52,703	34,769	14,971	-326	3,965	16,157	2,157
29 U.S. bank-reported liabilities	16,141 ^r	32,607	10,743	6,599	-4,509	916	7,737	-3,662
30 U.S. nonbank-reported liabilities	1,717 ^r	2,065	5,109	416	1,092	373	3,228	n.a.
31 Foreign private purchases of U.S. Treasury securities, net	2,178 ^r	4,820	2,679	3,300	-1,260	-254	893	1,405
32 Foreign purchases of other U.S. securities, net	2,254 ^r	1,334	5,384	2,435	468	241	2,240	2,449
33 Foreign direct investments in the United States, net ³	7,896	11,877	10,853	2,221	3,883	2,689	2,059	1,965
34 Allocation of SDRs	0	1,139	1,152	1,152	0	0	0	1,093
35 Discrepancy	11,398 ^r	21,140	29,640	6,073	18,151	2,676	2,736	6,799
36 Owing to seasonal adjustments				-206	1,355	-3,291	2,139	-344
37 Statistical discrepancy in recorded data before seasonal adjustment	11,398	21,140	29,640	6,279	16,796	5,967	597	7,143
MEMO:								
38 Changes in official assets								
39 U.S. official reserve assets (increase, -)	732	-1,132	-8,155	-3,268	502	-1,109	-4,279	-4,529
40 Foreign official assets in the United States (increase, +)	31,202	-13,624	14,856	-7,394	7,137	7,606	7,507	5,329
41 Change in Organization of Petroleum Exporting Countries official assets in the United States (part of line 22 above)	-1,137	5,543	12,744	2,988	4,617	4,115	1,024	5,188
42 Transfers under military grant programs (excluded from lines 4, 6, and 10 above)	236	305	635	144	155	125	211	193

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

2. Data are on an international accounts (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	1978	1979	1980	1980		1981				
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments	143,682	181,860	220,684	18,715	19,251	18,825	19,764	21,434	19,818	18,869
2 GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses	174,759	209,458	245,010	19,860	21,436	23,194	21,922	20,949	22,289	21,310
3 Trade balance	-31,075	-27,598	-24,326	-1,145	-2,185	-4,369	-2,158	485	-2,471	-2,441

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

The Census basis data differ from merchandise trade data shown in table 3.10, U.S. International Transactions Summary, for reasons of coverage and timing. On the *export side*, the largest adjustments are: (a) the addition of exports to Canada not covered in Census statistics, and (b) the exclusion of military sales (which are combined with other military transactions and reported separately in the "service

account" in table 3.10, line 6). On the *import side*, additions are made for gold, ship purchases, imports of electricity from Canada and other transactions; military payments are excluded and shown separately as indicated above.

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

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Type	1978	1979	1980	1980		1981				
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
1 Total ¹	18,650	18,956	26,756	25,673	26,756	28,316	29,682	30,410	29,693	29,395
2 Gold stock, including Exchange Stabilization Fund ¹	11,671	11,172	11,160	11,162	11,160	11,159	11,156	11,154	11,154	11,154
3 Special drawing rights ^{2,3}	1,558	2,724	2,610	3,954	2,610	3,628	3,633	3,913	3,712	3,652
4 Reserve position in International Monetary Fund ²	1,047	1,253	2,852	1,822	2,852	2,867	3,110	3,448	3,576	3,690
5 Foreign currencies ^{4,5}	4,374	3,807	10,134	8,735	10,134	10,662	11,783	11,895	11,251	10,899

1. Gold held under earmark at Federal Reserve Banks for foreign and international accounts is not included in the gold stock of the United States; see table 3.22.

2. Beginning July 1974, the IMF adopted a technique for valuing the SDR based on a weighted average of exchange rates for the currencies of member countries. From July 1974 through December 1980, 16 currencies were used; from January 1981, 5 currencies have been used. The U.S. SDR holdings and reserve position in the IMF also are valued on this basis beginning July 1974.

3. Includes allocations by the International Monetary Fund of SDRs as follows: \$867 million on Jan. 1, 1970; \$717 million on Jan. 1, 1971; \$710 million on Jan. 1, 1972; \$1,139 million on Jan. 1, 1979; \$1,152 million on Jan. 1, 1980; and \$1,093 million on Jan. 1, 1981; plus net transactions in SDRs.

4. Beginning November 1978, valued at current market exchange rates.

5. Includes U.S. government securities held under repurchase agreement against receipt of foreign currencies, if any.

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

Millions of dollars, end of period

Asset account	1977	1978 ¹	1979	1980			1981			
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. ²
All foreign countries										
1 Total, all currencies	258,897	306,795	364,233	383,356	389,184	397,233	397,167^r	401,050^r	409,891	409,275
2 Claims on United States	11,623	17,340	32,302	30,476	30,617	28,459	29,522 ^r	32,008 ^r	30,256	34,514
3 Parent bank	7,806	12,811	25,929	21,440	22,254	20,202	20,662 ^r	21,454 ^r	18,781	23,091
4 Other	3,817	4,529	6,373	9,036	8,363	8,257	8,860 ^r	10,554 ^r	11,475	11,423
5 Claims on foreigners	238,848	278,135	317,175	335,623	340,848	350,993	349,920 ^r	350,973 ^r	361,229	356,365
6 Other branches of parent bank	55,772	70,338	79,661	72,477	74,062	76,552	75,609 ^r	75,510 ^r	77,603	76,988
7 Banks	91,883	103,111	123,413	138,296	139,977	144,627	144,753 ^r	146,152 ^r	150,596	146,800
8 Public borrowers ²	14,634	23,737	26,072	26,548	26,935	27,626	27,729 ^r	28,068 ^r	28,727	28,090
9 Nonbank foreigners	76,560	80,949	88,029	98,302	99,874	102,188	101,829 ^r	101,243 ^r	104,303	104,487
10 Other assets	8,425	11,320	14,756	17,257	17,719	17,781	17,725 ^r	18,069 ^r	18,406	18,396
11 Total payable in U.S. dollars	193,764	224,940	267,711	279,827	284,401	289,860	292,524^r	296,913^r	302,667	306,290
12 Claims on United States	11,049	16,382	31,171	29,059	29,173	27,190	28,266 ^r	30,754 ^r	29,063	33,301
13 Parent bank	7,692	12,625	25,632	21,043	21,853	19,896	20,370 ^r	21,201 ^r	18,566	22,844
14 Other	3,357	3,757	5,539	8,016	7,320	7,294	7,896 ^r	9,553 ^r	10,497	10,457
15 Claims on foreigners	178,896	203,498	229,118	242,152	246,363	253,451	254,721 ^r	256,234 ^r	263,468	262,488
16 Other branches of parent bank	44,256	55,408	61,525	55,249	57,238	58,273	58,836 ^r	57,922 ^r	59,850	59,618
17 Banks	70,786	78,686	96,261	109,438	110,799	115,984	116,900 ^r	118,392 ^r	121,475	119,583
18 Public borrowers ²	12,632	19,567	21,629	22,578	22,846	23,398	23,208 ^r	23,500 ^r	24,004	23,739
19 Nonbank foreigners	51,222	49,837	49,703	54,887	55,480	55,796	55,777 ^r	56,420 ^r	58,139	59,548
20 Other assets	3,820	5,060	7,422	8,616	8,865	9,219	9,537 ^r	9,925 ^r	10,136	10,501
United Kingdom										
21 Total, all currencies	90,933	106,593	130,873	138,158	140,715	142,781	143,609	144,793	145,459	142,599
22 Claims on United States	4,341	5,370	11,117	8,216	8,771	7,508	7,727	9,211	9,413	8,518
23 Parent bank	3,518	4,448	9,338	5,969	6,552	5,275	5,278	6,471	6,405	5,766
24 Other	823	922	1,779	2,247	2,219	2,233	2,449	2,740	3,008	2,752
25 Claims on foreigners	84,016	98,137	115,123	123,854	125,859	129,232	130,174	129,646	129,992	128,095
26 Other branches of parent bank	22,017	27,830	34,291	31,431	32,267	34,538	35,136	35,406	34,583	34,614
27 Banks	39,899	45,013	51,343	56,723	57,423	57,658	58,489	58,554	58,714	56,816
28 Public borrowers ²	2,206	4,522	4,919	6,113	6,405	6,684	6,620	6,626	6,929	6,844
29 Nonbank foreigners	19,895	20,772	24,570	29,587	29,764	30,352	29,929	29,060	29,766	29,821
30 Other assets	2,576	3,086	4,633	6,088	6,085	6,041	5,708	5,936	6,054	5,986
31 Total payable in U.S. dollars	66,635	75,860	94,287	95,287	97,246	98,913	101,038	103,048	102,933	101,523
32 Claims on United States	4,100	5,113	10,746	7,647	8,233	7,115	7,304	8,765	9,001	8,080
33 Parent bank	3,431	4,386	9,297	5,817	6,410	5,229	5,221	6,418	6,381	5,715
34 Other	669	727	1,449 ^c	1,830	1,823	1,886	2,083	2,347	2,620	2,365
35 Claims on foreigners	61,408	69,416	81,294	84,849	86,246	88,950	90,682	91,204	90,696	90,199
36 Other branches of parent bank	18,947	22,838	28,928	25,593	26,710	28,231	28,768	28,946	28,132	28,393
37 Banks	28,530	31,482	36,760	40,312	40,542	41,373	42,887	42,751	42,609	41,767
38 Public borrowers ²	1,669	3,317	3,319	4,551	4,706	4,909	4,816	4,930	5,168	5,093
39 Nonbank foreigners	12,263	11,779	12,287	14,393	14,288	14,437	14,211	14,577	14,787	14,946
40 Other assets	1,126	1,331	2,247	2,791	2,767	2,848	3,052	3,079	3,236	3,244
Bahamas and Caymans										
41 Total, all currencies	79,052	91,735	108,977	119,524	119,367	123,837	123,460	124,809	127,801	132,137
42 Claims on United States	5,782	9,635	19,124	19,656	18,325	17,751	18,370	19,150	17,348	22,473
43 Parent bank	3,051	6,429	15,196	13,837	13,071	12,631	12,842	12,417	10,017	14,913
44 Other	2,731	3,206	3,928	5,819	5,254	5,120	5,528	6,733	7,331	7,560
45 Claims on foreigners	71,671	79,774	86,718	95,959	96,800	101,926	100,792	101,199	105,970	105,075
46 Other branches of parent bank	11,120	12,904	9,689	13,076	13,118	13,315	12,956	11,998	14,002	13,526
47 Banks	27,939	33,677	43,189	49,900	50,626	54,888	54,252	55,280	57,065	56,489
48 Public borrowers ²	9,109	11,514	12,905	12,441	12,213	12,577	12,558	12,605	12,579	12,205
49 Nonbank foreigners	23,503	21,679	20,935	20,542	20,843	21,146	21,026	21,316	22,324	22,855
50 Other assets	1,599	2,326	3,135	3,909	4,242	4,160	4,298	4,460	4,483	4,589
51 Total payable in U.S. dollars	73,987	85,417	102,368	113,683	113,560	117,654	117,549	119,007	121,900	126,503

For notes see opposite page.

3.13 Continued

Liability account	1977	1978 ¹	1979	1980			1981			
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. ^p
All foreign countries										
52 Total, all currencies	285,897	306,795	364,233	383,356	389,184	397,233	397,167^r	401,050^r	409,891	409,275
53 To United States	44,154	58,012	66,686	84,161	86,589	90,942	92,362 ^r	90,685 ^r	97,674	105,761
54 Parent bank	24,542	28,654	24,530	37,184	36,956	39,135	38,653 ^r	36,373 ^r	43,023	45,335
55 Other banks in United States	19,613	12,169	13,968	12,872	13,420	14,473	13,591 ^r	13,988	14,372	15,471
56 Nonbanks		17,189	28,188	34,105	36,213	37,289	40,118	40,324	40,279	44,955
57 To foreigners	206,579	238,912	283,344	285,366	288,385	291,780	290,527 ^r	296,445 ^r	297,801	288,733
58 Other branches of parent bank	53,244	67,496	77,601	69,776 ^c	71,554	73,938	73,003 ^r	73,710 ^r	75,138	74,416
59 Banks	94,140	97,711	122,849	132,195	132,281	130,654	132,859 ^r	134,835 ^r	133,715	127,551
60 Official institutions	28,110	31,936	35,664	30,722	31,145	32,440	28,938 ^r	28,609 ^r	29,871	28,026
61 Nonbank foreigners	31,085	41,769	47,230	52,673	53,405	54,748	55,727 ^r	58,291 ^r	59,077	58,740
62 Other liabilities	8,163	9,871	14,203	13,829	14,210	14,556	14,278 ^r	13,920 ^r	14,416	14,781
63 Total payable in U.S. dollars	198,572	230,810	273,819	287,318	292,549	300,988	303,223^r	307,530^r	313,427	317,651
64 To United States	42,881	55,811	64,530	81,255	83,764	88,123	89,756 ^r	88,267 ^r	95,263	103,329
65 Parent bank	24,213	27,519	23,403	35,419	35,233	37,496	37,018 ^r	34,897 ^r	41,512	43,876
66 Other banks in United States	18,669	11,915	13,771	12,593	13,124	14,203	13,417 ^r	13,757	14,235	15,298
67 Nonbanks		16,377	27,356	33,243	35,407	36,424	39,321	39,613	39,516	44,155
68 To foreigners	151,363	169,927	201,476	198,682	200,937	204,697	205,200 ^r	210,690	209,280	204,789
69 Other branches of parent bank	43,268	53,396	60,513	53,780	55,599	56,965	56,894 ^r	56,895 ^r	58,328	58,044
70 Banks	64,872	63,000	80,691	86,994	86,556	86,596	89,405 ^r	91,654 ^r	87,521	85,278
71 Official institutions	23,972	26,404	29,048	23,373	23,870	24,691	21,861 ^r	21,911 ^r	23,102	21,444
72 Nonbank foreigners	19,251	27,127	31,224	34,535	34,912	36,445	37,040 ^r	40,230 ^r	40,329	40,023
73 Other liabilities	4,328	5,072	7,813	7,381	7,848	8,168	8,267 ^r	8,573 ^r	8,884	9,533
United Kingdom										
74 Total, all currencies	90,933	106,593	130,873	138,158	140,715	142,781	143,609	144,793	145,459	142,599
75 To United States	7,753	9,730	20,986	19,157	20,594	21,735	23,226	22,783	24,374	26,006
76 Parent bank	1,451	1,887	3,104	2,712	3,198	4,176	4,228	3,190	4,242	4,540
77 Other banks in United States	6,302	4,189	7,693	5,800	5,732	5,716	5,436	5,869	5,519	5,915
78 Nonbanks		3,654	10,189	10,645	11,664	11,843	13,562	13,724	14,613	15,551
79 To foreigners	80,736	93,202	104,032	113,539	114,813	115,582	115,236	116,927	115,816	111,486
80 Other branches of parent bank	9,376	12,786	12,567	13,940	13,951	13,933	13,734	13,422	13,913	13,491
81 Banks	37,893	39,917	47,620	56,772	58,127	55,928	57,371	57,505	56,110	53,563
82 Official institutions	18,318	20,963	24,202	19,807	20,437	21,412	19,199	19,607	19,743	18,385
83 Nonbank foreigners	15,149	19,536	19,643	23,020	22,298	24,309	24,932	26,393	26,050	26,047
84 Other liabilities	2,445	3,661	5,855	5,462	5,308	5,464	5,147	5,083	5,269	5,107
85 Total payable in U.S. dollars	67,573	77,030	95,449	97,055	99,135	102,300	104,123	106,448	106,637	105,864
86 To United States	7,480	9,328	20,552	18,551	19,978	21,080	22,597	22,245	23,927	25,497
87 Parent bank	1,416	1,836	3,054	2,634	3,101	4,078	4,126	3,132	4,160	4,445
88 Other banks in United States	6,064	4,101	7,651	5,714	5,616	5,626	5,343	5,757	5,487	5,841
89 Nonbanks		3,391	9,847	10,203	11,261	11,376	13,128	13,356	14,280	15,211
90 To foreigners	58,977	66,216	72,397	76,114	76,696	78,512	78,768	81,100	79,501	77,212
91 Other branches of parent bank	7,505	9,635	8,446	9,891	9,770	9,600	9,591	9,184	9,297	9,168
92 Banks	25,608	25,287	29,424	35,495	35,998	35,177	36,463	37,014	34,553	34,117
93 Official institutions	15,482	17,091	20,192	15,338	15,989	17,024	14,941	15,420	15,718	14,473
94 Nonbank foreigners	10,382	14,203	14,335	15,390	14,939	16,711	17,773	19,482	19,933	19,454
95 Other liabilities	1,116	1,486	2,500	2,390	2,461	2,708	2,758	3,103	3,209	3,155
Bahamas and Caymans										
96 Total, all currencies	79,052	91,735	108,977	119,524	119,367	123,837	123,460	124,809	127,801	132,137
97 To United States	32,176	39,431	37,719	56,123	56,860	59,666	58,928	58,607	64,031	69,576
98 Parent bank	20,956	20,482	15,267	27,666	26,861	28,181	26,563	26,222	31,746	33,034
99 Other banks in United States	11,220	6,073	5,204	5,957	6,528	7,379	7,126	7,165	7,883	8,618
100 Nonbanks		12,876	17,248	22,500	23,471	24,106	25,239	25,220	24,402	27,924
101 To foreigners	45,292	50,447	68,598	60,593	59,492	61,218	61,597	63,323	60,875	59,326
102 Other branches of parent bank	12,816	16,094	20,875	16,720	15,878	17,040	17,819	18,781	17,436	18,150
103 Banks	24,717	23,104	33,631	29,202	28,933	29,895	30,050	30,289	28,671	26,753
104 Official institutions	3,000	4,208	4,866	4,610	4,368	4,361	4,204	3,663	4,403	4,079
105 Nonbank foreigners	4,759	7,041	9,226	10,061	10,313	9,922	9,524	10,590	10,365	10,344
106 Other liabilities	1,584	1,857	2,660	2,808	3,015	2,953	2,935	2,879	2,895	3,235
107 Total payable in U.S. dollars	74,463	87,014	103,460	115,166	115,121	119,657	119,214	120,714	123,785	128,309

1. In May 1978 the exemption level for branches required to report was increased, which reduced the number of reporting branches.

2. In May 1978 a broader category of claims on foreign public borrowers, in-

cluding corporations that are majority owned by foreign governments, replaced the previous, more narrowly defined claims on foreign official institutions.

3.14 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1978	1979	1980	1981						
				Dec.	Jan.	Feb.	Mar.▲	Apr. ^P	May ^P	
1 Total¹	162,625	149,546	164,402	164,402	162,778	162,384	169,726	169,746	170,351	165,075
<i>By type</i>										
2 Liabilities reported by banks in the United States ²	23,326	30,540	30,381	30,381	27,008	24,864	27,366	27,386	25,729	23,657
3 U.S. Treasury bills and certificates ³	67,671	47,666	56,243	56,243	56,522	56,829	60,306	60,306	61,431	57,612
<i>U.S. Treasury bonds and notes</i>										
4 Marketable	35,894	37,590	41,431	41,431	42,295	43,699	44,783	44,783	45,278	45,599
5 Nonmarketable ⁴	20,970	17,387	14,654	14,654	14,654	14,494	14,294	14,294	14,294	14,294
6 U.S. securities other than U.S. Treasury securities ⁵	14,764	16,363	21,693	21,693	22,299	22,498	22,977	22,977	23,619	23,913
<i>By area</i>										
7 Western Europe ¹	93,089	85,633	81,592	81,592	80,434	78,334	79,981	79,999	78,423	71,602
8 Canada	2,486	1,898	1,562	1,562	1,174	1,089	1,437	1,437	1,177	1,365
9 Latin America and Caribbean	5,046	6,291	5,688	5,688	5,456	5,241	6,365	6,365	5,919	5,496
10 Asia	58,854	52,827	70,608	70,608	70,557	72,667	76,702	76,705	78,806	80,559
11 Africa	2,408	2,412	4,123	4,123	3,973	3,948	4,089	4,088	4,188	3,928
12 Other countries ⁶	742	485	829	829	1,184	1,105	1,152	1,152	1,838	2,125

1. Includes the Bank for International Settlements.
2. Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase 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.

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

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

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

Millions of dollars, end of period

Item	1977	1978	1979	1980			1981	
				June	Sept.	Dec.	Mar.▲	
1 Banks' own liabilities	925	2,406	1,918	2,739	2,754	3,748	3,268	3,262
2 Banks' own claims ¹	2,356	3,671	2,419	2,874	3,203	4,206	4,238	4,245
3 Deposits	941	1,795	994	1,090	1,169	2,507	1,697	1,758
4 Other claims.....	1,415	1,876	1,425	1,784	2,035	1,699	2,542	2,488
5 Claims of banks' domestic customers ²		358	580	798	595	962	444	444

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

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

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

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

Holder and type of liability	1977	1978	1979	1980	1981					
					Jan.	Feb.	Mar.▲	Apr.	May ^p	
1 All foreigners	126,168	166,842	187,521	205,295	202,359	201,195	203,359^r	204,993	213,025	213,255
2 Banks' own liabilities		78,661	117,196	124,789	122,857	121,528	120,217 ^r	120,425	128,046	132,014
3 Demand deposits	18,996	19,218	23,303	23,462	22,149	23,300	21,308 ^r	21,216	22,644	22,257
4 Time deposits ¹	11,521	12,427	13,623	15,076	15,898	15,778	16,272	16,304	15,970	16,026
5 Other ²	9,705	16,453	17,581	14,685	13,476	15,947 ^r	16,199	16,199	14,532	12,347
6 Own foreign offices ³	37,311	63,817	68,670	68,670	70,125	68,973	66,690 ^r	66,707	74,901	81,384
7 Banks' custody liabilities ⁴		88,181	70,325	80,506	79,501	79,668	83,142 ^r	84,568	84,979	81,241
8 U.S. Treasury bills and certificates ⁵	48,906	68,202	48,573	57,595	57,673	58,360	62,073	62,156	63,034	59,336
9 Other negotiable and readily transferable instruments ⁶		17,472	19,396	20,079	19,050	18,350	18,226 ^r	18,207	18,127	17,604
10 Other		2,507	2,356	2,832	2,778	2,959	2,843	4,205	3,818	4,301
11 Nonmonetary international and regional organizations⁷	3,274	2,607	2,356	2,342	1,961	2,003	1,854^r	1,854	1,804	1,803
12 Banks' own liabilities		906	714	442	419	317	293	293	655	498
13 Demand deposits	231	330	260	146	212	186	126	126	178	149
14 Time deposits ¹	139	84	151	85	71	76	67	67	81	78
15 Other ²	492	303	211	137	137	54	100	100	396	271
16 Banks' custody liabilities ⁴	1,701	1,643	1,900	1,542	1,687	1,561 ^r	1,561	1,149	1,304	1,304
17 U.S. Treasury bills and certificates	706	201	102	254	88	368	333	333	63	213
18 Other negotiable and readily transferable instruments ⁶	1,499	1,538	1,646	1,453	1,319	1,228 ^r	1,228	1,086	1,091	1,091
19 Other	1	2	0	0	0	0	0	0	0	0
20 Official institutions⁸	65,822	90,742	78,206	86,624	83,530	81,693	87,672^r	87,692	87,160	81,269
21 Banks' own liabilities		12,165	18,292	17,826	15,222	13,938	16,200 ^r	16,220	14,678	13,412
22 Demand deposits	3,528	3,390	4,671	3,771	3,869	3,580	3,338	3,232	3,768	3,444
23 Time deposits ¹	1,797	2,560	3,050	3,612	3,343	2,997	2,920	2,938	2,660	2,642
24 Other ²	6,215	10,571	10,443	10,443	8,010	7,361	9,941 ^r	10,050	8,250	7,326
25 Banks' custody liabilities ⁴	78,577	59,914	68,798	68,308	67,755	71,472 ^r	71,472	72,482	67,857	67,857
26 U.S. Treasury bills and certificates ⁵	47,820	67,415	47,666	56,243	56,522	56,829	60,306	60,306	61,431	57,612
27 Other negotiable and readily transferable instruments ⁶	10,992	12,196	12,501	11,756	10,894	11,080 ^r	11,080	11,026	10,223	10,223
28 Other	170	52	54	30	32	86	86	86	25	22
29 Banks⁹	42,335	57,423	88,316	96,415	96,659	96,608	93,018^r	94,338	102,493	108,454
30 Banks' own liabilities		52,626	83,299	90,456	90,594	90,319	86,649 ^r	86,620	95,046	100,327
31 Unaffiliated foreign banks		15,315	19,482	21,786	20,469	21,346	19,958 ^r	19,914	20,145	18,943
32 Demand deposits	10,933	11,257	13,285	14,188	12,889	14,287	12,585 ^r	12,588	13,493	13,394
33 Time deposits ¹	2,040	1,429	1,667	1,703	1,857	1,813	2,324	2,305	1,551	1,687
34 Other ²	2,629	4,530	5,895	5,895	5,723	5,245	5,049 ^r	5,021	5,101	3,862
35 Own foreign offices ³	37,311	63,817	68,670	68,670	70,125	68,973	66,690 ^r	66,707	74,901	81,384
36 Banks' custody liabilities ⁴	4,797	5,017	5,959	6,065	6,289	6,369 ^r	7,717	7,446	8,127	8,127
37 U.S. Treasury bills and certificates	141	300	422	623	631	714	826	827	839	940
38 Other negotiable and readily transferable instruments ⁶	2,425	2,415	2,748	2,856	2,850	2,928 ^r	2,913	2,932	3,053	3,053
39 Other	2,072	2,179	2,588	2,578	2,726	2,615	3,977	3,675	4,134	4,134
40 Other foreigners	14,736	16,070	18,642	19,914	20,209	20,891	20,816^r	21,109	21,569	21,730
41 Banks' own liabilities	12,964	14,891	16,065	16,623	16,955	17,076 ^r	17,291	17,667	17,777	17,777
42 Demand deposits	4,304	4,242	5,087	5,356	5,179	5,246	5,259	5,270	5,205	5,270
43 Time deposits	7,546	8,353	8,755	9,676	10,628	10,892	10,961	10,995	11,678	11,620
44 Other ²	368	1,048	1,033	815	816	856 ^r	1,027	784	888	888
45 Banks' custody liabilities ⁴	3,106	3,751	3,849	3,586	3,937	3,740 ^r	3,817	3,902	3,952	3,952
46 U.S. Treasury bills and certificates	240	285	382	474	432	449	607	690	701	571
47 Other negotiable and readily transferable instruments ⁶	2,557	3,247	3,185	2,985	3,287	2,991 ^r	2,986	3,083	3,237	3,237
48 Other	264	123	190	170	201	141	141	119	145	145
49 MEMO: Negotiable time certificates of deposit in custody for foreigners		11,007	10,984	10,745	10,267	9,868	9,893 ^r	9,887	9,777	9,620

1. Excludes negotiable time certificates of deposit, which are included in "Other negotiable and readily transferable instruments." Data for time deposits before April 1978 represent short-term only.

2. Includes borrowing under repurchase agreements.

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

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

3.16 Continued

Area and country	1977	1978	1979	1980	1981					
					Jan.	Feb.	Mar.▲	Apr.	May ^p	
1 Total	126,168	166,842	187,521	205,295	202,359	201,195	203,359 ^r	204,993	213,025	213,255
2 Foreign countries	122,893	164,235	185,164	202,953	200,398	199,192	201,505 ^r	203,139	211,221	211,452
3 Europe	60,295	85,172	90,952	90,897	89,701	89,181	91,338 ^r	92,495	90,083	87,345
4 Austria	318	513	413	523	554	551	522	522	526	497
5 Belgium-Luxembourg	2,531	2,550	2,375	4,019	4,062	4,782	4,698 ^r	4,698	4,967	5,509
6 Denmark	770	1,946	1,092	497	420	432	463	461	434	526
7 Finland	323	346	398	455	264	355	332	332	341	290
8 France	5,269	9,214	10,433	12,125	12,168	12,521	12,959 ^r	12,950	13,122	11,364
9 Germany	7,239	17,283	12,935	9,973	10,336	9,296	12,299 ^r	12,305	12,489	9,468
10 Greece	603	826	635	670	524	563	593	593	604	543
11 Italy	6,857	7,739	7,782	7,572	6,743	5,987	3,446 ^r	3,453	3,600	3,008
12 Netherlands	2,869	2,402	2,337	2,441	2,568	2,540	2,324	2,328	2,304	2,205
13 Norway	944	1,271	1,267	1,344	899	1,037	1,575	1,575	1,477	1,648
14 Portugal	273	330	557	374	370	358	356	356	309	336
15 Spain	619	870	1,259	1,500	1,416	1,388	1,631	1,631	1,352	1,677
16 Sweden	2,712	3,121	2,005	1,737	1,365	2,078	2,408 ^r	2,408	2,799	2,518
17 Switzerland	12,343	18,225	17,954	16,689	16,631	16,636	16,844 ^r	16,856	15,768	15,838
18 Turkey	130	157	120	242	203	231	235	235	209	182
19 United Kingdom	14,125	14,272	24,700	22,680	24,209	24,325	24,715	25,836	24,311	25,485
20 Yugoslavia	232	254	266	681	296	269	202	202	238	270
21 Other Western Europe ¹	1,804	3,440	4,070	6,939	6,225	5,385	5,338 ^r	5,356	4,933	5,600
22 U.S.S.R.	98	82	52	68	46	84	47	47	37	85
23 Other Eastern Europe ²	236	330	302	370	401	363	352	350	264	294
24 Canada	4,607	6,969	7,379	10,031	9,802	9,131	8,570 ^r	8,610	10,365	11,221
25 Latin America and Caribbean	23,670	31,638	49,686	53,170	53,229	52,275	50,818 ^r	51,178	58,275	59,987
26 Argentina	1,416	1,484	1,582	2,132	1,857	1,998	1,917	1,917	1,919	1,800
27 Bahamas	3,596	6,752	15,255	16,381	16,164	15,916	14,183	14,356	18,815	19,984
28 Bermuda	321	428	430	670	475	804	915 ^r	913	639	806
29 Brazil	1,396	1,125	1,005	1,216	1,339	1,266	1,151 ^r	1,148	1,345	1,357
30 British West Indies	3,998	5,974	11,138	12,766	12,798	12,144	11,566 ^r	11,566	13,842	14,842
31 Chile	360	398	468	460	501	431	549	549	539	526
32 Colombia	1,221	1,756	2,617	3,077	3,085	3,087	2,970	2,970	2,950	2,838
33 Cuba	6	13	13	6	6	7	6	6	8	7
34 Ecuador	330	322	425	371	389	449	511	511	352	390
35 Guatemala ³	416	414	367	416	428	461	446	446	416	410
36 Jamaica ³	52	76	97	112	101	94	94	94	141	142
37 Mexico	2,876	3,467	4,185	4,547	4,595	4,600	4,755	4,756	5,332	4,937
38 Netherlands Antilles	196	308	499	413	599	523	436	476	440	495
39 Panama	2,331	2,967	4,483	4,718	4,460	3,984	4,297	4,445	4,723	4,889
40 Peru	287	363	383	403	401	447	341 ^r	342	354	333
41 Uruguay	243	231	202	254	290	266	306	306	284	334
42 Venezuela	2,929	3,821	4,192	3,170	3,794	3,925	4,218	4,220	4,178	3,922
43 Other Latin America and Caribbean	2,167	1,760	2,318	2,123	1,936	1,869	2,158 ^r	2,158	1,997	1,975
44 Asia	30,488	36,492	33,005	42,420	41,649	42,721	44,700 ^r	44,777	45,677	45,899
45 China	53	67	49	49	55	55	60	60	46	54
46 Taiwan	1,013	502	1,393	1,662	1,821	1,733	1,822	1,822	1,799	1,781
47 Hong Kong	1,094	1,256	1,672	2,548	2,764	3,054	2,440	2,438	2,470	3,002
48 India	961	790	527	416	437	604	576	576	442	458
49 Indonesia	410	449	504	730	1,170	678	1,063	1,063	944	706
50 Israel	559	688	707	883	523	557	582 ^r	582	444	397
51 Japan	14,616	21,927	8,907	16,281	17,701	17,990	19,367 ^r	19,442	19,450	19,833
52 Korea	602	795	993	1,528	1,498	1,485	1,380 ^r	1,380	1,381	1,397
53 Philippines	687	644	795	919	849	1,057	1,115	1,115	1,213	802
54 Thailand	264	427	277	464	367	404	250	250	391	338
55 Middle-East oil-exporting countries ⁴	8,979	7,534	15,300	14,453	12,216	12,695	13,913 ^r	13,913	14,845	14,445
56 Other Asia	1,250	1,414	1,879	2,487	2,249	2,409	2,132 ^r	2,134	2,252	2,686
57 Africa	2,535	2,886	3,239	5,187	4,358	4,371	4,553	4,553	4,529	4,513
58 Egypt	404	404	475	485	313	496	333	333	336	308
59 Morocco	66	32	33	33	42	30	33	33	34	119
60 South Africa	174	168	184	288	327	258	322	322	330	336
61 Zaire	39	43	110	57	48	58	28	28	28	24
62 Oil-exporting countries ⁵	1,155	1,525	1,635	3,540	2,921	2,833	3,084	3,084	3,135	2,962
63 Other Africa	698	715	804	783	707	697	753	753	666	764
64 Other countries	1,297	1,076	904	1,247	1,658	1,513	1,526	1,526	2,293	2,487
65 Australia	1,140	838	684	950	1,304	1,205	1,287	1,287	2,018	2,286
66 All other	158	239	220	297	354	307	240	240	275	201
67 Nonmonetary international and regional organizations	3,274	2,607	2,356	2,342	1,961	2,003	1,854 ^r	1,854	1,804	1,803
68 International	2,752	1,485	1,238	1,156	913	995	754	754	795	771
69 Latin American regional	278	808	806	769	769	745	768	768	693	729
70 Other regional ⁶	245	314	313	296	279	263	333 ^r	333	317	303

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

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

3. Included in "Other Latin America and Caribbean" through March 1978.

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

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

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

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

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

Millions of dollars, end of period

Area and country	1977	1978	1979	1980	1981					
					Jan.	Feb.	Mar.▲	Apr.	May ⁹	
1 Total	90,206	115,545	133,943	172,702	167,338	167,687	179,535	181,551	184,451	185,827
2 Foreign countries	90,163	115,488	133,906	172,624	167,266	167,608	179,461	181,477	184,382	185,751
3 Europe	18,114	24,201	28,388	32,155	30,657	30,768	34,136 ^r	35,098	34,176	34,230
4 Austria	65	140	284	236	249	191	174	174	151	149
5 Belgium-Luxembourg	561	1,200	1,339	1,621	1,739	2,140	2,568	2,573	2,155	2,023
6 Denmark	173	254	147	127	129	172	119	119	141	162
7 Finland	172	305	202	460	322	337	319 ^r	326	324	299
8 France	2,082	3,735	3,322	2,958	2,716	3,067	3,838 ^r	3,911	3,696	3,166
9 Germany	644	845	1,179	948	993 ^r	1,028	1,074	1,122	1,038	1,140
10 Greece	206	164	154	256	264	244	210	210	334	242
11 Italy	1,334	1,523	1,631	3,364	3,168	3,105	3,052 ^r	3,055	2,926	2,976
12 Netherlands	338	677	514	575	642	523	548	560	530	584
13 Norway	162	299	276	227	294	224	223	223	180	173
14 Portugal	172	171	330	331	299	240	247	247	242	263
15 Spain	722	1,120	1,051	993	1,131	1,152	1,494	1,497	1,601	1,715
16 Sweden	218	537	542	783	688	733	868	884	975	988
17 Switzerland	564	1,283	1,165	1,446	1,753	1,729	1,313 ^r	1,375	1,263	1,693
18 Turkey	360	300	149	145	146	155	136 ^r	136	132	172
19 United Kingdom	8,964	10,147	13,795	14,917	13,175	12,949	15,093 ^r	15,827	15,565	15,643
20 Yugoslavia	311	363	611	853	863	859	871	872	878	904
21 Other Western Europe ¹	86	122	175	179	347	177	176	176	211	147
22 U.S.S.R.	413	360	268	281	249	249	265	265	266	254
23 Other Eastern Europe ²	566	657	1,254	1,457	1,490	1,494	1,548	1,548	1,569	1,538
24 Canada	3,355	5,152	4,143	4,810	4,221	4,872	5,017 ^r	5,297	6,147	5,837
25 Latin America and Caribbean	45,850	57,565	67,993	92,992	90,792	89,625 ^r	96,364 ^r	96,829	98,334	99,158
26 Argentina	1,478	2,281	4,389	5,689	5,642	5,636	5,672	5,672	5,881	5,635
27 Bahamas	19,858	21,555	18,918	29,419	28,358	28,642 ^r	34,139 ^r	34,285	33,873	32,894
28 Bermuda	232	184	496	218	267	364	324 ^r	324	389	481
29 Brazil	4,629	6,251	7,713	10,496	10,260	9,801	10,213 ^r	10,269	9,924	9,916
30 British West Indies	6,481	9,694	9,818	15,663	14,546	14,338	14,236 ^r	14,320	15,937	16,892
31 Chile	675	970	1,441	1,951	1,862	1,843	1,876	1,876	2,028	2,019
32 Colombia	671	1,012	1,614	1,752	1,665	1,435	1,467	1,467	1,457	1,580
33 Cuba	10	0	4	3	4	3	3	3	4	3
34 Ecuador	517	705	1,025	1,190	1,222	1,179	1,257	1,257	1,229	1,237
35 Guatemala ³	134	94	137	137	114	113	208	208	98	106
36 Jamaica ³	40	47	36	36	33	41	77	77	34	35
37 Mexico	4,909	5,479	9,099	12,595	12,687	12,460	12,407 ^r	12,447	13,242	13,409
38 Netherlands Antilles	224	273	248	821	835	655	807	921	809	956
39 Panama	1,410	3,098	6,041	4,974	5,033	4,964	5,640	5,643	5,489	5,848
40 Peru	962	918	652	890	912	877	794 ^r	794	853	871
41 Uruguay	80	52	105	137	111	103	103	103	105	100
42 Venezuela	2,318	3,474	4,657	5,438	5,515	5,514	5,441	5,458	5,325	5,433
43 Other Latin America and Caribbean	1,394	1,485	1,593	1,583	1,728	1,653	1,702	1,705	1,658	1,742
44 Asia	19,236	25,362	30,730	39,140	38,564 ^r	39,113 ^r	40,636 ^r	40,941	42,415	42,950
45 China	10	4	35	195	225	186	201	201	202	204
46 Taiwan	1,719	1,499	1,821	2,469	2,415	2,270	2,413 ^r	2,413	2,568	2,413
47 Hong Kong	543	1,479	1,804	2,247	2,250	2,212	2,330	2,330	2,476	2,896
48 India	53	54	92	142	110	142	127	127	134	170
49 Indonesia	232	143	131	245	280	306	288	288	299	268
50 Israel	584	888	990	1,172	1,081	829	944	981	1,014	1,185
51 Japan	9,839	12,646	16,911	21,361	21,187	22,314 ^r	23,710	23,977	23,850	24,225
52 Korea	2,336	2,282	3,793	5,697	5,904	5,936	5,823	5,823	6,024	6,014
53 Philippines	594	680	737	989	840	745	605	605	992	1,024
54 Thailand	633	758	933	876	810	808	835	835	829	698
55 Middle East oil-exporting countries ⁴	1,746	3,125	1,548	1,494	1,435	1,443	1,486	1,486	1,909	1,458
56 Other Asia	947	1,804	1,934	2,252	2,026	1,922	1,874	1,874	2,120	2,396
57 Africa	2,518	2,221	1,797	2,377	1,910	1,981	2,271	2,271	2,272	2,536
58 Egypt	119	107	114	151	175	152	137	137	124	126
59 Morocco	43	82	103	223	186	115	153	153	118	87
60 South Africa	1,066	860	445	370	337	421	534	534	562	668
61 Zaire	98	164	144	94	96	94	111	111	108	98
62 Oil-exporting countries ⁵	510	452	391	805	410	425	589	589	650	805
63 Other	682	556	600	734	707	773	746	746	710	751
64 Other countries	1,090	988	855	1,150	1,122	1,250	1,038 ^r	1,041	1,038	1,040
65 Australia	905	877	673	859	827	868	870	874	922	898
66 All other	186	111	182	290	295	381	167 ^r	167	116	142
67 Nonmonetary international and regional organizations⁶	43	56	36	78	72	79	74	74	69	76

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

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

3. Included in "Other Latin America and Caribbean" through March 1978.

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

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

6. Excludes the Bank for International Settlements, which is included in "Other Western Europe."

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

NOTE: Data for period prior to April 1978 include claims of banks' domestic customers on foreigners.

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

Type of claim	1977	1978	1979	1980	1981					
					Jan.	Feb.	Mar.▲	Apr.	May ²	
1 Total	90,206	126,787	154,030	198,807	210,586^r	213,220
2 Banks' own claims on foreigners	115,545	133,943	172,702	167,338	167,687 ^r	179,535 ^r	181,551	184,451	185,827	
3 Foreign public borrowers	10,346	15,937	20,944	20,969	20,321 ^r	20,836 ^r	21,027	21,316	21,038	
4 Own foreign offices ¹	41,605	47,428	65,084	64,002	64,798 ^r	74,660 ^r	74,717	76,483	75,020	
5 Unaffiliated foreign banks	40,483	40,927	50,215	46,350	45,880 ^r	46,502 ^r	48,104	48,524	51,110	
6 Deposits	5,428	6,274	8,254	7,261	7,079	7,263	8,205	7,668	9,439	
7 Other	35,054	34,654	41,962	39,089	38,800 ^r	39,239 ^r	39,898	40,857	41,671	
8 All other foreigners	23,111	29,650	36,459	36,017	36,689 ^r	37,537 ^r	37,703	38,128	38,660	
9 Claims of banks' domestic customers ²	11,243	20,088	26,106	.....	.....	31,052	31,669	.....	.....
10 Deposits	480	955	885	.....	.....	369	852	.....	.....
11 Negotiable and readily transferable instruments ³ .....	.....	5,396	13,100	15,574	.....	19,930	20,064	.....	.....
12 Outstanding collections and other claims ⁴	6,176	5,366	6,032	9,648	.....	10,752	10,753	.....	.....
13 MEMO: Customer liability on acceptances .....	.....	15,030	18,021	22,714	.....	24,452	24,452	.....	.....
Dollar deposits in banks abroad, reported by non-banking business enterprises in the United States ⁵	13,162	21,578	23,644	28,318	30,812	30,142	33,790	n.a.

1. U.S. banks: includes amounts due from own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. Agencies, branches, and majority-owned subsidiaries of foreign banks: principally amounts due from head office or parent foreign bank, and foreign branches, agencies, or wholly owned subsidiaries of head office or parent foreign bank.
2. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the account of their domestic customers.
3. Principally negotiable time certificates of deposit and bankers acceptances.

4. Data for March 1978 and for period prior to that are outstanding collections only.

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

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

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

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

Maturity; by borrower and area	1978	1979	1980			1981	
	Dec.	Dec.	June	Sept.	Dec.	Mar.▲	
1 Total	73,635	86,181	93,260	99,022	106,857	104,789	106,513
<i>By borrower</i>							
2 Maturity of 1 year or less ¹	58,345	65,152	71,938	76,231	82,665	80,855	82,636
3 Foreign public borrowers	4,633	7,233	7,227	8,935	10,036	10,519	10,630
4 All other foreigners	53,712	57,919	64,711	67,296	72,628	70,336	72,005
5 Maturity of over 1 year ¹	15,289	21,030	21,322	22,791	24,193	23,934	23,877
6 Foreign public borrowers	5,395	8,371	8,673	9,722	10,152	10,158	10,244
7 All other foreigners	9,894	12,659	12,649	13,069	14,041	13,775	13,634
<i>By area</i>							
Maturity of 1 year or less ¹							
8 Europe	15,169	15,235	17,215	16,940	18,762	17,306	18,261
9 Canada	2,670	1,777	2,047	2,166	2,723	2,358	2,621
10 Latin America and Caribbean	20,895	24,928	24,460	28,097	32,034	30,844	31,096
11 Asia	17,545	21,641	26,162	26,876	26,748	28,001	28,305
12 Africa	1,496	1,077	1,330	1,401	1,757	1,624	1,624
13 All other ²	569	493	724	751	640	722	729
Maturity of over 1 year ¹							
14 Europe	3,142	4,160	4,033	4,705	5,118	5,698	5,578
15 Canada	1,426	1,317	1,199	1,188	1,448	1,184	1,200
16 Latin America and Caribbean	8,464	12,814	13,887	14,187	15,075	14,768	14,870
17 Asia	1,407	1,911	1,477	2,014	1,865	1,585	1,530
18 Africa	637	655	576	567	507	531	531
19 All other ²	214	173	150	130	179	168	167

1. Remaining time to maturity.
2. Includes nonmonetary international and regional organizations.
▲ Data in the two columns for this month differ because of changes in reporting coverage. Figures in the first column are comparable in coverage with those for the preceding quarter; figures in the second column are comparable with those for the following quarter.

3.20 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	1977	1978 ²	1979				1980				1981
			Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	
1 Total	240.0	266.2	263.9	275.6	294.0	303.8	308.5	328.5	338.7	350.1	363.8
2 G-10 countries and Switzerland	116.4	124.7	119.0	125.2	135.7	138.4	141.2	154.2	158.7	161.5	165.5
3 Belgium-Luxembourg	8.4	9.0	9.4	9.7	10.7	11.1	10.8	13.1	13.5	12.9	13.4
4 France	11.0	12.2	11.7	12.7	12.0	11.7	12.0	14.0	13.9	14.0	14.3
5 Germany	9.6	11.3	10.5	10.8	12.8	12.2	11.4	12.7	12.9	11.5	12.3
6 Italy	6.5	6.7	5.7	6.1	6.1	6.4	6.2	6.9	7.2	8.2	7.6
7 Netherlands	3.5	4.4	3.9	4.0	4.7	4.8	4.3	4.5	4.4	4.4	4.5
8 Sweden	1.9	2.1	2.0	2.0	2.3	2.4	2.4	2.7	2.8	2.9	3.2
9 Switzerland	3.6	5.3	4.5	4.7	5.0	4.7	4.3	3.3	3.4	4.0	4.0
10 United Kingdom	46.5	47.3	46.4	50.3	53.7	56.4	57.6	64.3	66.6	68.7	68.2
11 Canada	6.4	6.0	5.9	5.5	6.0	6.3	6.9	7.2	7.7	8.4	8.5
12 Japan	18.8	20.6	19.0	19.5	22.3	22.4	25.4	25.5	26.1	26.5	29.4
13 Other developed countries	18.6	19.4	18.2	18.2	19.7	19.9	18.8	20.3	20.6	21.1	23.0
14 Austria	1.3	1.7	1.7	1.8	2.0	2.0	1.7	1.8	1.8	1.9	1.8
15 Denmark	1.6	2.0	2.0	1.9	2.0	2.2	2.1	2.2	2.2	2.2	2.4
16 Finland	1.2	1.2	1.2	1.1	1.2	1.2	1.1	1.3	1.2	1.4	1.3
17 Greece	2.2	2.3	2.3	2.2	2.3	2.4	2.4	2.5	2.6	2.8	2.8
18 Norway	1.9	2.1	2.1	2.1	2.3	2.3	2.4	2.4	2.4	2.6	2.8
19 Portugal	.6	.6	.6	.5	.7	.7	.6	.6	.7	.6	.6
20 Spain	3.6	3.5	3.0	3.0	3.3	3.5	3.5	3.9	4.2	4.0	5.1
21 Turkey	1.5	1.5	1.4	1.4	1.4	1.4	1.4	1.4	1.3	1.5	1.5
22 Other Western Europe	.9	1.3	1.1	.9	1.5	1.4	1.4	1.6	1.7	1.7	1.8
23 South Africa	2.4	2.0	1.7	1.8	1.7	1.3	1.1	1.5	1.2	1.1	1.5
24 Australia	1.4	1.4	1.3	1.4	1.3	1.3	1.2	1.2	1.2	1.3	1.4
25 OPEC countries ³	17.6	22.7	22.6	22.7	23.4	22.9	21.8	20.9	21.3	22.8	21.4
26 Ecuador	1.1	1.6	1.5	1.6	1.6	1.7	1.8	1.8	1.9	2.1	2.0
27 Venezuela	5.5	7.2	7.2	7.6	7.9	8.7	7.9	7.9	8.5	9.1	8.3
28 Indonesia	2.2	2.0	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.8	2.0
29 Middle East countries	6.9	9.5	9.4	9.0	9.2	8.0	7.8	6.9	6.6	6.9	6.4
30 African countries	1.9	2.5	2.6	2.6	2.8	2.6	2.5	2.5	2.4	2.8	2.6
31 Non-OPEC developing countries	48.7	52.6	53.9	56.0	58.9	62.9	63.7	67.4	72.8	76.9	80.5
<i>Latin America</i>											
32 Argentina	2.9	3.0	3.1	3.5	4.1	5.0	5.5	5.6	7.6	7.9	8.5
33 Brazil	12.7	14.9	14.9	15.1	15.1	15.2	15.0	15.3	15.8	16.2	16.7
34 Chile	.9	1.6	1.7	1.8	2.2	2.5	2.5	2.7	3.2	3.5	4.0
35 Colombia	1.3	1.4	1.5	1.5	1.7	2.2	2.1	2.2	2.4	2.6	2.4
36 Mexico	11.9	10.8	10.9	10.7	11.4	12.0	12.1	13.6	14.4	15.9	17.0
37 Peru	1.9	1.7	1.6	1.4	1.4	1.5	1.3	1.4	1.5	1.8	1.8
38 Other Latin America	2.6	3.6	3.5	3.3	3.6	3.7	3.6	3.6	3.9	3.9	4.8
<i>Asia</i>											
China											
39 Mainland	.0	.0	.1	.1	.1	.1	.1	.1	.1	.2	.2
40 Taiwan	3.1	2.9	3.1	3.3	3.5	3.4	3.6	3.8	4.1	4.2	4.4
41 India	.3	.2	.2	.2	.2	.2	.2	.2	.2	.3	.3
42 Israel	.9	1.0	1.0	.9	1.0	1.3	.9	1.2	1.1	1.5	1.3
43 Korea (South)	3.9	3.9	4.2	5.0	5.3	5.4	6.4	7.1	7.3	7.1	7.7
44 Malaysia ⁴	.7	.6	.6	.7	.7	.9	.8	.9	.9	1.0	1.0
45 Philippines	2.5	2.8	3.2	3.7	3.7	4.2	4.4	4.6	4.8	5.0	4.7
46 Thailand	1.1	1.2	1.2	1.4	1.6	1.5	1.4	1.5	1.5	1.4	1.4
47 Other Asia	.4	.2	.4	.4	.4	.5	.5	.5	.5	.6	.4
<i>Africa</i>											
48 Egypt	.3	.4	.5	.7	.6	.6	.7	.7	.7	.8	.8
49 Morocco	.5	.6	.6	.5	.5	.6	.5	.5	.6	.7	.6
50 Zaire	.3	.2	.2	.2	.2	.2	.2	.2	.2	.2	.4
51 Other Africa ⁵	.7	1.4	1.4	1.5	1.6	1.7	1.7	1.8	2.0	2.0	2.1
52 Eastern Europe	6.3	6.9	6.7	6.7	7.2	7.3	7.3	7.2	7.3	7.5	8.0
53 U.S.S.R.	1.6	1.3	1.1	.9	.9	.7	.6	.5	.5	.4	.4
54 Yugoslavia	1.1	1.5	1.6	1.7	1.8	1.8	1.9	2.1	2.1	2.3	2.4
55 Other	3.7	4.1	4.0	4.1	4.6	4.8	4.9	4.5	4.7	4.7	5.1
56 Offshore banking centers	26.1	31.0	33.7	37.0	38.6	40.4	42.6	44.2	44.5	46.5	50.7
57 Bahamas	9.9	10.4	12.3	14.4	13.0	13.7	13.9	13.7	13.1	13.3	13.6
58 Bermuda	.6	.7	.6	.7	.7	.8	.6	.6	.6	.6	.7
59 Cayman Islands and other British West Indies	3.7	7.4	7.1	7.4	9.5	9.4	11.3	9.8	10.1	10.6	11.3
60 Netherlands Antilles	.7	.8	.8	1.0	1.1	1.2	.9	1.2	1.3	2.1	2.1
61 Panama ⁶	3.1	3.0	3.5	3.8	3.4	4.3	4.9	5.6	5.6	5.4	6.4
62 Lebanon	.2	.1	.1	.1	.2	.2	.2	.2	.2	.2	.2
63 Hong Kong	3.7	4.2	4.8	4.9	5.5	6.0	5.7	6.9	7.5	8.1	8.4
64 Singapore	3.7	3.9	4.2	4.2	4.9	4.5	4.7	5.9	5.6	5.9	7.2
65 Others ⁷	.5	.5	.4	.4	.4	.4	.4	.4	.4	.3	.9
66 Miscellaneous and unallocated ⁸	5.3	9.1	9.5	9.9	10.6	11.7	13.1	14.3	13.7	13.9	14.8

1. The banking offices covered by these data are the U.S. offices and foreign branches of U.S.-owned banks and of U.S. subsidiaries of foreign-owned banks. Offices *not* covered include (1) U.S. agencies and branches of foreign banks, and (2) foreign subsidiaries of U.S. banks. To minimize duplication, the data are adjusted to exclude the claims on foreign branches held by a U.S. office or another foreign branch of the same banking institution. The data in this table combine foreign branch claims in table 3.13 (the sum of lines 7 through 10) with the claims of U.S. offices in table 3.17 (excluding those held by agencies and branches of foreign banks and those constituting claims on own foreign branches). However, see also footnote 2.

2. 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. Foreign branch claims only through December 1976.

5. Excludes Liberia.

6. Includes Canal Zone beginning December 1979.

7. Foreign branch claims only.

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

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

Millions of dollars

Country or area	1979	1980	1981	1980		1981				
			Jan.- May ^p	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May ^p
Holdings (end of period) ¹										
1 Estimated total ²	51,344	57,418	.....	57,222	57,418	58,453	60,277	61,760 ^r	62,124 ^r	62,837
2 Foreign countries ²	45,915	52,831	.....	52,872	52,831	53,919	55,655	56,840	57,352 ^r	58,039
3 Europe ²	24,824	24,337	.....	24,711	24,337	25,176	25,466	25,235	24,883	24,511
4 Belgium-Luxembourg.....	60	77	.....	74	77	80	88	106	123	131
5 Germany ²	14,056	12,335	.....	12,758	12,335	12,791	12,915	12,340	11,925	11,949
6 Netherlands.....	1,466	1,884	.....	1,777	1,884	1,954	1,944	1,965	1,950	1,813
7 Sweden.....	647	595	.....	614	595	555	535	566	567	572
8 Switzerland ²	1,868	1,485	.....	1,489	1,485	1,561	1,524	1,527	1,526	1,535
9 United Kingdom.....	6,236	7,183	.....	7,414	7,183	7,438	7,745	7,892	7,862	7,274
10 Other Western Europe.....	491	777	.....	584	777	796	714	839	930	1,236
11 Eastern Europe.....	0	0	.....	0	0	.....	0	0	0	0
12 Canada.....	232	449	.....	532	449	458	490	478	464	486
13 Latin America and Caribbean.....	466	999	.....	942	999	998	1,074	1,151	939	849
14 Venezuela.....	103	292	.....	292	292	292	292	292	292	287
15 Other Latin America and Caribbean.....	200	285	.....	278	285	281	341	339	389	430
16 Netherlands Antilles.....	163	421	.....	372	421	425	441	519	258	132
17 Asia.....	19,805	26,112	.....	25,968	26,112	26,303	27,467	28,827	29,920 ^r	31,047
18 Japan.....	11,175	9,479	.....	9,547	9,479	9,519	9,543	9,543	9,566	9,606
19 Africa.....	591	920	.....	715	920	970	1,139	1,140	1,140	1,140
20 All other.....	-3	14	.....	4	14	14	18	9	7	6
21 Nonmonetary international and regional organizations.....	5,429	4,587	.....	4,350	4,587	4,534	4,622	4,920 ^r	4,772 ^r	4,798
22 International.....	5,388	4,548	.....	4,302	4,548	4,505	4,586	4,878 ^r	4,759 ^r	4,791
23 Latin American regional.....	37	36	.....	44	36	26	36	36	6	1
Transactions (net purchases, or sales (-) during period)										
24 Total ²	6,397	6,075	5,418	664	196	1,035	1,827	1,480 ^r	364 ^r	713
25 Foreign countries ²	6,099	6,916	5,208	791	-41	1,088	1,736	1,185	512 ^r	686
26 Official institutions.....	1,697	3,840	4,169	301	-336	865	1,404	1,084	495 ^r	321
27 Other foreign ²	4,403	3,076	1,038	490	295	223	332	101	17 ^r	365
28 Nonmonetary international and regional organizations.....	301	-843	211	-126	237	-53	91	295 ^r	-148	26
MEMO: Oil-exporting countries										
29 Middle East ³	-1,014	7,672 ^r	4,665	561	358	300	1,139	1,322	1,062 ^r	841
30 Africa ⁴	-100	328	220	29	205	51	169	0	0	0

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

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

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

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

3.22 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS

Millions of dollars, end of period

Assets	1978	1979	1980	1980	1981					
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June ^p
1 Deposits.....	367	429	411	411	573	422	474	475	346	338
Assets held in custody										
2 U.S. Treasury securities ¹	117,126	95,075	102,417	102,417	104,490	106,389	111,859	113,746	109,742	107,884
3 Earmarked gold ²	15,463	15,169	14,965	14,965	14,893	14,892	14,883	14,886	14,875	14,871

1. Marketable U.S. Treasury bills, notes, and bonds; and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies.

2. The value of earmarked gold increased because of the changes in par value of the U.S. dollar in May 1972 and in October 1973.

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

3.23 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transactions, and area or country	1979	1980	1981		1980		1981				
			Jan.-May	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May ^P	
U.S. corporate securities											
STOCKS											
1 Foreign purchases	22,781	40,320	18,200	4,457	4,345	3,422	2,718 ^c	3,948	4,041	4,071	
2 Foreign sales	21,123	34,962	14,599	3,588	3,701	2,798	2,312	3,313	3,323	2,852	
3 Net purchases, or sales (-)	1,658	5,358	3,601	869	644	624	406	634	718	1,219	
4 Foreign countries	1,642	5,340	3,562	867	623	612	403	626	710	1,210	
5 Europe	217	3,069	2,487	633	254	438	257	605	419	767	
6 France	122	482	731	109	60	62	41	110	126	393	
7 Germany	-221	186	72	121	8	24	18	31	15	-17	
8 Netherlands	-71	-328	85	-58	-17	43	2	12	-2	31	
9 Switzerland	-519	308	377	265	-88	105	-24	138	75	83	
10 United Kingdom	964	2,503	1,119	251	300	178	220	308	197	217	
11 Canada	552	865	588	263	247	26	91	103	230	138	
12 Latin America and Caribbean	-19	148	74	57	-8	101	-22	14	-26	8	
13 Middle East ¹	688	1,206	354	-109	177	63	74	-95	91	221	
14 Other Asia	211	16	64	18	-49	-14	-2	0	3	78	
15 Africa	-14	-1	3	0	-2	2	0	-1	-1	1	
16 Other countries	7	38	-8	5	2	-5	7	0	-5	-4	
17 Nonmonetary international and regional organizations	17	18	39	2	22	12	2	8	8	10	
BONDS ²											
18 Foreign purchases	8,835	15,425	7,430	1,193	946	1,549	1,402	2,035 ^r	1,549	894	
19 Foreign sales	7,602	9,976	4,362	902	826	817	863	1,239 ^r	774	669	
20 Net purchases, or sales (-)	1,233	5,449	3,068	291	121	733	539	769 ^r	775	225	
21 Foreign countries	1,330	5,514	3,031	295	107	706	552	797	733	243	
22 Europe	626	1,576	982	163	-26	214	311	132	328	-3	
23 France	11	129	-4	12	12	4	-42	9	8	17	
24 Germany	58	213	308	13	22	49	112	97	23	28	
25 Netherlands	-202	-65	49	-7	17	6	12	14	13	4	
26 Switzerland	-118	54	89	8	14	22	12	4	17	34	
27 United Kingdom	814	1,257	452	166	-113	124	207	-22	231	-87	
28 Canada	80	135	54	21	-7	7	-2	19	12	18	
29 Latin America and Caribbean	109	185	82	11	-5	-3	26	28	22	9	
30 Middle East ¹	424	3,486	1,969	105	113	492	201	723	362	192	
31 Other Asia	88	117	-53	-3	32	-1	17	-105	9	27	
32 Africa	1	5	0	0	0	0	0	0	0	0	
33 Other countries	1	10	-4	-1	0	-4	0	0	0	0	
34 Nonmonetary international and regional organizations	-96	-65	37	-4	14	27	-13	-1 ^r	42	-18	
Foreign securities											
35 Stocks, net purchases, or sales (-)	-786	-2,084	-198	129	-68	35	13	-187	-90	32	
36 Foreign purchases	4,615	7,885	3,871	927	721	696	709	763	851	852	
37 Foreign sales	5,401	9,968	4,069	798	788	661	697	950	941	820	
38 Bonds, net purchases, or sales (-)	-3,855	-846	-1,159	92	274	-237	29	-141	-632	-178	
39 Foreign purchases	12,672	17,069	6,565	1,254	1,786	1,142	1,296	1,686	1,154	1,287	
40 Foreign sales	16,527	17,915	7,724	1,161	1,512	1,379	1,267	1,827	1,786	1,465	
41 Net purchases, or sales (-), of stocks and bonds	-4,641	-2,929	-1,357	221	206	-202	42	-328	-723	-146	
42 Foreign countries	-3,891	-3,806	-1,454	198	-177	-261	24	-340	-732	-146	
43 Europe	-1,646	-957	-420	-30	-86	-116	80	-161	-300	77	
44 Canada	-2,601	-1,948	-670	329	24	-4	76	-101	-271	-370	
45 Latin America and Caribbean	347	126	102	-24	-11	51	52	-68	119	-51	
46 Asia	44	-1,131	-397	-73	-84	-177	-169	9	-234	173	
47 Africa	-61	24	-44	-1	-13	-10	-8	-17	-7	-3	
48 Other countries	25	80	-24	-3	-7	-4	-7	-2	-39	28	
49 Nonmonetary international and regional organizations	-750	876	97	23	383	59	17	12	9	0	

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

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

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

Millions of dollars, end of period

Type, and area or country	1978	1979	1979		1980			
			Sept.	Dec.	Mar.	June	Sept.	Dec. ²
1 Total	14,948^r	17,062^r	15,782^r	17,062^r	17,476^r	18,643^r	18,634^r	21,064
2 Payable in dollars	11,513 ^r	13,984 ^r	12,699 ^r	13,984 ^r	14,470 ^r	15,203 ^r	15,337 ^r	17,445
3 Payable in foreign currencies ²	3,435 ^r	3,078 ^r	3,082 ^r	3,078 ^r	3,006 ^r	3,440 ^r	3,296 ^r	3,619
<i>By type</i>								
4 Financial liabilities	6,353 ^r	7,336 ^r	6,196 ^r	7,336 ^r	7,832 ^r	8,410 ^r	8,293 ^r	10,844
5 Payable in dollars	3,838 ^r	5,096 ^r	3,883 ^r	5,096 ^r	5,591 ^r	5,791 ^r	5,818 ^r	8,140
6 Payable in foreign currencies	2,515 ^r	2,270 ^r	2,313 ^r	2,270 ^r	2,242 ^r	2,619 ^r	2,475 ^r	2,703
7 Commercial liabilities	8,595 ^r	9,696 ^r	9,585 ^r	9,696 ^r	9,693 ^r	10,233 ^r	10,341 ^r	10,221
8 Trade payables	4,008	4,424 ^r	4,051	4,424 ^r	4,190 ^r	4,297 ^r	4,381 ^r	4,401
9 Advance receipts and other liabilities	4,587 ^r	5,272 ^r	5,535 ^r	5,272 ^r	5,454 ^r	5,936 ^r	5,960	5,820
10 Payable in dollars	7,674 ^r	8,888 ^r	8,817 ^r	8,888 ^r	8,879 ^r	9,412 ^r	9,520 ^r	9,305
11 Payable in foreign currencies	921 ^r	808	769 ^r	808	764 ^r	821 ^r	821	916
<i>By area or country</i>								
Financial liabilities								
12 Europe	3,958 ^r	4,642 ^r	3,776 ^r	4,642 ^r	4,860 ^r	5,470 ^r	5,314	6,276
13 Belgium-Luxembourg	289	345	317	345	360	422	417 ^r	464
14 France	173 ^r	175 ^r	132 ^r	175 ^r	193 ^r	347 ^r	339 ^r	327
15 Germany	366	497	381	497	520	657	557	582
16 Netherlands	390	828	542	828	795	797 ^r	780 ^r	662
17 Switzerland	248	170	190	170	174	238	224	354
18 United Kingdom	2,159 ^r	2,449 ^r	2,014 ^r	2,449 ^r	2,647 ^r	2,841 ^r	2,867 ^r	3,753
19 Canada	244	439 ^r	304	439 ^r	380 ^r	530 ^r	508 ^r	756
20 Latin America and Caribbean	1,357	1,483	1,347	1,483	1,764	1,633	1,732 ^r	3,068
21 Bahamas	478	375	390	375	459	434	412	945
22 Bermuda	4	81	2	81	83	2	1	1
23 Brazil	10	18	14	18	22	25	20	23
24 British West Indies	194	514	198	514	694	700	703 ^r	1,442
25 Mexico	102	121	122	121	101	101	108	98
26 Venezuela	49	72	71	72	70	72	74	81
27 Asia	784 ^r	793 ^r	759 ^r	793 ^r	807 ^r	752 ^r	707 ^r	718
28 Japan	717 ^r	726 ^r	702 ^r	726 ^r	740 ^r	683 ^r	618 ^r	644
29 Middle East oil-exporting countries ³	32	31	19	31	26	31	37	38
30 Africa	5	4	5	4	11	10	11	11
31 Oil-exporting countries ⁴	2	1	1	1	1	1	1	1
32 All other ⁵	5	4	5	4	10	15	21	15
Commercial liabilities								
33 Europe	3,054 ^r	3,639 ^r	3,411 ^r	3,639 ^r	3,716 ^r	4,038 ^r	4,079 ^r	4,075
34 Belgium-Luxembourg	97 ^r	137	105 ^r	137	117	132	109	89
35 France	321	467	394	467	503	485	501	582
36 Germany	529	548 ^r	554 ^r	548 ^r	545 ^r	727 ^r	693	688
37 Netherlands	246	227	206	227	288	245	276	219
38 Switzerland	302	310	348	310	382	462	452	493
39 United Kingdom	824	1,077 ^r	1,015	1,077 ^r	1,012 ^r	1,133 ^r	1,045 ^r	1,012
40 Canada	667	868	717	868	720	591	590	784
41 Latin America	997	1,323	1,401	1,323	1,253	1,271	1,361	1,244
42 Bahamas	25	69	89	69	4	26	8	8
43 Bermuda	97	32	48	32	47	107	114	73
44 Brazil	74	203	186	203	228	151	156	111
45 British West Indies	53	21	21	21	20	37	12	35
46 Mexico	106	257	270	257	235	272	324	326
47 Venezuela	303	301	359	301	211	210	293	307
48 Asia	2,931 ^r	2,905 ^r	2,995 ^r	2,905 ^r	2,950 ^r	3,091 ^r	2,909	2,848
49 Japan	448	494 ^r	517	494 ^r	581 ^r	418 ^r	502	645
50 Middle East oil-exporting countries ³	1,523	1,017	1,069 ^r	1,017	901	1,030 ^r	944	894
51 Africa	743	728	775	728	742	875	1,006	814
52 Oil-exporting countries ⁴	312	384	370	384	382	498	633	514
53 All other ⁵	203	233	287	233	263	367	396	456

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

2. Before December 1978, foreign currency data include only liabilities denominated in foreign currencies with an original maturity of less than one year.

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

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

5. Includes nonmonetary international and regional organizations.

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

Millions of dollars, end of period

Type, and area or country	1978	1979	1979		1980			
			Sept. r	Dec. r	Mar. r	June r	Sept.	Dec. r
1 Total	27,892 ^r	31,023	31,022	31,023	32,077	32,024	31,579 ^r	33,560
2 Payable in dollars	24,905 ^r	27,850	28,345	27,850	29,069	28,962	28,322 ^r	30,719
3 Payable in foreign currencies ²	2,988 ^r	3,173	2,677	3,173	3,008	3,062	3,257 ^r	2,841
<i>By type</i>								
4 Financial claims	16,570 ^r	18,222	19,251	18,222	19,332	18,630	18,285 ^r	18,979
5 Deposits	11,111 ^r	12,579	13,808	12,579	13,657	12,786	12,218 ^r	13,223
6 Payable in dollars	10,043 ^r	11,663	12,900	11,663	12,681	11,907	11,056 ^r	12,499
7 Payable in foreign currencies	1,068	916	908	916	977	879	1,162 ^r	724
8 Other financial claims	5,459	5,643	5,443	5,643	5,675	5,844	6,067 ^r	5,756
9 Payable in dollars	3,874	3,803	4,030	3,803	4,055	4,103	4,399 ^r	4,063
10 Payable in foreign currencies	1,584	1,840	1,413	1,840	1,620	1,740	1,668 ^r	1,693
11 Commercial claims	11,323 ^r	12,801	11,770	12,801	12,745	13,394	13,294	14,581
12 Trade receivables	10,764 ^r	12,112	11,058	12,112	12,095	12,685	12,605	13,873
13 Advance payments and other claims	559	688	712	688	649	710	688	709
14 Payable in dollars	10,988 ^r	12,384	11,415	12,384	12,333	12,952	12,867	14,157
15 Payable in foreign currencies	335 ^r	416	355	416	411	443	427	424
<i>By area or country</i>								
Financial claims								
16 Europe	5,215 ^r	6,146	6,581	6,146	5,843	5,843	5,605 ^r	5,974
17 Belgium-Luxembourg	48	32	33	32	21	23	17 ^r	193
18 France	178	177	191	177	290	307	409 ^r	334
19 Germany	510	409	393	409	300	307	168	224
20 Netherlands	103	53	51	53	39	37	30	32
21 Switzerland	98	73	85	73	89	96	41	57
22 United Kingdom	4,021 ^r	5,081	5,540	5,081	4,790	4,863	4,545 ^r	4,865
23 Canada	4,484 ^r	4,813	4,767	4,813	4,885	4,783	4,804 ^r	4,698
24 Latin America and Caribbean	5,714 ^r	6,261	6,736	6,261	7,583	6,924	6,757 ^r	7,353
25 Bahamas	3,001 ^r	2,741	3,338	2,741	3,516	3,080	2,831 ^r	3,233
26 Bermuda	80	30	31	30	34	25	65	13
27 Brazil	151	163	133	163	128	120	116	96
28 British West Indies	1,291 ^r	2,001	1,838	2,001	2,591	2,393	2,301 ^r	2,577
29 Mexico	163	158	156	158	169	178	192	208
30 Venezuela	157	143	139	143	134	139	128	114
31 Asia	920	706	821	706	713	758	791 ^r	685
32 Japan	305	199	225	199	226	253	269	158
33 Middle East oil-exporting countries ³	18	16	21	16	18	16	20	19
34 Africa	181	253	277	253	265	256	260	237
35 Oil-exporting countries ⁴	10	49	41	49	40	35	29	26
36 All other ⁵	55	44	69	44	43	65	68	32
Commercial claims								
37 Europe	3,980 ^r	4,897	4,121	4,897	4,759	4,830	4,655	5,450
38 Belgium-Luxembourg	144	202	179	202	208	258	230	232
39 France	609	726	517	726	702	662	707	1,124
40 Germany	398 ^r	589	450	589	515	510	569	571
41 Netherlands	267	298	261	298	347	297	289	318
42 Switzerland	198	269	224	269	349	429	333	345
43 United Kingdom	824 ^r	901	814	901	926	903	988	929
44 Canada	1,094 ^r	846	1,165	846	861	896	929	919
45 Latin America and Caribbean	2,544 ^r	2,850	2,602	2,850	2,986	3,277	3,375	3,796
46 Bahamas	109	21	26	21	19	19	53	21
47 Bermuda	215	197	154	197	135	133	81	148
48 Brazil	628 ^r	645	567	645	654	695	710	858
49 British West Indies	9	16	13	16	11	9	17	34
50 Mexico	505 ^r	698	650	698	832	921	981	1,088
51 Venezuela	291 ^r	343	345	343	350	395	388	411
52 Asia	3,080 ^r	3,413	3,113	3,413	3,395	3,576	3,395	3,449
53 Japan	976	1,140	1,128	1,140	1,213	1,143	1,094	989
54 Middle East oil-exporting countries ³	716 ^r	766	700	766	719	830	837	821
55 Africa	447	554	549	554	517	566	669	651
56 Oil-exporting countries ⁴	136	133	140	133	114	115	135	151
57 All other ⁵	178 ^r	240	220	240	225	249	270	316

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

2. Prior to December 1978, foreign currency data include only liabilities denominated in foreign currencies with an original maturity of less than one year.

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

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

5. Includes nonmonetary international and regional organizations.

3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Percent per annum

Country	Rate on June 30, 1981		Country	Rate on June 30, 1981		Country	Rate on June 30, 1981	
	Per- cent	Month effective		Per- cent	Month effective		Per- cent	Month effective
Argentina	311.15	June 1981	France ¹	22.0	May 1981	Sweden	12.0	Jan. 1981
Austria	6.75	Mar. 1980	Germany, Fed. Rep. of	7.5	May 1980	Switzerland	5.0	May 1981
Belgium	13.0	May 1981	Italy	19.0	Mar. 1981	United Kingdom	12.0	Mar. 1981
Brazil	40.0	June 1980	Japan	6.25	Mar. 1981	Venezuela	10.0	July 1980
Canada	19.08	June 1981	Netherlands	9.0	Mar. 1981			
Denmark	11.00	Oct. 1980	Norway	9.0	Nov. 1979			

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

NOTE. Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or

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

3.27 FOREIGN SHORT-TERM INTEREST RATES

Percent per annum, averages of daily figures

Country, or type	1978	1979	1980	1981						
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June
1 Eurodollars	8.74	11.96	14.00	19.47	18.07	17.18	15.36	15.95	19.06	17.86
2 United Kingdom	9.18	13.60	16.59	14.64	14.20	13.12	12.58	12.26	12.34	12.61
3 Canada	8.52	11.91	13.12	16.83	16.98	17.28	16.85	17.35	18.96	19.28
4 Germany	3.67	6.64	9.45	10.11	9.41	10.74	13.44	13.12	13.06	13.05
5 Switzerland	0.74	2.04	5.79	6.61	5.68	7.09	8.33	8.67	9.87	10.02
6 Netherlands	6.53	9.33	10.60	9.69	9.36	9.78	10.61	10.41	11.76	11.81
7 France	8.10	9.44	12.18	11.52	11.38	11.87	12.56	13.00	15.75	18.84
8 Italy	11.40	11.85	17.50	17.47	17.34	17.50	18.22	19.92	19.92	20.49
9 Belgium	7.14	10.48	14.06	12.75	12.41	12.52	13.93	17.16	16.90	15.58
10 Japan	4.75	6.10	11.45	9.60	9.00	8.52	7.87	6.83	7.22	7.41

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

3.28 FOREIGN EXCHANGE RATES

Cents per unit of foreign currency

Country/currency	1978	1979	1980	1981						
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June
1 Australia/dollar	114.41	111.77	114.00	116.86	118.19	116.26	116.29	115.32	114.06	114.07
2 Austria/schilling	6.8958	7.4799	7.7349	7.1549	7.0297	6.6033	6.6959	6.5355	6.1722	5.9502
3 Belgium/franc	3.1809	3.4098	3.4247	3.1543	3.0962	2.8972	2.8966	2.8220	2.6742	2.5734
4 Canada/dollar	87.729	85.386	85.530	83.560	83.974	83.442	83.936	83.966	83.265	83.050
5 Denmark/krone	18.156	19.010	17.766	16.573	16.181	15.152	15.109	14.683	13.864	13.384
6 Finland/markka	24.337	27.732	26.892	25.903	25.752	24.656	24.612	23.059	23.207	22.511
7 France/franc	22.218	23.504	23.694	21.925	21.539	20.142	20.147	19.548	18.225	17.679
8 Germany/deutsche mark	49.867	54.561	55.089	50.769	49.771	46.757	47.498	46.219	43.601	42.054
9 India/rupee	12.207	12.265	12.686	12.608	12.567	12.164	12.131	12.060	11.900	11.688
10 Ireland/pound	191.84	204.65	205.77	189.01	185.54	173.31	173.25	168.46	159.49	153.61
11 Italy/lira .....	.11782	.12035	.11694	.10704	.10478	.09807	.09699	.09280	.08766	.08436
12 Japan/yen .....	.47981	.45834	.44311	.47747	.49419	.48615	.47897	.46520	.45332	.44621
13 Malaysia/ringgit	43.210	45.720	45.967	45.406	44.994	44.196	43.830	43.182	42.752	42.720
14 Mexico/peso	4.3896	4.3826	4.3535	4.3071	4.2792	4.2544	4.2238	4.1880	4.1500	4.1066
15 Netherlands/guilder	46.284	49.843	50.369	46.730	45.810	42.870	42.912	41.660	39.224	37.816
16 New Zealand/dollar	103.64	102.23	97.337	95.404	96.137	93.414	91.999	90.273	88.150	85.823
17 Norway/krone	19.079	19.747	20.261	19.370	19.087	18.485	18.540	18.271	17.652	16.907
18 Portugal/escudo	2.2782	2.0437	1.9980	1.8773	1.8591	1.7722	1.7621	1.7178	1.6449	1.5899
19 South Africa/rand	115.01	118.72	128.54	132.63	133.69	129.27	126.50	123.32	119.35	115.18
20 Spain/peseta	1.3073	1.4896	1.3958	1.2653	1.2409	1.1686	1.1672	1.1395	1.0953	1.0565
21 Sri Lanka/rupee	6.3834	6.4226	6.1947	5.7379	5.9525	5.5975	5.5527	5.4185	5.4422	5.3970
22 Sweden/krona	22.139	23.323	23.647	22.722	22.490	21.734	21.704	21.309	20.450	19.802
23 Switzerland/franc	56.283	60.121	59.697	56.022	54.907	51.502	52.043	50.664	48.400	48.226
24 United Kingdom/pound	191.84	212.24	232.58	234.59	240.29	229.41	223.19	217.53	208.84	197.38
MEMO:										
25 United States/dollar ¹	92.39	88.09	87.39	90.99	91.38	96.02	96.22	98.80	103.59	106.86

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

List Published Semiannually, with Latest Bulletin Reference

	<i>Issue</i>	<i>Page</i>
Anticipated schedule of release dates for periodic releases	December 1980	A80

SPECIAL TABLES

Published Irregularly, with Latest Bulletin Reference

Commercial bank assets and liabilities, call dates, December 31, 1978, to March 31, 1980	October 1980	A71
Commercial bank assets and liabilities, June 30, 1980	December 1980	A68
Commercial bank assets and liabilities, September 30, 1980	February 1981	A68
Commercial bank assets and liabilities, December 31, 1980	April 1981	A72
Assets and liabilities of U.S. branches and agencies of foreign banks, March 31, 1981	July 1981	A78
Commercial bank assets and liabilities, March 31, 1981	July 1981	A72

Special tables begin on following page.

4.10 TIME AND SAVINGS DEPOSITS Held by Insured Commercial Banks on Recent Survey Dates

Types of deposits, denomination, and original maturity	Number of issuing banks			Deposits				
				Millions of dollars			Percentage change	
	Oct. 29, 1980	Jan. 28, 1981	Apr. 29, 1981	Oct. 29, 1980	Jan. 28, 1981	Apr. 29, 1981	Oct. 29- Jan. 28	Jan. 28- Apr. 29
Total time and savings deposits	14,364	14,346	14,377	713,860	768,145	772,782	7.6	0.6
Savings.....	14,364	14,346	14,377	211,128	208,249	204,485	-1.4	-1.8
<i>Holder</i>								
Individuals and nonprofit organizations.....	14,364	14,346	14,377	196,074	194,430	191,371	-0.8	-1.6
Partnerships and corporations operated for profit (other than commercial banks).....	10,528	11,031	10,762	10,974	9,714	8,987	-11.5	-7.5
Domestic governmental units.....	9,333	9,386	9,277	3,567	3,242	3,130	-9.1	-3.5
All other.....	1,530	1,720	1,898	512	862	998	68.5	15.7
Interest-bearing time deposits, less than \$100,000.....	14,246	14,223	14,168	274,507	300,960	310,927	9.6	3.3
<i>Holder</i>								
Domestic governmental units ¹	9,125	9,187	8,780	2,232	1,952	1,795	-12.5	-8.1
14 up to 90 days.....	3,551	3,438	3,595	540	329	280	-39.1	-14.7
90 up to 180 days.....	5,224	5,223	4,814	485	579	474	19.3	-18.2
180 days up to 1 year.....	3,756	3,998	4,035	335	277	316	-17.3	14.0
1 year and over.....	7,334	6,757	6,910	871	767	724	-11.9	-5.5
Other than domestic governmental units ¹	14,127	14,102	14,127	85,446	76,835	68,651	-10.1	-10.7
14 up to 90 days.....	4,360	3,889	4,199	1,404	1,075	1,137	-23.4	5.8
90 up to 180 days.....	10,583	10,738	10,448	15,262	13,876	12,744	-9.1	-8.2
180 days up to 1 year.....	7,802	7,655	8,084	1,895	2,336	2,522	23.3	8.0
1 up to 2½ years.....	13,597	13,688	13,774	11,108	9,622	8,277	-13.4	-14.0
2½ up to 4 years.....	12,636	12,280	12,211	7,606	6,591	5,485	-13.3	-16.8
4 up to 6 years.....	13,496	13,256	13,474	27,866	24,618	22,197	-11.7	-9.8
6 up to 8 years.....	11,586	11,320	11,276	17,776	16,405	14,069	-7.7	-14.2
8 years and over.....	8,111	8,210	8,143	2,528	2,311	2,220	-8.6	-4.0
IRA and Keogh Plan time deposits, with maturities of 3 years or more or variable ceiling rates.....	10,392	10,432	10,893	5,488	5,703	6,351	3.9	11.4
Money market certificates, \$10,000 or more, with ma- turities of exactly 6 months ²	13,830	13,907	13,960	152,848	184,745	199,378	20.9	7.9
Variable interest rate ceiling time deposits of less than \$100,000 with maturities of 2½ years or more ^{2,3}	13,374	13,280	13,538	28,493	31,725	34,752	11.3	9.5
Interest-bearing time deposits, \$100,000 or more.....	13,163	13,479	13,419	222,513	253,796	251,406	14.1	-9
Non-interest-bearing time deposits.....	1,386	1,407	1,567	4,230	4,235	4,377	.1	3.4
Less than \$100,000.....	1,018	1,055	1,237	910	760	736	-16.6	-3.1
\$100,000 or more.....	688	672	674	3,319	3,475	3,641	4.7	4.8
Club accounts (Christmas savings, vacation, and the like)	8,375	9,076	8,974	1,483	906	1,587	-38.9	75.2

1. Excludes all money market certificates, all 2½-year and over variable-rate ceiling certificates, IRAs, and Keogh Plan accounts. Such accounts are included in the items below.

2. Excludes accounts held in IRA and Keogh Plans. Such accounts are included in item above.

3. Effective Jan. 1, 1980, commercial banks, savings and loan associations, and mutual savings banks are authorized to offer variable ceiling accounts with no required minimum denomination and with maturities of 2½ years or more. The maximum rate for commercial banks is ¾ percentage point below the yield on 2½-year U.S. Treasury securities; the ceiling rate for thrift institutions is ¼ percentage point higher than that for commercial banks.

NOTE. All banks that had either discontinued offering or never offered certain types of deposits as of the survey date are not counted as issuing banks. However, small amounts of deposits held at banks that had discontinued issuing certain types of deposits are included in the amounts outstanding.
Details may not add to totals because of rounding.

4.11 SMALL-DENOMINATION TIME AND SAVINGS DEPOSITS Held by Insured Commercial Banks on Jan. 28, 1981, and Apr. 29, 1981, Compared with Previous Survey, by Type of Deposit, by Most Common Rate Paid on New Deposits in Each Category, and by Size of Bank

Deposit group, original maturity, and distribution of deposits by most common rate	All banks		Size of bank (total deposits in millions of dollars)				All banks		Size of bank (total deposits in millions of dollars)			
			Less than 100		100 and over				Less than 100		100 and over	
	Apr. 29, 1981	Jan. 28, 1981	Apr. 29, 1981	Jan. 28, 1981	Apr. 29, 1981	Jan. 28, 1981	Apr. 29, 1981	Jan. 28, 1981	Apr. 29, 1981	Jan. 28, 1981	Apr. 29, 1981	Jan. 28, 1981
	Number of banks, or percentage distribution						Amount of deposits (in millions of dollars) or percentage distribution					
Savings deposits												
<i>Individuals and nonprofit organizations</i>												
Issuing banks	14,377	14,346	12,954	12,997	1,423	1,349	191,371	194,430	61,236	66,869	130,135	127,561
Distribution, total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
4.50 or less	2.7	2.9	2.7	2.9	2.8	3.0	4.1	3.7	5.2	4.6	3.5	3.1
4.51-5.00	3.5	4.0	3.4	3.9	3.9	6.0	3.5	4.5	4.4	5.3	3.0	4.1
5.01-5.25	93.8	93.1	93.9	93.3	93.4	91.0	92.5	91.8	90.3	90.1	93.5	92.7
MEMO: Paying ceiling rate ¹	93.8	93.1	93.9	93.3	93.4	91.0	92.5	91.8	90.3	90.1	93.5	92.7
<i>Partnerships and corporations</i>												
Issuing banks	10,762	11,031	9,361	9,709	1,400	1,322	8,987	9,714	2,742	3,132	6,245	6,581
Distribution, total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
4.50 or less	.9	.8	.9	.8	.8	1.0	.8	.8	1.0	.9	.7	.8
4.51-5.00	3.2	4.0	3.2	4.0	3.9	4.4	4.7	5.6	8.9	11.6	2.8	2.7
5.01-5.25	95.8	95.1	95.9	95.2	95.2	94.6	94.5	93.6	90.1	87.5	96.4	96.5
MEMO: Paying ceiling rate ¹	95.8	95.1	95.9	95.2	95.2	94.6	94.5	93.6	90.1	87.5	96.4	96.5
<i>Domestic governmental units</i>												
Issuing banks	9,264	9,343	8,252	8,381	1,012	962	3,123	3,239	1,650	1,682	1,473	1,556
Distribution, total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
4.50 or less	1.1	.9	1.1	1.0	.6	.5	.3	.2	.4	.3	.3	.2
4.51-5.00	1.6	2.2	1.2	2.0	4.8	4.6	3.7	3.7	.2	1.8	7.6	5.7
5.01-5.25	97.3	96.8	97.6	97.0	94.6	95.0	96.0	96.1	99.5	97.9	92.0	94.2
MEMO: Paying ceiling rate ¹	97.3	96.8	97.6	97.0	94.6	95.0	96.0	96.1	99.5	97.9	92.0	94.2
<i>All other</i>												
Issuing banks	1,898	1,693	1,621	1,454	277	239	998	859	790	607	208	252
Distribution, total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
4.50 or less	3.6	3.7	3.3	3.3	5.1	5.6	4	.5	(2)	(2)	1.7	1.6
4.51-5.00	.1	1.9	(2)	2.0	.7	1.0	(2)	2.7	(2)	3.8	(2)	(2)
5.01-5.25	96.3	94.5	96.7	94.6	94.2	93.4	99.6	96.8	100.0	96.2	98.3	98.4
MEMO: Paying ceiling rate ¹	96.3	94.5	96.7	94.6	94.2	93.4	99.6	96.8	100.0	96.2	98.3	98.4
Time deposits less than \$100,000												
<i>Domestic governmental units</i>												
<i>14 up to 90 days</i>												
Issuing banks	3,588	3,433	2,936	2,851	652	581	267	319	122	169	146	149
Distribution, total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
5.00 or less	18.2	23.5	20.1	26.2	10.0	10.5	7.7	10.0	15.9	16.9	.8	2.3
5.01-5.50	31.5	34.8	25.1	29.9	60.3	58.4	33.9	35.6	9.8	14.2	53.9	59.8
5.51-8.00	50.3	41.7	54.8	43.9	29.7	31.1	58.5	54.4	74.2	68.9	45.3	37.9
MEMO: Paying ceiling rate ¹	42.8	35.9	46.3	37.6	27.5	27.9	51.9	50.5	65.1	64.5	40.9	34.6
<i>90 up to 180 days</i>												
Issuing banks	4,809	5,217	4,017	4,454	791	763	471	577	197	274	303	302
Distribution, total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
5.00 or less	3.0	3.3	3.6	3.7	4	5	(2)	.1	.2	(2)	(2)	(2)
5.01-5.50	28.9	22.0	29.4	21.7	26.4	23.8	16.3	13.7	30.5	22.5	6.1	5.8
5.51-8.00	68.0	74.8	67.0	74.6	73.2	75.7	83.7	86.2	69.4	77.4	93.9	94.2
MEMO: Paying ceiling rate ¹	24.8	26.0	25.4	26.5	21.9	23.0	20.5	22.2	36.5	36.9	9.0	8.8
<i>180 days up to 1 year</i>												
Issuing banks	4,035	3,998	3,374	3,358	661	640	316	277	136	104	180	173
Distribution, total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
5.00 or less	4.2	.7	5.1	.8	(2)	(2)	.8	(2)	2.0	(2)	(2)	(2)
5.01-5.50	22.2	27.5	23.4	29.2	16.6	18.8	12.9	14.7	20.8	25.8	6.8	8.1
5.51-8.00	73.5	71.8	71.6	70.0	83.4	81.2	86.3	85.3	77.3	74.2	93.2	91.9
MEMO: Paying ceiling rate ¹	25.2	20.6	24.8	19.7	27.5	25.5	27.5	23.1	33.8	30.5	22.7	18.7
<i>1 year and over</i>												
Issuing banks	6,869	6,751	5,990	5,939	879	812	392	767	227	605	165	162
Distribution, total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
5.50 or less	1.4	1.7	1.1	1.4	3.6	3.6	2.0	35.7	4	44.2	4.3	3.8
5.51-6.00	47.1	48.3	45.5	47.3	57.3	55.8	56.4	32.2	46.7	21.3	69.9	73.1
6.01-8.00	51.6	50.0	53.4	51.3	39.1	40.6	41.5	32.1	52.9	34.5	25.8	23.0
MEMO: Paying ceiling rate ¹	19.1	17.4	18.9	17.0	20.1	20.2	13.4	17.8	11.0	18.8	16.7	13.8

For notes see end of table.

A70 Special Tables □ July 1981

4.11 Continued

Deposit group, original maturity, and distribution of deposits by most common rate	All banks		Size of bank (total deposits in millions of dollars)				All banks		Size of bank (total deposits in millions of dollars)			
			Less than 100		100 and over				Less than 100		100 and over	
	Apr. 29, 1981	Jan. 28, 1981	Apr. 29, 1981	Jan. 28, 1981	Apr. 29, 1981	Jan. 28, 1981	Apr. 29, 1981	Jan. 28, 1981	Apr. 29, 1981	Jan. 28, 1981	Apr. 29, 1981	Jan. 28, 1981
	Number of banks or percentage distribution						Amount of deposits (in millions of dollars) or percentage distribution					
Time deposits less than \$100,000 (cont.)												
<i>Other than domestic governmental units</i>												
14 up to 90 days												
Issuing banks	4,199	3,848	3,231	2,926	969	923	1,137	1,075	135	104	1,002	971
Distribution, total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
4.99 or less	18.6	20.6	20.6	23.3	12.0	11.9	9.9	14.2	29.9	37.9	7.3	11.6
5.01-5.25	81.4	79.4	79.4	76.7	88.0	88.1	90.1	85.8	70.1	62.1	92.7	88.4
MEMO: Paying ceiling rate ¹	81.4	79.4	79.4	76.7	88.0	88.1	90.1	85.8	70.1	62.1	92.7	88.4
90 up to 180 days												
Issuing banks	10,448	10,622	9,070	9,295	1,378	1,328	12,744	13,862	4,094	4,506	8,650	9,355
Distribution, total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
4.99 or less	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
5.00-5.50	31.3	32.8	32.0	34.1	26.7	23.9	30.2	31.7	24.0	26.6	33.1	34.2
5.51-5.75	68.7	67.2	68.0	65.9	73.3	76.1	69.8	68.3	76.0	73.4	66.9	65.8
MEMO: Paying ceiling rate ¹	68.7	67.2	68.0	65.9	73.3	76.1	69.8	68.3	76.0	73.4	66.9	65.8
180 days up to 1 year												
Issuing banks	8,024	7,557	7,060	6,634	964	923	2,499	2,329	1,245	913	1,254	1,416
Distribution, total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
4.99 or less	.9	.8	1.0	.9	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
5.00-5.50	44.1	49.5	47.0	53.1	22.3	23.7	46.1	57.8	71.6	76.7	20.9	45.6
5.51-5.75	55.1	49.7	52.0	46.0	77.7	76.3	53.8	42.2	28.4	23.2	79.1	54.4
MEMO: Paying ceiling rate ¹	55.1	49.7	52.0	46.0	77.7	76.3	53.8	42.2	28.4	23.2	79.1	54.4
1 up to 2½ years												
Issuing banks	13,768	13,682	12,362	12,354	1,405	1,328	8,273	9,616	5,047	6,120	3,226	3,496
Distribution, total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
5.50 or less	.3	.7	.2	.6	1.4	1.4	.6	1.1	.2	.6	1.1	2.1
5.51-6.00	99.7	99.3	99.8	99.4	98.6	98.6	99.4	98.9	99.8	99.4	98.9	97.9
MEMO: Paying ceiling rate ¹	99.6	98.9	99.8	99.0	98.3	98.2	99.0	98.5	99.8	99.3	97.9	96.9
2½ years up to 4 years												
Issuing banks	12,152	12,228	10,806	10,946	1,347	1,282	5,463	6,568	3,022	3,698	2,440	2,871
Distribution, total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
6.00 or less	2.1	2.5	2.0	2.4	2.6	3.4	1.2	1.6	.5	1.3	2.1	2.1
6.01-6.50	97.9	97.5	98.0	97.6	97.4	96.6	98.8	98.4	99.5	98.7	97.9	97.9
MEMO: Paying ceiling rate ¹	97.5	97.5	97.6	97.6	97.0	96.3	97.3	98.2	97.2	98.7	97.5	97.5
4 up to 6 years												
Issuing banks	13,465	13,248	12,059	11,915	1,406	1,333	22,156	24,573	11,557	12,955	10,599	11,619
Distribution, total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
7.00 or less	8.0	3.8	8.6	3.8	2.9	3.3	4.9	2.2	7.4	2.6	2.2	1.7
7.01-7.25	92.0	96.2	91.4	96.2	97.1	96.7	95.1	97.8	92.6	97.4	97.8	98.3
MEMO: Paying ceiling rate ^{1,3}	91.9	96.2	91.4	96.2	96.4	95.9	95.0	97.7	92.6	97.4	97.6	98.1
6 up to 8 years												
Issuing banks	11,268	11,313	9,920	10,040	1,348	1,273	14,036	16,296	5,655	7,017	8,381	9,280
Distribution, total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
7.25 or less	3.2	2.4	3.4	2.4	1.9	2.0	1.2	1.6	.1	1.0	1.9	2.0
7.26-7.50	96.8	97.6	96.6	97.6	98.1	98.0	98.8	98.4	99.9	99.0	98.1	98.0
MEMO: Paying ceiling rate ^{1,3}	96.6	97.3	96.4	97.2	98.1	98.0	98.8	98.4	99.9	99.0	98.1	98.0
8 years and over												
Issuing banks	8,085	8,198	6,890	7,075	1,194	1,123	2,196	2,297	770	781	1,427	1,516
Distribution, total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
7.50 or less	2.4	3.1	2.2	2.6	3.9	6.0	4.7	6.4	3	4	7.0	9.5
7.51-7.75	97.6	96.6	97.8	97.4	96.1	94.0	95.3	93.6	99.7	99.6	93.0	90.5
MEMO: Paying ceiling rate ^{1,3}	97.6	96.9	97.8	97.4	96.1	94.0	95.3	93.6	99.7	99.6	93.0	90.5
IRA and Keogh Plan time deposits, with maturities of 3 years or more or variable ceiling rates												
Issuing banks	10,768	10,308	9,456	9,048	1,313	1,260	6,349	5,701	2,107	1,861	4,242	3,840
Distribution, total	100.0	(3)	100.0	(3)	100.0	(3)	100.0	(3)	100.0	(3)	100.0	(3)
7.50 or less	13.4	(3)	14.1	(3)	8.3	(3)	4.0	(3)	6.5	(3)	2.8	(3)
7.51-8.00	34.8	(3)	33.1	(3)	46.9	(3)	41.3	(3)	27.2	(3)	48.3	(3)
8.01-14.29	51.8	(3)	52.8	(3)	44.8	(3)	54.7	(3)	66.3	(3)	48.9	(3)
MEMO: Paying ceiling rate ¹	2.8	(3)	3.0	(3)	1.2	(3)	2.6	(3)	4.1	(3)	1.8	(3)
Money market certificates, \$10,000 or more, 6 months												
Issuing banks	13,960	13,907	12,538	12,559	1,442	1,348	199,378	184,745	86,830	80,491	112,548	104,254
Distribution, total	100.0	(3)	100.0	(3)	100.0	(3)	100.0	(3)	100.0	(3)	100.0	(3)
14.00 or less	19.0	(3)	20.0	(3)	10.1	(3)	11.7	(3)	17.6	(3)	7.1	(3)
14.01-14.29	81.0	(3)	80.0	(3)	89.9	(3)	88.3	(3)	82.4	(3)	92.9	(3)
MEMO: paying ceiling rate ¹	80.0	(3)	78.9	(3)	89.9	(3)	87.9	(3)	81.6	(3)	92.9	(3)

For notes see end of table.

4.11 Continued

Deposit group, original maturity, and distribution of deposits by most common rate	All banks		Size of bank (total deposits in millions of dollars)				All banks		Size of bank (total deposits in millions of dollars)			
			Less than 100		100 and over				Less than 100		100 and over	
	Apr. 29, 1981	Jan. 28, 1981	Apr. 29, 1981	Jan. 28, 1981	Apr. 29, 1981	Jan. 28, 1981	Apr. 29, 1981	Jan. 28, 1981	Apr. 29, 1981	Jan. 28, 1981	Apr. 29, 1981	Jan. 28, 1981
Time deposits less than \$100,000 (cont.)	Number of banks, or percentage distribution						Amount of deposits (in millions of dollars) or percentage distribution					
<i>Variable interest rate ceiling time deposits of less than \$100,000 with maturities of 2½ years or more</i>												
Issuing banks	13,458	13,191	12,058	11,865	1,399	1,326	34,729	31,690	18,360	16,952	16,369	14,738
Distribution, total	100.0	(3)	100.0	(3)	100.0	(3)	100.0	(3)	100.0	(3)	100.0	(3)
11.00 or less	3.0	(3)	3.1	(3)	1.8	(3)	1.0	(3)	1.3	(3)	.6	(3)
11.01-11.50 .....	.9	(3)	1.0	(3)	(2)	(3)	.2	(3)	.4	(3)	(2)	(3)
11.51-11.75	96.1	(3)	95.8	(3)	98.2	(3)	98.8	(3)	98.3	(3)	99.4	(3)
MEMO: Paying ceiling rate ¹	96.1	(3)	95.8	(3)	98.2	(3)	98.8	(3)	98.3	(3)	99.4	(3)
Club accounts												
Issuing banks	5,699	5,868	5,152	5,395	547	473	780	493	393	262	387	230
Distribution, total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
0.00	56.4	56.2	58.0	57.3	41.9	43.4	31.2	29.5	35.9	37.0	26.4	21.0
0.01-4.00	25.4	25.5	25.2	25.5	27.1	25.0	31.9	26.7	36.7	30.8	27.1	21.9
4.01-4.50	3.6	3.2	2.9	2.4	10.4	11.4	9.8	13.9	3.5	2.8	16.1	26.6
4.51-5.75	14.6	15.2	14.0	14.8	20.6	20.2	27.1	29.9	24.0	29.4	30.3	30.5

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

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

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

Type of deposit, holder, and original maturity	Bank size (total deposit in millions of dollars)						
	All size groups	Less than 20	20 up to 50	50 up to 100	100 up to 500	500 up to 1,000	1,000 and over
Savings and small-denomination time deposits	9.40	10.18	9.89	9.61	9.33	8.86	8.99
Savings, total	5.20	5.23	5.18	5.16	5.22	5.19	5.21
Individuals and nonprofit organizations	5.20	5.23	5.18	5.16	5.22	5.19	5.21
Partnerships and corporations	5.23	5.17	5.23	5.22	5.24	5.19	5.25
Domestic governmental units	5.23	5.25	5.24	5.25	5.18	5.20	5.22
All other	5.24	5.25	5.25	5.25	5.22	5.16	5.25
Other time deposits in denominations of less than \$100,000, total	6.66	6.69	6.81	6.47	6.66	6.67	6.64
Domestic governmental units, total	5.20	6.60	7.06	1.96	5.91	6.23	6.30
14 up to 90 days	6.45	6.85	7.52	6.17	4.98	6.03	6.57
90 up to 180 days	6.17	6.61	6.62	6.40	5.79	6.04	6.28
180 days up to 1 year	6.46	6.96	6.82	6.03	6.14	6.47	6.73
1 year and over	3.54	6.36	7.16	.97	7.01	6.59	5.95
Other than domestic government units, total	6.70	6.69	6.80	6.68	6.68	6.68	6.64
14 up to 90 days	5.20	5.25	5.16	5.05	5.25	5.09	5.23
90 up to 180 days	5.67	5.73	5.70	5.65	5.67	5.62	5.68
180 days up to 1 year	5.58	5.57	5.37	5.51	5.66	5.71	5.71
1 up to 2½ years	5.98	6.00	6.00	5.93	5.95	5.99	6.00
2½ up to 4 years	6.46	6.50	6.45	6.50	6.41	6.49	6.46
4 up to 6 years	7.22	7.24	7.21	7.24	7.21	7.24	7.20
6 up to 8 years	7.48	7.50	7.50	7.50	7.48	7.49	7.45
8 years or more	7.65	7.07	7.75	7.75	7.65	7.69	7.68
IRA and Keogh Plan time deposits, with maturities of 3 years or more or variable ceiling rates	10.16	10.45	10.82	10.52	10.21	10.22	9.55
Money market certificates, exactly 6 months¹	14.24	14.19	14.20	14.24	14.25	14.25	14.26
Variable interest rate ceiling time deposits of less than \$100,000 with maturities of 2½ years or more²	11.72	11.72	11.75	11.68	11.73	11.64	11.75
Club accounts³	4.12	2.61	3.42	4.24	4.15	4.49	4.66

1. See note 2 in table 4.10.
 2. See notes 2 and 3 in table 4.10.
 3. Club accounts are excluded from all of the other categories.
 NOTE. The average rates were calculated by weighting the most common rate

reported on each type of deposit at each bank by the amount of that type of deposit outstanding. All banks that had either discontinued offering or never offered particular types of deposit as of the survey date were excluded from the calculations for those specific types of deposits.

4.20 DOMESTIC AND FOREIGN OFFICES, Commercial Banks with Assets of \$100 Million or over^{1p}
Consolidated Report of Condition; March 31, 1981

Millions of dollars

Item	Insured	Banks with foreign offices ²			Banks without foreign offices
		Total	Foreign offices ³	Domestic offices	
1 Total assets	1,488,612	1,101,637	365,820	768,509	386,975
2 Cash and due from depository institutions	295,239	250,495	134,900	115,595	44,744
3 Currency and coin (U.S. and foreign)	12,685	7,248	319	6,928	5,437
4 Balances with Federal Reserve Banks	24,570	18,274	475	17,799	6,296
5 Balances with other central banks	2,906	2,906	2,802	104	N/A
6 Demand balances with commercial banks in United States	37,964	26,832	4,597	22,234	11,132
7 All other balances with depository institutions in United States and with banks in foreign countries	139,156	129,454	124,421	5,033	9,703
8 Time and savings balances with commercial banks in United States	8,187	2,779	1,252	1,526	5,408
9 Balances with other depository institutions in United States	482	203	117	86	279
10 Balances with banks in foreign countries	130,487	126,472	123,052	3,420	4,016
11 Foreign branches of other U.S. banks	N/A	26,595	25,396	1,199	N/A
12 Other banks in foreign countries	N/A	99,877	97,656	2,221	N/A
13 Cash items in process of collection	77,957	65,781	2,284	63,497	12,176
14 Total securities, loans, and lease financing receivables	1,088,529	762,310	204,893	557,418	326,219
15 Total securities, book value	225,674	126,113	9,878	116,235	99,560
16 U.S. Treasury	65,946	32,770	392	32,378	33,176
17 Obligations of other U.S. government agencies and corporations	34,409	16,193	42	16,151	18,216
18 Obligations of states and political subdivisions in United States	100,630	55,350	682	54,668	45,281
19 All other securities	24,687	21,801	8,762	13,038	2,887
20 Other bonds, notes, and debentures	11,051	8,976	7,342	1,634	2,075
21 Federal Reserve and corporate stock	1,742	1,291	166	1,124	451
22 Trading account securities	11,895	11,534	1,254	10,280	361
23 Federal funds sold and securities purchased under agreements to resell	51,902	28,677	356	28,321	23,226
24 Total loans, gross	818,121	608,000	194,017	413,983	210,122
25 LESS: Unearned income on loans	13,035	6,888	1,597	5,292	6,147
26 Allowance for possible loan loss	8,386	6,057	240	5,817	2,329
27 EQUALS: Loans, net	796,700	595,055	192,180	402,874	201,645
<i>Total loans, gross, by category</i>					
28 Real estate loans	196,622	118,443	6,985	111,459	78,179
29 Construction and land development	N.A.	N.A.	N.A.	24,368	8,779
30 Secured by farmland	N.A.	N.A.	N.A.	842	1,260
31 Secured by residential properties	N.A.	N.A.	N.A.	64,019	44,046
32 1- to 4-family	N.A.	N.A.	N.A.	60,642	41,933
33 FHA-insured or VA-guaranteed	N.A.	N.A.	N.A.	3,802	2,061
34 Conventional	N.A.	N.A.	N.A.	56,841	39,873
35 Multifamily	N.A.	N.A.	N.A.	3,376	2,113
36 FHA-insured	N.A.	N.A.	N.A.	219	114
37 Conventional	N.A.	N.A.	N.A.	3,157	1,999
38 Secured by nonfarm nonresidential properties	N.A.	N.A.	N.A.	22,229	24,094
39 Loans to financial institutions	80,252	76,101	36,754	39,347	4,151
40 REITs and mortgage companies in United States	5,262	4,558	152	4,406	704
41 Commercial banks in United States	7,674	5,983	563	5,420	1,690
42 U.S. branches and agencies of foreign banks	N.A.	2,540	270	2,271	N.A.
43 Other commercial banks	N.A.	3,443	294	3,149	N.A.
44 Banks in foreign countries	37,463	37,069	27,621	9,448	394
45 Foreign branches of other U.S. banks	N.A.	713	295	419	N.A.
46 Other	N.A.	36,356	27,326	9,029	N.A.
47 Finance companies in United States	10,332	9,878	515	9,363	454
48 Other financial institutions	19,522	18,613	7,902	10,711	909
49 Loans for purchasing or carrying securities	11,699	10,008	1,498	8,510	1,691
50 Brokers and dealers in securities	7,446	7,200	1,120	6,080	245
51 Other	4,253	2,808	378	2,430	1,445
52 Loans to finance agricultural production and other loans to farmers	10,012	5,918	675	5,243	4,094
53 Commercial and industrial loans	346,080	284,684	114,057	170,627	61,396
54 U.S. addressees (domicile)	N.A.	171,365	9,176	162,190	N.A.
55 Non-U.S. addressees (domicile)	N.A.	113,318	104,881	8,437	N.A.
56 Loans to individuals for household, family, and other personal expenditures	128,189	71,085	6,301	64,784	57,104
57 Installment loans	N.A.	N.A.	N.A.	54,341	47,687
58 Passenger automobiles	N.A.	N.A.	N.A.	16,849	20,550
59 Credit cards and related plans	N.A.	N.A.	N.A.	18,709	8,941
60 Retail (charge account) credit card	N.A.	N.A.	N.A.	15,142	7,637
61 Check and revolving credit	N.A.	N.A.	N.A.	3,567	1,305
62 Mobile homes	N.A.	N.A.	N.A.	3,253	3,416
63 Other installment loans	N.A.	N.A.	N.A.	15,530	14,780
64 Other retail consumer goods	N.A.	N.A.	N.A.	4,244	3,299
65 Residential property repair and modernization	N.A.	N.A.	N.A.	3,701	3,703
66 Other installment loans for household, family, and other personal expenditures	N.A.	N.A.	N.A.	7,584	7,778
67 Single-payment loans	N.A.	N.A.	N.A.	10,443	9,417
68 All other loans	45,268	41,761	27,748	14,013	3,507
69 Loans to foreign governments and official institutions	N.A.	27,528	25,003	2,526	N.A.
70 Other	N.A.	14,233	2,746	11,487	N.A.
71 Lease financing receivables	14,253	12,466	2,479	9,987	1,787
72 Bank premises, furniture and fixtures, and other assets representing bank premises	19,790	11,973	1,299	10,674	7,817
73 Real estate owned other than bank premises	1,618	1,076	122	954	542
74 All other assets	83,436	75,783	24,606	83,869	7,653
75 Investment in unconsolidated subsidiaries and associated companies	1,355	1,312	820	491	43
76 Customers' liability on acceptances outstanding	44,844	44,525	9,119	35,406	319
77 U.S. addressees (domicile)	N.A.	15,048	N.A.	N.A.	N.A.
78 Non-U.S. addressees (domicile)	N.A.	29,478	N.A.	N.A.	N.A.
79 Net due from foreign branches, foreign subsidiaries, Edge and agreement subsidiaries	N.A.	N.A.	2,933	29,759	N.A.
80 Other	37,238	29,946	11,733	18,213	7,292

4.20 Continued

Item	Insured	Banks with foreign offices ²			Banks without foreign offices
		Total	Foreign offices ³	Domestic offices	
81 Total liabilities and equity capital⁴	1,448,612	1,101,637	N.A.	N.A.	386,975
82 Total liabilities excluding subordinated debt	1,404,988	1,047,339	365,521	714,510	357,649
83 Total deposits	1,141,388	821,465	300,458	521,006	319,924
84 Individuals, partnerships, and corporations	815,787	535,130	116,319	418,811	280,657
85 U.S. government	2,428	1,607	198	1,409	821
86 States and political subdivisions in United States	51,420	25,056	530	24,526	26,364
87 All other	258,348	249,569	181,373	68,195	8,779
88 Foreign governments and official institutions	38,680	38,521	31,374	7,147	159
89 Commercial banks in United States	76,617	68,267	17,528	50,740	8,350
90 U.S. branches and agencies of foreign banks	N.A.	11,059	3,387	7,672	N.A.
91 Other commercial banks in United States	N.A.	57,208	14,140	43,068	N.A.
92 Banks in foreign countries	143,054	142,780	132,472	10,308	271
93 Foreign branches of other U.S. banks	N.A.	28,251	28,189	10,246	N.A.
94 Other banks in foreign countries	N.A.	114,530	104,283	10,246	N.A.
95 Certified and officers' checks, travelers checks, and letters of credit sold for cash	13,405	10,103	2,038	8,065	3,302
96 Federal funds purchased and securities sold under agreements to repurchase in domestic offices and Edge and agreement subsidiaries	140,150	112,791	513	112,278	27,359
97 Interest-bearing demand notes issued to U.S. Treasury and other liabilities for borrowed money	38,873	35,756	16,634	19,122	3,116
98 Interest-bearing demand notes (note balances) issued to U.S. Treasury	7,659	5,908	N.A.	5,908	1,751
99 Other liabilities for borrowed money	31,214	29,848	16,634	13,214	1,365
100 Mortgage indebtedness and liability for capitalized leases	1,886	1,230	18	1,212	656
101 All other liabilities	82,691	76,097	47,897	60,892	6,594
102 Acceptances executed and outstanding	45,015	44,697	7,812	36,885	319
103 Net due to foreign branches, foreign subsidiaries, Edge and agreement subsidiaries	N.A.	N.A.	29,759	2,933	N.A.
104 Other	37,676	31,400	10,326	21,074	6,275
105 Subordinated notes and debentures	5,703	4,017	300	3,717	1,686
106 Total equity capital ⁴	77,921	50,281	N.A.	N.A.	27,640
107 Preferred stock	103	10	N.A.	N.A.	93
108 Common stock	15,280	9,829	N.A.	N.A.	5,451
109 Surplus	27,109	16,734	N.A.	N.A.	10,375
110 Undivided profits and reserve for contingencies and other capital reserves	35,428	23,708	N.A.	N.A.	11,721
111 Undivided profits	34,521	23,256	N.A.	N.A.	11,265
112 Reserve for contingencies and other capital reserves	907	452	N.A.	N.A.	456
MEMO					
<i>Deposits in domestic offices</i>					
113 Total demand	301,311	206,526	0	206,526	94,785
114 Total savings	146,838	75,379	0	75,379	71,459
115 Total time	392,781	239,101	0	239,101	153,680
116 Time deposits of \$100,000 or more	215,542	156,936	0	156,936	58,606
117 Certificates of deposit (CDs) in denominations of \$100,000 or more	199,461	144,385	0	144,385	55,076
118 Other	16,081	12,551	0	12,551	3,530
119 Savings deposits authorized for automatic transfer and NOW accounts	31,706	16,397	0	16,397	15,309
120 Money market time certificates of \$10,000 and less than \$100,000 with original maturities of 26 weeks	114,538	54,661	0	54,661	59,877
121 Demand deposits adjusted ⁵	174,823	99,519	0	99,519	75,304
122 Standby letters of credit, total	48,210	44,765	10,117	34,648	3,444
123 U.S. addressees (domicile)	N.A.	30,093	N.A.	N.A.	N.A.
124 Non-U.S. addressees (domicile)	N.A.	14,672	N.A.	N.A.	N.A.
125 Standby letters of credit conveyed to others through participations (included in total standby letters of credit)	2,075	1,959	276	1,683	116
126 Holdings of commercial paper included in total gross loans	N.A.	N.A.	N.A.	258	650
<i>Average for 30 calendar days (or calendar month) ending with report date</i>					
127 Total assets	1,461,056	1,080,076	327,528	752,548	380,980
128 Cash and due from depository institutions	278,860	238,392	130,135	108,257	40,468
129 Federal funds sold and securities purchased under agreements to resell	49,835	27,489	549	26,940	22,346
130 Total loans	796,810	593,647	188,797	404,850	203,163
131 Total deposits	1,119,804	805,495	300,466	505,029	314,309
132 Time CDs in denominations of \$100,000 or more in domestic offices	200,606	N.A.	N.A.	144,944	55,662
133 Federal funds purchased and securities sold under agreements to repurchase	138,029	111,117	896	110,221	26,912
134 Other liabilities for borrowed money	32,338	30,890	16,346	14,544	1,448
135 Number of banks	1,548	181	181	181	1,367

For notes see page A77.

4.21 DOMESTIC OFFICES, Insured Commercial Banks with Assets of \$100 Million or over^{1,6P}
Consolidated Report of Condition; March 31, 1981

Millions of dollars

Item	Insured	Member banks			Non-member insured
		Total	National	State	
1 Total assets	1,155,484	981,419	739,455	241,965	174,064
2 Cash and due from depository institutions.....	160,339	143,833	96,953	46,880	16,506
3 Currency and coin (U.S. and foreign).....	12,365	10,554	8,336	2,218	1,812
4 Balances with Federal Reserve Banks.....	24,095	23,839	17,518	6,320	256
5 Balances with other central banks.....	104	104	104	*	0
6 Demand balances with commercial banks in United States.....	33,367	26,375	14,546	11,829	6,992
7 All other balances with depository institutions in United States and with banks in foreign countries.....	14,736	9,713	7,825	1,887	5,023
8 Time and savings balances with commercial banks in United States.....	6,934	4,383	3,740	642	2,552
9 Balances with other depository institutions in United States.....	365	186	138	48	179
10 Balances with banks in foreign countries.....	7,436	5,144	3,947	1,197	2,292
11 Cash items in process of collection.....	75,673	73,250	48,625	24,625	2,423
12 Total securities, loans, and lease financing receivables	883,637	735,505	567,808	167,698	148,131
13 Total securities, book value.....	215,796	171,610	130,430	41,179	44,186
14 U.S. Treasury.....	65,554	50,425	38,044	12,381	15,129
15 Obligations of other U.S. government agencies and corporations.....	34,367	25,864	20,886	4,979	8,503
16 Obligations of states and political subdivisions in United States.....	99,949	81,107	61,881	19,226	18,842
17 All other securities.....	15,925	14,213	9,620	4,593	1,712
18 Other bonds, notes, and debentures.....	3,709	2,327	1,707	620	1,383
19 Federal Reserve and corporate stock.....	1,576	1,403	1,053	351	172
20 Trading account securities.....	10,640	10,483	6,861	3,622	157
21 Federal funds sold and securities purchased under agreements to resell.....	51,547	43,663	34,933	8,730	7,884
22 Total loans, gross.....	624,104	525,169	406,585	118,584	98,936
23 LESS: Unearned income on loans.....	11,439	8,674	6,703	1,970	2,765
24 Allowance for possible loan loss.....	8,146	7,100	5,317	1,783	1,045
25 EQUALS: Loans, net.....	604,520	509,395	394,564	114,830	95,125
<i>Total loans, gross, by category</i>					
26 Real estate loans.....	189,637	151,369	124,154	27,215	38,268
27 Construction and land development.....	33,147	27,973	21,812	6,161	5,174
28 Secured by farmland.....	2,102	1,566	1,440	127	536
29 Secured by residential properties.....	108,065	87,056	72,748	14,308	21,009
30 1- to 4-family.....	102,576	82,686	69,326	13,360	19,890
31 FHA-insured or VA-guaranteed.....	5,862	5,199	4,368	831	663
32 Conventional.....	96,713	77,487	64,958	12,529	19,227
33 Multifamily.....	5,489	4,370	3,442	948	1,119
34 FHA-insured.....	333	257	151	106	76
35 Conventional.....	5,156	4,113	3,271	843	1,043
36 Secured by nonfarm nonresidential properties.....	46,323	34,773	28,155	6,619	11,550
37 Loans to financial institutions.....	43,498	40,586	26,492	14,094	2,912
38 REITs and mortgage companies in United States.....	5,109	4,810	3,645	1,164	299
39 Commercial banks in United States.....	7,110	5,620	3,945	1,675	1,490
40 Banks in foreign countries.....	9,842	9,403	5,235	4,168	439
41 Finance companies in United States.....	9,817	9,568	6,119	3,449	248
42 Other financial institutions.....	11,620	11,184	7,547	3,637	436
43 Loans for purchasing or carrying securities.....	10,201	9,607	5,290	4,317	594
44 Brokers and dealers in securities.....	6,326	6,056	2,598	3,458	270
45 Other.....	3,875	3,551	2,693	859	324
46 Loans to finance agricultural production and other loans to farmers.....	9,337	8,330	7,658	672	1,008
47 Commercial and industrial loans.....	232,023	202,501	152,713	49,788	29,522
48 Loans to individuals for household, family, and other personal expenditures.....	121,888	96,891	79,239	17,652	24,997
49 Installment loans.....	102,028	80,921	66,617	14,304	21,107
50 Passenger automobiles.....	37,399	28,138	23,114	5,025	9,261
51 Credit cards and related plans.....	27,650	24,757	20,305	4,452	2,893
52 Retail (charge account) credit card.....	22,779	20,597	17,146	3,450	2,182
53 Check and revolving credit.....	4,871	4,161	3,159	1,002	711
54 Mobile homes.....	6,669	5,331	4,842	489	1,338
55 Other installment loans.....	30,310	22,694	18,356	4,339	7,615
56 Other retail consumer goods.....	7,543	5,999	5,104	895	1,544
57 Residential property repair and modernization.....	7,404	5,333	4,350	983	2,071
58 Other installment loans for household, family, and other personal expenditures.....	15,362	11,362	8,901	2,461	4,000
59 Single-payment loans.....	19,860	15,970	12,622	3,348	3,890
60 All other loans.....	17,520	15,885	11,039	4,846	1,635
61 Lease financing receivables.....	11,774	10,839	7,880	2,958	936
62 Bank premises, furniture and fixtures, and other assets representing bank premises.....	18,490	14,945	12,169	2,777	3,545
63 Real estate owned other than bank premises.....	1,496	1,246	996	250	249
64 All other assets.....	91,522	85,889	61,529	24,360	5,633
65 Investment in unconsolidated subsidiaries and associated companies.....	534	506	481	26	28
66 Customers' liability on acceptances outstanding.....	35,725	35,078	25,237	9,841	647
67 Net due from foreign branches, foreign subsidiaries, Edge and agreement subsidiaries.....	29,759	28,201	19,378	8,823	1,557
68 Other.....	25,505	22,104	16,433	5,671	3,401

4.21 Continued

Item	Insured	Member banks			Non-member insured
		Total	National	State	
69 Total liabilities and equity capital ⁷	1,155,484	981,419	739,455	241,965	174,064
70 Total liabilities excluding subordinated debt.....	1,072,159	911,133	686,131	225,002	161,026
71 Total deposits.....	840,930	693,839	529,008	164,830	147,091
72 Individuals, partnerships, and corporations.....	699,468	570,052	447,336	122,716	129,416
73 U.S. government.....	2,230	1,849	1,483	366	382
74 States and political subdivisions in United States.....	50,890	38,219	31,631	6,588	12,671
75 All other.....	76,974	74,229	42,643	31,586	2,745
76 Foreign governments and official institutions.....	7,306	7,069	4,826	2,243	237
77 Commercial banks in United States.....	59,089	56,943	33,510	23,432	2,147
78 Banks in foreign countries.....	10,579	10,218	4,306	5,911	361
79 Certified and officers' checks, travelers checks, and letters of credit sold for cash.....	11,367	9,490	5,916	3,574	1,878
80 Demand deposits.....	301,311	260,254	182,694	77,560	41,057
81 Mutual savings banks.....	998	855	495	360	142
82 Other individuals, partnerships, and corporations.....	217,198	181,906	137,046	44,860	35,292
83 U.S. government.....	1,616	1,387	1,135	253	229
84 States and political subdivisions in United States.....	9,871	7,898	6,415	1,483	1,973
85 All other.....	60,261	58,718	31,687	27,031	1,543
86 Foreign governments and official institutions.....	1,553	1,487	807	681	65
87 Commercial banks in United States.....	49,199	47,943	27,179	20,764	1,256
88 Banks in foreign countries.....	9,509	9,288	3,701	5,586	221
89 Certified and officers' checks, travelers checks, and letters of credit sold for cash.....	11,367	9,490	5,916	3,574	1,878
90 Time deposits.....	392,781	318,156	253,306	64,850	74,625
91 Mutual savings banks.....	616	611	446	164	6
92 Other individuals, partnerships, and corporations.....	335,416	272,506	217,279	55,227	62,910
93 U.S. government.....	558	410	298	112	148
94 States and political subdivisions in United States.....	39,511	29,151	24,358	4,792	10,360
95 All other.....	16,680	15,479	10,924	4,555	1,202
96 Foreign governments and official institutions.....	5,739	5,568	4,007	1,561	171
97 Commercial banks in United States.....	9,872	8,981	6,313	2,668	891
98 Banks in foreign countries.....	1,069	930	605	325	139
99 Savings deposits.....	146,838	115,428	93,009	22,420	31,409
100 Mutual savings banks.....	*	*	*	0	0
101 Other individuals, partnerships, and corporations.....	145,240	114,174	92,069	22,105	31,066
102 Individuals and nonprofit organizations.....	138,611	109,323	88,149	21,174	29,288
103 Corporations and other profit organizations.....	6,630	4,851	3,921	931	1,778
104 U.S. government.....	56	51	50	1	5
105 States and political subdivisions in United States.....	1,508	1,171	858	312	338
106 All other.....	33	32	31	1	1
107 Foreign governments and official institutions.....	14	14	13	1	1
108 Commercial banks in United States.....	19	18	18	*	*
109 Banks in foreign countries.....	*	*	*	*	*
110 Federal funds purchased and securities sold under agreements to repurchase.....	139,637	130,987	95,988	34,999	8,650
111 Interest-bearing demand notes issued to U.S. Treasury and other liabilities for borrowed money.....	22,238	20,949	12,683	8,266	1,289
112 Interest-bearing demand notes (note balances) issued to U.S. Treasury.....	7,659	7,054	5,207	1,847	605
113 Other liabilities for borrowed money.....	14,579	13,894	7,476	6,419	685
114 Mortgage indebtedness and liability for capitalized leases.....	1,868	1,531	1,264	266	337
115 All other liabilities.....	67,486	63,829	47,188	16,641	3,657
116 Acceptances executed and outstanding.....	37,203	36,556	26,642	9,914	648
117 Net due to foreign branches, foreign subsidiaries, Edge and agreement subsidiaries.....	2,933	2,822	2,645	177	111
118 Other.....	27,350	24,451	17,901	6,550	2,899
119 Subordinated notes and debentures.....	5,403	4,286	3,093	1,193	1,117
120 Total equity capital ⁷	77,922	66,000	50,230	15,770	11,922
MEMO					
121 Time deposits of \$100,000 or more.....	215,542	182,147	140,067	42,080	33,395
122 Certificates of deposit (CDs) in denominations of \$100,000 or more.....	199,461	167,573	128,874	38,698	31,888
123 Other.....	16,081	14,574	11,192	3,382	1,507
124 Savings deposits authorized for automatic transfer and NOW accounts.....	31,706	24,956	20,354	4,602	6,750
125 Money market time certificates of \$10,000 and less than \$100,000 with original maturities of 26 weeks.....	114,538	88,515	74,019	14,496	26,023
126 Demand deposits adjusted ⁸	174,823	137,674	105,755	31,919	37,149
127 Total standby letters of credit.....	38,093	36,189	24,893	11,295	1,904
128 Conveyed to others through participation (included in standby letters of credit).....	1,799	1,751	1,187	564	48
129 Holdings of commercial paper included in total gross loans.....	908	565	394	170	344
Average for 30 calendar days (or calendar month) ending with report date					
130 Total assets.....	1,133,528	961,286	725,511	235,774	172,242
131 Cash and due from depository institutions.....	148,724	134,172	90,966	43,206	14,552
132 Federal funds sold and securities purchased under agreements to resell.....	49,286	41,928	31,722	10,205	7,358
133 Total loans.....	608,014	512,417	396,859	115,558	95,597
134 Total deposits.....	819,338	674,804	514,717	160,087	144,534
135 Time CDs in denominations of \$100,000 or more in domestic offices.....	200,606	168,388	128,810	39,578	32,218
136 Federal funds purchased and securities sold under agreements to repurchase.....	137,133	128,817	96,696	32,122	8,316
137 Other liabilities for borrowed money.....	15,992	15,245	7,903	7,342	747
138 Number of banks.....	1,548	984	818	166	564

For notes see page A77.

A76 Special Tables □ July 1981

4.22 DOMESTIC OFFICES, Insured Commercial Bank Assets and Liabilities^{1P}
Consolidated Report of Condition; March 31, 1981

Millions of dollars

Item	Insured	Member banks			Non-member insured
		Total	National	State	
1 Total assets	1,534,652	1,138,825	872,387	266,439	395,827
2 Cash and due from depository institutions.....	192,691	159,083	110,017	49,066	33,608
3 Currency and coin (U.S. and foreign).....	17,283	12,804	10,243	2,561	4,480
4 Balances with Federal Reserve Banks.....	27,449	27,152	20,331	6,821	298
5 Balances with other central banks.....	104	104	104	*	0
6 Demand balances with commercial banks in United States.....	47,843	31,016	18,535	12,481	16,827
7 All other balances with depository institutions in United States and banks in foreign countries.....	21,605	12,888	10,632	2,256	8,717
8 Cash items in process of collection.....	78,406	75,119	50,172	24,947	3,287
9 Total securities, loans, and lease financing receivables	1,215,904	871,700	682,595	189,105	344,204
10 Total securities, book value.....	327,720	217,756	169,465	48,292	109,963
11 U.S. Treasury.....	103,813	65,969	51,017	14,952	37,844
12 Obligations of other U.S. government agencies and corporations.....	61,062	36,380	29,780	6,600	24,682
13 Obligations of states and political subdivisions in United States.....	144,906	100,351	78,350	22,001	44,556
14 All other securities.....	17,938	15,057	10,317	4,740	2,881
15 Federal funds sold and securities purchased under agreements to resell.....	76,168	53,904	43,605	10,299	22,264
16 Total loans, gross.....	828,215	608,439	476,586	131,852	219,776
17 LESS: Unearned income on loans.....	18,166	11,466	9,067	2,399	6,700
18 Allowance for possible loan loss.....	10,130	7,941	6,032	1,909	2,189
19 EQUALS: Loans, net.....	799,919	589,032	461,487	127,545	210,887
<i>Total loans, gross, by category</i>					
20 Real estate loans.....	265,231	182,254	149,758	32,496	82,977
21 Construction and land development.....	38,177	29,746	23,366	6,380	8,431
22 Secured by farmland.....	8,467	3,709	3,131	578	4,758
23 Secured by residential properties.....	153,761	106,560	88,801	17,759	47,201
24 1- to 4-family.....	147,054	101,725	84,993	16,733	45,329
25 Multifamily.....	6,707	4,835	3,808	1,026	1,872
26 Secured by nonfarm nonresidential properties.....	64,827	42,240	34,461	7,779	22,587
27 Loans to financial institutions.....	45,048	41,290	27,128	14,163	3,758
28 Loans for purchasing or carrying securities.....	10,758	9,800	5,456	4,344	958
29 Loans to finance agricultural production and other loans to farmers.....	31,336	16,797	14,607	2,191	14,538
30 Commercial and industrial loans.....	279,195	221,739	169,190	52,549	57,455
31 Loans to individuals for household, family, and other personal expenditures.....	175,883	119,311	98,274	21,037	56,572
32 Installment loans.....	143,412	98,234	81,365	16,869	45,177
33 Passenger automobiles.....	59,915	37,546	31,142	6,404	22,370
34 Credit cards and related plans.....	28,775	25,274	20,763	4,511	3,501
35 Mobile homes.....	10,043	6,851	6,150	700	3,192
36 All other installment loans for household, family, and other personal expenditures.....	44,678	28,564	23,310	5,254	16,114
37 Single-payment loans.....	32,471	21,077	16,909	4,168	11,395
38 All other loans.....	20,765	17,246	12,174	5,073	3,518
39 Lease financing receivables.....	12,098	11,008	8,038	2,970	1,090
40 Bank premises, furniture and fixtures, and other assets representing bank premises.....	26,039	18,057	14,806	3,251	7,982
41 Real estate owned other than bank premises.....	2,077	1,453	1,164	289	624
42 All other assets.....	97,940	88,532	63,805	24,727	9,408

4.22 Continued

Item	Insured	Member banks			Non-member insured
		Total	National	State	
43 Total liabilities and equity capital¹	1,534,652	1,138,825	872,387	266,439	395,827
44 Total liabilities excluding subordinated debt	1,417,908	1,054,678	807,381	247,297	363,231
45 Total deposits	1,175,089	831,842	645,520	186,323	343,247
46 Individuals, partnerships, and corporations	999,899	694,824	552,573	142,251	305,075
47 U.S. government	3,008	2,168	1,763	405	841
48 States and political subdivisions in United States	79,730	49,323	41,062	8,261	30,407
49 All other	78,150	74,840	43,180	31,659	3,310
50 Certified and officers' checks, travelers checks, and letters of credit sold for cash	14,301	10,687	6,941	3,746	3,614
51 Demand deposits	386,200	295,649	212,921	82,728	90,551
52 Individuals, partnerships, and corporations	293,138	213,854	164,086	49,768	79,284
53 U.S. government	2,185	1,627	1,345	282	558
54 States and political subdivisions in United States	15,491	10,262	8,426	1,836	5,229
55 All other	61,084	59,219	32,124	27,093	1,866
56 Certified and officers' checks, travelers checks, and letters of credit sold for cash	14,301	10,687	6,941	3,746	3,614
57 Time deposits	569,154	389,441	313,216	76,226	179,712
58 Other individuals, partnerships, and corporations	490,486	336,245	270,700	64,545	154,240
59 U.S. government	753	482	361	121	270
60 States and political subdivisions in United States	60,918	37,143	31,147	5,997	23,775
61 All other	16,997	15,570	11,008	4,562	1,427
62 Savings deposits	219,735	146,752	119,383	27,369	72,983
63 Corporations and other profit organizations	9,528	6,009	4,895	1,114	3,519
64 Other individuals, partnerships, and corporations	206,747	138,716	112,892	25,824	68,031
65 U.S. government	70	59	57	1	12
66 States and political subdivisions in United States	3,321	1,918	1,490	428	1,403
67 All other	68	51	49	2	18
68 Federal funds purchased and securities sold under agreements to repurchase	144,621	133,682	98,300	35,382	10,939
69 Interest-bearing demand notes (note balances) issued to U.S. Treasury and other liabilities for borrowed money	23,139	21,412	13,077	8,335	1,727
70 Mortgage indebtedness and liability for capitalized leases	2,231	1,663	1,369	294	568
71 All other liabilities	72,828	66,079	49,115	16,964	6,750
72 Subordinated notes and debentures	6,117	4,573	3,350	1,224	1,544
73 Total equity capital¹	110,627	79,574	61,656	17,918	31,053
MEMO					
74 Time deposits of \$100,000 or more	255,861	197,636	153,415	44,221	58,226
75 Certificates of deposit (CDs) in denominations of \$100,000 or more	236,550	181,790	141,116	40,675	54,759
76 Other	19,312	15,845	12,299	3,546	3,467
77 Savings deposits authorized for automatic transfer and now accounts	48,450	32,061	26,479	5,582	16,390
78 Money market time certificates of \$10,000 and less than \$100,000 with original maturities of 26 weeks	198,908	123,061	103,050	20,011	75,847
79 Demand deposits adjusted ⁵	255,592	170,459	133,789	36,670	85,133
80 Total standby letters of credit	39,318	36,706	25,345	11,361	2,612
<i>Average for 30 calendar days (or calendar month) ending with report date</i>					
81 Total deposits	1,149,443	811,028	629,653	181,375	338,415
82 Number of banks	14,433	5,445	4,444	1,001	8,988

1. Effective Dec. 31, 1978, the report of condition was substantially revised for commercial banks. Commercial banks with assets less than \$100 million and with domestic offices only were given the option to complete either the abbreviated or the standard set of reports. Banks with foreign offices began reporting in greater detail on a consolidated domestic and foreign basis. These tables reflect the varying levels of reporting detail.

2. All transactions between domestic and foreign offices of a bank are reported in "Net due from" and "Net due to" (lines 79 and 103). All other lines represent transactions with parties other than the domestic and foreign offices of each bank. Since these intra-office transactions are erased by consolidation, total assets and liabilities are the sum of all except intra-office balances.

3. Foreign offices include branches in foreign countries and in U.S. territories and possessions, subsidiaries in foreign countries, and all offices of Edge Act and agreement corporations wherever located.

4. Equity capital is not allocated between the domestic and foreign offices of banks with foreign offices.

5. Demand deposits adjusted equal demand deposits other than domestic commercial interbank and U.S. government less cash items in process of collection.

6. Domestic offices exclude branches in foreign countries and in U.S. territories and possessions, subsidiaries in foreign countries, and all offices of Edge Act and agreement corporations wherever located.

7. This item contains the capital accounts of U.S. banks that have no Edge or foreign operations and reflects the difference between domestic office assets and liabilities of U.S. banks with Edge or foreign operations excluding the capital accounts of their Edge or foreign subsidiaries.

N.A. This item is unavailable for all or some of the banks because of the lesser detail available from banks without foreign offices, the inapplicability of certain items to banks that have only domestic offices, and the absence of detail on a fully consolidated basis for banks with foreign offices.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, Mar. 31, 1981¹

Millions of dollars

Item	All states ²			New York		California, total ³	Illinois, branches	Other states ²	
	Total	Branches	Agencies	Branches	Agencies			Branches	Agencies
1 Total assets⁴	152,909	94,311	58,598	82,284	23,492	32,414	6,584	5,412	2,723
2 Cash and due from depository institutions	20,247	17,064	3,184	16,233	2,881	238	701	126	68
3 Currency and coin (U.S. and foreign)	18	15	2	13	1	1	1	1	0
4 Balances with Federal Reserve Banks	472	384	88	340	55	24	20	24	8
5 Balances with other central banks	0	0	0	0	0	0	0	0	0
6 Demand balances with commercial banks in United States	10,115	8,176	1,939	8,108	1,849	83	36	32	8
7 All other balances with depository institutions in United States and with banks in foreign countries	8,454	7,446	1,009	6,734	850	111	641	68	51
8 Time and savings balances with commercial banks in United States	4,992	4,480	511	4,239	457	44	170	68	14
9 Balances with other depository institutions in United States	386	386	0	386	0	0	0	0	0
10 Balances with banks in foreign countries	3,077	2,579	497	2,109	394	67	471	0	37
11 Foreign branches of U.S. banks	835	533	302	409	284	0	125	0	18
12 Other banks in foreign countries	2,241	2,046	195	1,700	110	67	346	0	19
13 Cash items in process of collection	1,188	1,043	145	1,039	126	19	3	1	0
14 Total securities, loans, and lease financing receivables ..	97,046	63,731	33,315	54,755	15,357	15,459	5,512	3,442	2,521
15 Total securities, book value	3,494	2,096	1,399	1,835	1,279	121	176	84	0
16 U.S. Treasury	2,158	1,256	902	1,119	852	50	58	79	0
17 Obligations of other U.S. government agencies and corporations	340	82	258	75	237	20	5	2	0
18 Obligations of states and political subdivisions in United States	179	177	2	151	1	2	23	2	0
19 Other bonds, notes, debentures, and corporate stock	817	580	237	489	189	49	90	0	0
20 Federal funds sold and securities purchased under agreements to resell	5,513	3,435	2,078	3,289	1,614	457	114	31	7
<i>By holder</i>									
21 Commercial banks in United States	4,836	2,970	1,866	2,855	1,409	449	84	31	7
22 Others	677	464	212	434	205	7	30	0	0
<i>By type</i>									
23 One-day maturity or continuing contract	5,481	3,423	2,058	3,279	1,593	457	113	31	7
24 Securities purchased under agreements to resell	75	51	23	34	2	22	0	17	0
25 Other	5,406	3,372	2,034	3,245	1,592	435	113	14	7
26 Other securities purchased under agreements to resell	32	11	21	10	21	0	1	0	0
27 Total loans, gross	93,692	61,721	31,970	53,001	14,098	15,371	5,339	3,360	2,523
28 LESS: Unearned income on loans	141	87	54	82	20	33	3	2	2
29 EQUALS: Loans, net	93,551	61,634	31,917	52,919	14,079	15,338	5,336	3,358	2,521
<i>Total loans, gross, by category</i>									
30 Real estate loans	2,626	279	2,347	106	920	901	22	136	541
31 Loans to financial institutions	31,602	24,556	7,046	22,378	3,038	3,895	2,001	176	113
32 Commercial banks in United States	19,718	15,365	4,353	13,807	1,536	2,814	1,391	166	4
33 U.S. branches and agencies of other foreign banks	18,962	14,750	4,212	13,213	1,494	2,718	1,376	161	0
34 Other commercial banks	756	615	141	593	42	96	15	5	4
35 Banks in foreign countries	11,000	8,536	2,464	8,073	1,340	1,037	461	3	87
36 Foreign branches of U.S. banks	972	753	219	692	121	98	60	0	0
37 Other	10,028	7,784	2,245	7,380	1,218	939	401	3	87
38 Other financial institutions	883	655	228	499	162	44	149	7	22
39 Loans for purchasing or carrying securities	750	515	235	514	186	49	0	1	0
40 Commercial and industrial loans	49,009	28,983	20,026	22,920	8,473	9,764	3,069	2,990	1,793
41 U.S. addressees (domicile)	30,040	16,990	13,050	12,190	5,074	6,422	2,679	2,116	1,558
42 Non-U.S. addressees (domicile)	18,970	11,993	6,977	10,729	3,400	3,342	390	874	235
43 Loans to individuals for household, family, and other personal expenditures	143	83	61	53	29	33	7	20	1
44 All other loans	9,562	7,305	2,256	7,029	1,452	730	239	37	75
45 Loans to foreign governments and official institutions	7,898	5,775	2,123	5,539	1,350	709	217	19	65
46 Other	1,663	1,530	133	1,490	102	21	22	18	10
47 Lease financing receivables	1	1	0	1	0	0	0	0	0
48 All other assets	30,102	10,082	20,020	8,007	3,640	16,260	256	1,812	126
49 Customers' liability on acceptances outstanding	8,462	4,542	3,920	4,475	2,982	883	46	21	56
50 U.S. addressees (domicile)	4,257	2,639	1,619	2,601	860	728	33	4	32
51 Non-U.S. addressees (domicile)	4,205	1,904	2,301	1,874	2,122	155	12	17	24
52 Net due from related banking institutions ⁵	16,893	2,282	14,612	569	0	14,605	0	1,713	6
53 Other	4,747	3,258	1,489	2,963	658	772	210	78	65

4.30 Continued

Item	All states ²			New York		California, total ³	Illinois, branches	Other states ²	
	Total	Branches	Agencies	Branches	Agencies			Branches	Agencies
54 Total liabilities⁴	152,909	94,311	58,598	82,284	23,492	32,414	6,584	5,412	2,723
55 Total deposits and credit balances	44,611	40,366	4,245	35,790	3,323	771	1,239	3,328	160
56 Individuals, partnerships, and corporations	25,676	24,813	863	20,557	236	504	1,062	3,186	132
57 U.S. addressees (domicile)	22,670	22,486	184	18,405	106	61	949	3,125	23
58 Non-U.S. addressees (domicile)	3,007	2,327	680	2,151	129	442	114	60	110
59 U.S. government, states, and political subdivisions in United States	116	116	0	27	0	0	2	88	0
60 All other	18,818	15,437	3,381	15,206	3,087	267	175	55	28
61 Foreign governments and official institutions	2,761	2,512	249	2,409	71	177	81	23	0
62 Commercial banks in United States	6,775	5,411	1,364	5,343	1,349	1	63	5	15
63 U.S. branches and agencies of other foreign banks	1,272	1,255	17	1,200	2	0	55	0	15
64 Other commercial banks in United States	5,503	4,156	1,347	4,143	1,347	0	9	5	0
65 Banks in foreign countries	3,022	2,700	321	2,678	258	60	5	18	3
66 Foreign branches of U.S. banks	75	72	2	72	1	2	0	0	0
67 Other banks in foreign countries	2,947	2,628	319	2,605	257	59	5	18	3
68 Certified and officers' checks, travelers checks, and letters of credit sold for cash	6,260	4,813	1,447	4,777	1,409	29	26	10	9
69 Demand deposits	12,177	10,686	1,491	10,465	1,409	76	113	106	9
70 Individuals, partnerships, and corporations	1,461	1,436	25	1,259	0	28	82	92	0
71 U.S. addressees (domicile)	890	888	2	726	0	5	75	84	0
72 Non-U.S. addressees (domicile)	571	548	23	534	0	23	7	7	0
73 U.S. government, states, and political subdivisions in United States	13	13	0	12	0	0	0	0	0
74 All other	10,703	9,238	1,465	9,194	1,409	48	30	14	9
75 Foreign governments and official institutions	470	459	11	456	0	11	1	2	0
76 Commercial banks in United States	3,121	3,121	0	3,119	0	0	1	1	0
77 U.S. branches and agencies of other foreign banks	406	406	0	406	0	0	0	0	0
78 Other commercial banks in United States	2,715	2,715	0	2,713	0	0	1	1	0
79 Banks in foreign countries	853	844	9	842	0	8	3	0	0
80 Certified and officers' checks, travelers checks, and letters of credit sold for cash	6,260	4,813	1,447	4,777	1,409	29	26	10	9
81 Time deposits	30,042	29,429	612	25,127	0	617	1,106	3,192	0
82 Individuals, partnerships, and corporations	23,523	23,127	396	19,100	0	400	960	3,063	0
83 U.S. addressees (domicile)	21,409	21,408	1	17,538	0	3	855	3,013	0
84 Non-U.S. addressees (domicile)	2,114	1,719	395	1,561	0	397	105	50	0
85 U.S. government, states, and political subdivisions in United States	103	103	0	15	0	0	1	87	0
86 All other	6,416	6,199	217	6,013	0	217	145	41	0
87 Foreign governments and official institutions	2,218	2,053	165	1,953	0	165	80	20	0
88 Commercial banks in United States	2,290	2,290	0	2,224	0	0	63	4	0
89 U.S. branches and agencies of other foreign banks	849	849	0	794	0	0	55	0	0
90 Other commercial banks in United States	1,441	1,441	0	1,429	0	0	8	4	0
91 Banks in foreign countries	1,906	1,856	51	1,836	0	51	2	18	0
92 Savings deposits	272	250	21	198	0	23	21	30	0
93 Individuals, partnerships, and corporations	271	250	21	197	0	23	21	30	0
94 U.S. addressees (domicile)	190	190	0	141	0	2	19	28	0
95 Non-U.S. addressees (domicile)	82	60	21	56	0	22	2	2	0
96 U.S. government, states, and political subdivisions in United States	0	0	0	0	0	0	0	0	0
97 All other	0	0	0	0	0	0	0	0	0
98 Credit balances	2,120	0	2,120	0	1,914	54	0	0	152
99 Individuals, partnerships, and corporations	420	0	420	0	236	52	0	0	133
100 U.S. addressees (domicile)	181	0	181	0	106	51	0	0	23
101 Non-U.S. addressees (domicile)	240	0	240	0	129	0	0	0	110
102 U.S. government, states, and political subdivisions in United States	0	0	0	0	0	0	0	0	0
103 All other	1,699	0	1,699	0	1,678	3	0	0	18
104 Foreign governments and official institutions	72	0	72	0	71	1	0	0	0
105 Commercial banks in United States	1,364	0	1,364	0	1,349	0	0	0	15
106 U.S. branches and agencies of other foreign banks	17	0	17	0	2	0	0	0	15
107 Other commercial banks in United States	1,347	0	1,347	0	1,347	0	0	0	0
108 Banks in foreign countries	262	0	262	0	258	1	0	0	3

For notes see page A78.

4.30 Continued

Item	All states ²			New York		California, total ³	Illinois, branches	Other states ²	
	Total	Branches	Agencies	Branches	Agencies			Branches	Agencies
109 Federal funds purchased and sold under agreement to repurchase	11,707	6,717	4,990	6,034	2,158	2,443	543	139	390
<i>By holder</i>									
110 Commercial banks in United States	10,221	5,973	4,248	5,315	1,736	2,408	519	138	105
111 Others	1,486	743	742	719	422	36	24	1	285
<i>By type</i>									
112 One-day maturity or continuing contract	11,419	6,429	4,990	5,769	2,158	2,443	519	139	390
113 Securities sold under agreements to repurchase	610	569	41	555	16	25	0	14	0
114 Other	10,809	5,860	4,949	5,215	2,142	2,418	519	125	390
115 Other securities sold under agreements to repurchase	288	288	0	264	0	0	24	0	0
116 Other liabilities for borrowed money	45,710	16,393	29,318	14,414	4,936	24,295	1,391	587	88
117 Owed to banks	42,417	14,722	27,695	12,898	4,682	22,937	1,365	459	77
118 U.S. addressees (domicile)	37,632	11,002	26,630	9,757	4,105	22,472	788	456	55
119 Non-U.S. addressees (domicile)	4,784	3,720	1,065	3,141	577	466	576	2	22
120 Owed to others	3,294	1,671	1,623	1,516	255	1,357	26	128	11
121 U.S. addressees (domicile)	2,135	1,279	856	1,138	123	733	20	121	0
122 Non-U.S. addressees (domicile)	1,158	392	767	378	131	624	6	7	11
123 All other liabilities	50,880	30,835	20,045	26,046	13,076	4,905	3,410	1,357	2,085
124 Acceptances executed and outstanding	9,291	4,642	4,649	4,565	3,088	1,500	57	20	61
125 Net due to related banking institutions ⁵	37,780	23,339	14,441	18,868	9,622	2,848	3,176	1,274	1,992
126 Other	3,809	2,854	955	2,613	366	557	177	63	32
MEMO									
127 Time deposits of \$100,000 or more	29,354	28,787	567	24,573	0	571	1,081	3,131	0
128 Certificates of deposit (CDs) in denominations of \$100,000 or more	24,556	24,073	482	20,103	0	486	896	3,071	0
129 Other	4,799	4,714	85	4,470	0	85	185	60	0
130 Savings deposits authorized for automatic transfer and NOW accounts	17	13	4	5	0	4	3	5	0
131 Money market time certificates of \$10,000 and less than \$100,000 with original maturities of 26 weeks	128	122	6	77	0	6	17	27	0
132 Time certificates of deposit in denominations of \$100,000 or more with remaining maturity of more than 12 months	1,403	1,300	103	1,117	0	103	27	155	0
133 Acceptances refinanced with a U.S.-chartered bank	2,732	1,465	1,268	1,264	589	676	2	199	2
134 Statutory or regulatory asset pledge requirement	62,951	50,113	12,838	44,981	12,788	53	5,099	30	0
135 Statutory or regulatory asset maintenance requirement	7,740	7,283	457	4,659	220	1	199	2,425	237
136 Commercial letters of credit	8,566	4,762	3,804	4,277	1,278	2,475	281	203	52
137 Standby letters of credit, total	4,923	3,494	1,429	3,040	488	651	292	161	290
138 U.S. addressees (domicile)	3,700	2,631	1,069	2,371	291	549	168	93	228
139 Non-U.S. addressees (domicile)	1,223	863	361	669	197	102	125	69	62
140 Standby letters of credit conveyed to others through participations (included in total standby letters of credit)	799	777	22	758	1	22	9	10	0
141 Holdings of commercial paper included in total gross loans	828	712	116	673	69	47	39	0	0
142 Holdings of acceptances included in total commercial and industrial loans	4,877	2,228	2,650	2,162	1,171	1,467	25	41	12
143 Immediately available funds with a maturity greater than one day (included in other liabilities for borrowed money)	28,613	9,002	19,610	7,876	3,312	16,259	858	269	39
144 Gross due from related banking institutions ⁵	55,764	22,059	33,705	18,280	14,388	19,171	1,237	2,542	146
145 U.S. addressees (domicile)	22,095	5,972	16,123	3,437	1,981	14,093	242	2,293	49
146 Branches and agencies in United States	21,886	5,849	16,038	3,323	1,946	14,045	234	2,292	47
147 In the same state as reporter	592	69	523	50	0	513	0	19	9
148 In other states	21,295	5,780	15,515	3,273	1,945	13,532	234	2,273	38
149 U.S. banking subsidiaries ⁶	209	124	85	114	35	48	8	1	2
150 Non-U.S. addressees (domicile)	33,669	16,087	17,582	14,843	12,407	5,078	995	249	97
151 Head office and non-U.S. branches and agencies	31,793	14,379	17,414	13,154	12,274	5,055	976	248	86
152 Non-U.S. banking companies and offices	1,876	1,708	168	1,689	134	23	18	0	11
153 Gross due to related banking institutions ⁵	76,651	43,117	33,534	36,579	24,010	7,413	4,413	2,104	2,132
154 U.S. addressees (domicile)	22,914	11,766	11,148	8,298	7,291	3,079	2,199	1,269	778
155 Branches and agencies in United States	22,759	11,670	11,089	8,216	7,261	3,060	2,188	1,266	768
156 In the same state as reporter	577	69	508	51	0	507	0	18	0
157 In other states	22,182	11,601	10,582	8,165	7,260	2,553	2,188	1,248	768
158 U.S. banking subsidiaries ⁶	155	96	59	82	30	19	11	2	10
159 Non-U.S. addressees (domicile)	53,737	31,351	22,386	28,281	16,719	4,334	2,214	835	1,354
160 Head office and non-U.S. branches and agencies	51,970	29,948	22,022	26,958	16,428	4,275	2,140	829	1,341
161 Non-U.S. banking companies and offices	1,767	1,403	364	1,323	291	59	74	6	13

4.30 Continued

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

1. Data are aggregates of categories reported on the quarterly form FFIEC 002, "Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks." This form was first used for reporting data as of June 30, 1980. From November 1972 through May 1980, U.S. branches and agencies of foreign banks had filed a monthly FR 886a report. Aggregate data from that report were available through the Federal Reserve statistical release G.11, last issued on July 10, 1980. Data in this table and in the G.11 tables are not strictly comparable because of differences in reporting panels and in definitions of balance sheet items.

2. Includes the District of Columbia.

3. Agencies account for virtually all of the assets and liabilities reported in California.

4. Total assets and total liabilities include *net* balances, if any, due from or due to related banking institutions in the United States and in foreign countries (see footnote 5). On the former monthly branch and agency report, avail-

able through the G.11 statistical release, gross balances were included in total assets and total liabilities. Therefore, total asset and total liability figures in this table are not comparable to those in the G.11 tables.

5. "Related banking institutions" includes the foreign head office and other U.S. and foreign branches and agencies of the bank, the bank's parent holding company, and majority-owned banking subsidiaries of the bank and of its parent holding company (including subsidiaries owned both directly and indirectly). Gross amounts due from and due to related banking institutions are shown as memo items.

6. "U.S. banking subsidiaries" refers to U.S. banking subsidiaries majority-owned by the foreign bank and by related foreign banks and includes U.S. offices of U.S.-chartered commercial banks, of Edge Act and Agreement corporations, and of New York State (Article XII) investment companies.

7. In some cases two or more offices of a foreign bank within the same metropolitan area file a consolidated report.

Federal Reserve Board of Governors

PAUL A. VOLCKER, *Chairman*
 FREDERICK H. SCHULTZ, *Vice Chairman*

HENRY C. WALLICH
 J. CHARLES PARTEE

OFFICE OF BOARD MEMBERS

JOSEPH R. COYNE, *Assistant to the Board*
 DONALD J. WINN, *Assistant to the Board*
 ANTHONY F. COLE, *Special Assistant to the Board*
 WILLIAM R. MALONI, *Special Assistant to the Board*
 FRANK O'BRIEN, JR., *Special Assistant to the Board*
 JOSEPH S. SIMS, *Special Assistant to the Board*
 JAMES L. STULL, *Manager, Operations Review Program*

LEGAL DIVISION

MICHAEL BRADFIELD, *General Counsel*
 ROBERT E. MANNION, *Deputy General Counsel*
 J. VIRGIL MATTINGLY, JR., *Associate General Counsel*
 GILBERT T. SCHWARTZ, *Associate General Counsel*
 MICHAEL E. BLEIER, *Assistant General Counsel*
 CORNELIUS K. HURLEY, JR., *Assistant General Counsel*
 MARYELLEN A. BROWN, *Assistant to the General Counsel*

OFFICE OF THE SECRETARY

WILLIAM W. WILES, *Secretary*
 BARBARA R. LOWREY, *Assistant Secretary*
 JAMES MCAFEE, *Assistant Secretary*
 *D. MICHAEL MANIES, *Assistant Secretary*

DIVISION OF CONSUMER AND COMMUNITY AFFAIRS

JANET O. HART, *Director*
 GRIFFITH L. GARWOOD, *Deputy Director*
 JERAULD C. KLUCKMAN, *Associate Director*
 GLENN E. LONEY, *Assistant Director*
 DOLORES S. SMITH, *Assistant Director*

DIVISION OF BANKING SUPERVISION AND REGULATION

JOHN E. RYAN, *Director*
 FREDERICK R. DAHL, *Associate Director*
 WILLIAM TAYLOR, *Associate Director*
 JACK M. EGERTSON, *Assistant Director*
 ROBERT A. JACOBSEN, *Assistant Director*
 DON E. KLINE, *Assistant Director*
 ROBERT S. PLOTKIN, *Assistant Director*
 THOMAS A. SIDMAN, *Assistant Director*
 SAMUEL H. TALLEY, *Assistant Director*
 LAURA M. HOMER, *Securities Credit Officer*

OFFICE OF STAFF DIRECTOR FOR MONETARY AND FINANCIAL POLICY

STEPHEN H. AXILROD, *Staff Director*
 EDWARD C. ETTIN, *Deputy Staff Director*
 MURRAY ALTMANN, *Assistant to the Board*
 PETER M. KEIR, *Assistant to the Board*
 STANLEY J. SIGEL, *Assistant to the Board*
 NORMAND R. V. BERNARD, *Special Assistant to the Board*

DIVISION OF RESEARCH AND STATISTICS

JAMES L. KICHLINE, *Director*
 JOSEPH S. ZEISEL, *Deputy Director*
 MICHAEL J. PRELL, *Associate Director*
 ROBERT A. EISENBEIS, *Senior Deputy Associate Director*
 JARED J. ENZLER, *Senior Deputy Associate Director*
 ELEANOR J. STOCKWELL, *Senior Deputy Associate Director*
 DONALD L. KOHN, *Deputy Associate Director*
 J. CORTLAND G. PERET, *Deputy Associate Director*
 HELMUT F. WENDEL, *Deputy Associate Director*
 MARTHA BETHEA, *Assistant Director*
 JOE M. CLEAVER, *Assistant Director*
 ROBERT M. FISHER, *Assistant Director*
 DAVID E. LINDSEY, *Assistant Director*
 LAWRENCE SLIFMAN, *Assistant Director*
 FREDERICK M. STRUBLE, *Assistant Director*
 STEPHEN P. TAYLOR, *Assistant Director*
 LEVON H. GARABEDIAN, *Assistant Director (Administration)*

DIVISION OF INTERNATIONAL FINANCE

EDWIN M. TRUMAN, *Director*
 ROBERT F. GEMMILL, *Associate Director*
 CHARLES J. SIEGMAN, *Associate Director*
 LARRY J. PROMISEL, *Senior Deputy Associate Director*
 DALE W. HENDERSON, *Deputy Associate Director*
 SAMUEL PIZER, *Staff Adviser*
 RALPH W. SMITH, JR., *Assistant Director*

and Official Staff

NANCY H. TEETERS
EMMETT J. RICE

LYLE E. GRAMLEY

OFFICE OF STAFF DIRECTOR FOR MANAGEMENT

JOHN M. DENKLER, *Staff Director*
EDWARD T. MULRENIN, *Assistant Staff Director*
JOSEPH W. DANIELS, SR., *Director of Equal Employment
Opportunity*

DIVISION OF DATA PROCESSING

CHARLES L. HAMPTON, *Director*
BRUCE M. BEARDSLEY, *Associate Director*
UYLESS D. BLACK, *Deputy Director*
GLENN L. CUMMINS, *Assistant Director*
NEAL H. HILLERMAN, *Assistant Director*
C. WILLIAM SCHLEICHER, JR., *Assistant Director*
ROBERT J. ZEMEL, *Associate Director*

DIVISION OF PERSONNEL

DAVID L. SHANNON, *Director*
JOHN R. WEIS, *Assistant Director*
CHARLES W. WOOD, *Assistant Director*

OFFICE OF THE CONTROLLER

JOHN KAKALEC, *Controller*
GEORGE E. LIVINGSTON, *Assistant Controller*

DIVISION OF SUPPORT SERVICES

DONALD E. ANDERSON, *Director*
WALTER W. KREIMANN, *Associate Director*
ROBERT E. FRAZIER, *Assistant Director*

OFFICE OF STAFF DIRECTOR FOR FEDERAL RESERVE BANK ACTIVITIES

THEODORE E. ALLISON, *Staff Director*
HARRY A. GUNTER, *Assistant Director for Contingency
Planning*

DIVISION OF FEDERAL RESERVE BANK OPERATIONS

CLYDE H. FARNSWORTH, JR., *Director*
LORIN S. MEEDER, *Associate Director*
RAYMOND L. TEED, *Associate Director*
WALTER ALTHAUSEN, *Assistant Director*
CHARLES W. BENNETT, *Assistant Director*
RICHARD B. GREEN, *Assistant Director*
ELLIOTT C. MCENTEE, *Assistant Director*
DAVID L. ROBINSON, *Assistant Director*
P.D. RING, *Adviser*

*On loan from the Federal Reserve Bank of Kansas City.

Federal Reserve Banks, Branches, and Offices

FEDERAL RESERVE BANK, branch, or facility Zip	Chairman Deputy Chairman	President First Vice President	Vice President in charge of branch
BOSTON* .....02106	Robert P. Henderson Thomas I. Atkins	Frank E. Morris James A. McIntosh	
NEW YORK* .....10045	Robert H. Knight, Esq. Boris Yavitz	Anthony M. Solomon Thomas M. Timlen	John T. Keane
Buffalo .....14240	Frederick D. Berkeley, III		
PHILADELPHIA .....19105	John W. Eckman Jean A. Crockett	Edward G. Boehne Richard L. Smoot	
CLEVELAND* .....44101	J. L. Jackson William H. Knoell	Willis J. Winn Walter H. MacDonald	Robert E. Showalter Harold J. Swart
Cincinnati .....45201	Martin B. Friedman		
Pittsburgh .....15230	Milton G. Hulme, Jr.		
RICHMOND* .....23219	Maceo A. Sloan Steven Muller	Robert P. Black Jimmie R. Monhollon	Robert D. McTeer, Jr. Stuart P. Fishburne
Baltimore .....21203	Joseph H. McLain		
Charlotte .....28230	Naomi G. Albanese		
<i>Culpeper Communications and Records Center 22701</i>			Albert D. Tinkelenberg
ATLANTA .....30301	William A. Fickling, Jr. John H. Weitnauer, Jr.	William F. Ford Robert P. Forrestal	Hiram J. Honea Charles D. East F. J. Craven, Jr. Jeffrey J. Wells James D. Hawkins
Birmingham .....35202	Louis J. Willie		
Jacksonville .....32231	Jerome P. Keuper		
Miami .....33152	Roy W. Vandegrift, Jr.		
Nashville .....37203	John C. Bolinger, Jr.		
New Orleans .....70161	Horatio C. Thompson		
CHICAGO* .....60690	John Sagan Stanton R. Cook	Silas Keehn Daniel M. Doyle	William C. Conrad
Detroit .....48231	Herbert H. Dow		
ST. LOUIS .....63166	Armand C. Stalnaker William B. Walton	Lawrence K. Roos Donald W. Moriarty, Jr.	John F. Breen Donald L. Henry Robert E. Matthews
Little Rock .....72203	E. Ray Kemp, Jr.		
Louisville .....40232	Sister Eileen M. Egan		
Memphis .....38101	Patricia W. Shaw		
MINNEAPOLIS .....55480	Stephen F. Keating William G. Phillips	E. Gerald Corrigan Thomas E. Gainor	Betty J. Lindstrom
Helena .....59601	Norris E. Hanford		
KANSAS CITY .....64198	Paul H. Henson Doris M. Drury	Roger Guffey Henry R. Czerwinski	Wayne W. Martin William G. Evans Robert D. Hamilton
Denver .....80217	Caleb B. Hurtt		
Oklahoma City .....73125	Christine H. Anthony		
Omaha .....68102	Robert G. Lueder		
DALLAS .....75222	Gerald D. Hines John V. James	Robert H. Boykin William H. Wallace	Joel L. Koonce, Jr. J. Z. Rowe Thomas H. Robertson
El Paso .....79999	Josefina A. Salas-Porras		
Houston .....77001	Jerome L. Howard		
San Antonio .....78295	Lawrence L. Crum		
SAN FRANCISCO .....94120	Cornell C. Maier Caroline L. Ahmanson	John J. Balles John B. Williams	Richard C. Dunn Angelo S. Carella A. Grant Holman Gerald R. Kelly
Los Angeles .....90051	Harvey A. Proctor		
Portland .....97208	John C. Hampton		
Salt Lake City .....84130	Wendell J. Ashton		
Seattle .....98124	George H. Weyerhaeuser		

*Additional offices of these Banks are located at Lewiston, Maine 04240; Windsor Locks, Connecticut 06096; Cranford, New Jersey 07016; Jericho, New York 11753; Utica at Oriskany, New York 13424; Columbus, Ohio 43216; Columbia, South Carolina 29210; Charleston, West Virginia 25311; Des Moines, Iowa 50306; Indianapolis, Indiana 46204; and Milwaukee, Wisconsin 53202.

Federal Reserve Board Publications

Copies are available from PUBLICATIONS SERVICES, Room MP-510, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. When a charge is indicated, remittance should accompany request and be made

payable to the order of the Board of Governors of the Federal Reserve System. Remittance from foreign residents should be drawn on a U.S. bank. Stamps and coupons are not accepted.

THE FEDERAL RESERVE SYSTEM—PURPOSES AND FUNCTIONS. 1974. 125 pp.

ANNUAL REPORT.

FEDERAL RESERVE BULLETIN. Monthly. \$20.00 per year or \$2.00 each in the United States, its possessions, Canada, and Mexico; 10 or more of same issue to one address, \$18.00 per year or \$1.75 each. Elsewhere, \$24.00 per year or \$2.50 each.

BANKING AND MONETARY STATISTICS. 1914–1941. (Reprint of Part I only) 1976. 682 pp. \$5.00.

BANKING AND MONETARY STATISTICS, 1941–1970. 1976. 1,168 pp. \$15.00.

ANNUAL STATISTICAL DIGEST

1971–75. 1976. 339 pp. \$4.00 per copy for each paid subscription to *Federal Reserve Bulletin*; all others \$5.00 each.

1972–76. 1977. 377 pp. \$10.00 per copy.

1973–77. 1978. 361 pp. \$12.00 per copy.

1974–78. 1980. 305 pp. \$10.00 per copy.

1970–79. 1981. 587 pp. \$20.00 per copy.

FEDERAL RESERVE CHART BOOK. Issued four times a year in February, May, August, and November. Subscription includes one issue of Historical Chart Book. \$7.00 per year or \$2.00 each in the United States, its possessions, Canada, and Mexico. Elsewhere, \$10.00 per year or \$3.00 each.

HISTORICAL CHART BOOK. Issued annually in Sept. Subscription to Federal Reserve Chart Book includes one issue. \$1.25 each in the United States, its possessions, Canada, and Mexico; 10 or more to one address, \$1.00 each. Elsewhere, \$1.50 each.

SELECTED INTEREST AND EXCHANGE RATES—WEEKLY SERIES OF CHARTS. Weekly. \$15.00 per year or \$4.00 each in the United States, its possessions, Canada, and Mexico; 10 or more of same issue to one address, \$13.50 per year or \$3.50 each. Elsewhere, \$20.00 per year or \$5.00 each.

THE FEDERAL RESERVE ACT, as amended through December 1976, with an appendix containing provisions of certain other statutes affecting the Federal Reserve System. 307 pp. \$2.50.

REGULATIONS OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

PUBLISHED INTERPRETATIONS OF THE BOARD OF GOVERNORS, as of June 30, 1980. \$7.50.

BANK CREDIT-CARD AND CHECK-CREDIT PLANS. 1968. 102 pp. \$1.00 each; 10 or more to one address, \$.85 each.

REPORT OF THE JOINT TREASURY-FEDERAL RESERVE STUDY OF THE U.S. GOVERNMENT SECURITIES MARKET. 1969. 48 pp. \$.25 each; 10 or more to one address, \$.20 each.

JOINT TREASURY-FEDERAL RESERVE STUDY OF THE GOVERNMENT SECURITIES MARKET; STAFF STUDIES—PART 1. 1970. 86 pp. \$.50 each; 10 or more to one address, \$.40 each. Part 2, 1971. 153 pp. and Part 3, 1973. 131 pp. Each volume \$1.00; 10 or more to one address, \$.85 each.

OPEN MARKET POLICIES AND OPERATING PROCEDURES—STAFF STUDIES. 1971. 218 pp. \$2.00 each; 10 or more to one address, \$1.75 each.

REAPPRAISAL OF THE FEDERAL RESERVE DISCOUNT MECHANISM. *Vol. 1.* 1971. 276 pp. *Vol. 2.* 1971. 173 pp. *Vol. 3.* 1972. 220 pp. Each volume \$3.00; 10 or more to one address, \$2.50 each.

THE ECONOMETRICS OF PRICE DETERMINATION CONFERENCE, October 30–31, 1970, Washington, D.C. 1972. 397 pp. Cloth ed. \$5.00 each; 10 or more to one address, \$4.50 each. Paper ed. \$4.00 each; 10 or more to one address, \$3.60 each.

FEDERAL RESERVE STAFF STUDY: WAYS TO MODERATE FLUCTUATIONS IN HOUSING CONSTRUCTION. 1972. 487 pp. \$4.00 each; 10 or more to one address, \$3.60 each.

LENDING FUNCTIONS OF THE FEDERAL RESERVE BANKS. 1973. 271 pp. \$3.50 each; 10 or more to one address, \$3.00 each.

IMPROVING THE MONETARY AGGREGATES: REPORT OF THE ADVISORY COMMITTEE ON MONETARY STATISTICS. 1976. 43 pp. \$1.00 each; 10 or more to one address, \$.85 each.

ANNUAL PERCENTAGE RATE TABLES (Truth in Lending—Regulation Z) Vol. I (Regular Transactions). 1969. 100 pp. *Vol. II (Irregular Transactions).* 1969. 116 pp. Each volume \$1.00; 10 or more of same volume to one address, \$.85 each.

FEDERAL RESERVE MEASURES OF CAPACITY AND CAPACITY UTILIZATION. 1978. 40 pp. \$1.75 each; 10 or more to one address, \$1.50 each.

THE BANK HOLDING COMPANY MOVEMENT TO 1978: A COMPENDIUM. 1978. 289 pp. \$2.50 each; 10 or more to one address, \$2.25 each.

IMPROVING THE MONETARY AGGREGATES: STAFF PAPERS. 1978. 170 pp. \$4.00 each; 10 or more to one address, \$3.75 each.

1977 CONSUMER CREDIT SURVEY. 1978. 119 pp. \$2.00 each. **FLOW OF FUNDS ACCOUNTS. 1949–1978.** 1979. 171 pp. \$1.75 each; 10 or more to one address, \$1.50 each.

INTRODUCTION TO FLOW OF FUNDS. 1980. 68 pp. \$1.50 each; 10 or more to one address, \$1.25 each.

PUBLIC POLICY AND CAPITAL FORMATION. 1981. 326 pp. \$13.50 each.

NEW MONETARY CONTROL PROCEDURES: FEDERAL RESERVE STAFF STUDY, 1981.

CONSUMER EDUCATION PAMPHLETS

Short pamphlets suitable for classroom use. Multiple copies available without charge.

Alice in Debitland
 The Board of Governors of the Federal Reserve System
 Consumer Handbook To Credit Protection Laws
 The Equal Credit Opportunity Act and . . . Age
 The Equal Credit Opportunity Act and . . . Credit Rights in Housing
 The Equal Credit Opportunity Act and . . . Doctors, Lawyers, Small Retailers, and Others Who May Provide Incidental Credit
 The Equal Credit Opportunity Act and . . . Women
 Fair Credit Billing
 The Federal Open Market Committee
 Federal Reserve Bank Board of Directors
 Federal Reserve Banks
 Federal Reserve Glossary
 How to File A Consumer Credit Complaint
 If You Borrow To Buy Stock
 If You Use A Credit Card
 Truth in Leasing
 U.S. Currency
 What Truth in Lending Means to You

STAFF STUDIES

Studies and papers on economic and financial subjects that are of general interest.

Summaries Only Printed in the Bulletin

Requests to obtain single copies of the full text or to be added to the mailing list for the series may be sent to Publications Services.

TIE-INS BETWEEN THE GRANTING OF CREDIT AND SALES OF INSURANCE BY BANK HOLDING COMPANIES AND OTHER LENDERS, by Robert A. Eisenbeis and Paul R. Schweitzer. Feb. 1979. 75 pp.
MEASURES OF CAPACITY UTILIZATION: PROBLEMS AND TASKS, by Frank de Leeuw, Lawrence R. Forest, Jr., Richard D. Raddock, and Zoltan E. Kenessey. July 1979. 264 pp.

THE GNMA-GUARANTEED PASSTHROUGH SECURITY: MARKET DEVELOPMENT AND IMPLICATIONS FOR THE GROWTH AND STABILITY OF HOME MORTGAGE LENDING, by David F. Seiders. Dec. 1979. 65 pp.
FOREIGN OWNERSHIP AND THE PERFORMANCE OF U.S. BANKS, by James V. Houpt, July 1980. 27 pp.
PERFORMANCE AND CHARACTERISTICS OF EDGE CORPORATIONS, by James V. Houpt. Feb. 1981. 56 pp.
BANKING STRUCTURE AND PERFORMANCE AT THE STATE LEVEL DURING THE 1970s, by Stephen A. Rhoades. Mar. 1981. 26 pp.

REPRINTS

Most of the articles reprinted do not exceed 12 pages.

Measures of Security Credit. 12/70.
 Revision of Bank Credit Series. 12/71.
 Assets and Liabilities of Foreign Branches of U.S. Banks. 2/72.
 Bank Debits, Deposits, and Deposit Turnover—Revised Series. 7/72.
 Rates on Consumer Instalment Loans. 9/73.
 New Series for Large Manufacturing Corporations. 10/73.
 The Structure of Margin Credit. 4/75.
 Industrial Electric Power Use. 1/76.
 Revised Series for Member Bank Deposits and Aggregate Reserves. 4/76.
 Industrial Production—1976 Revision. 6/76.
 Federal Reserve Operations in Payment Mechanisms: A Summary. 6/76.
 The Federal Budget in the 1970's. 9/78.
 Redefining the Monetary Aggregates. 1/79.
 Implementation of the International Banking Act. 10/79.
 Perspectives on Personal Saving. 8/80.
 The Impact of Rising Oil Prices on the Major Foreign Industrial Countries. 10/80.
 Federal Reserve and the Payments System: Upgrading Electronic Capabilities for the 1980s. 2/81.
 U.S. International Transactions in 1980. 4/81.
 Survey of Finance Companies, 1980. 5/81.

Index to Statistical Tables

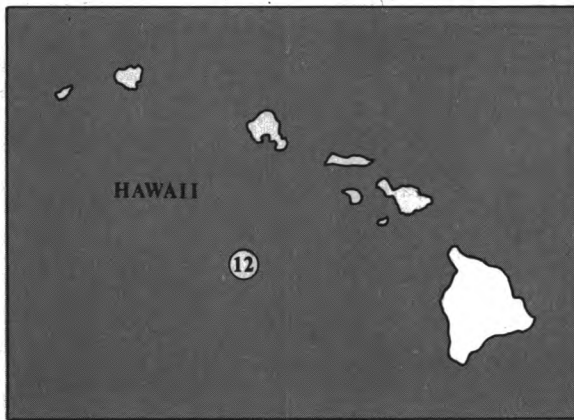
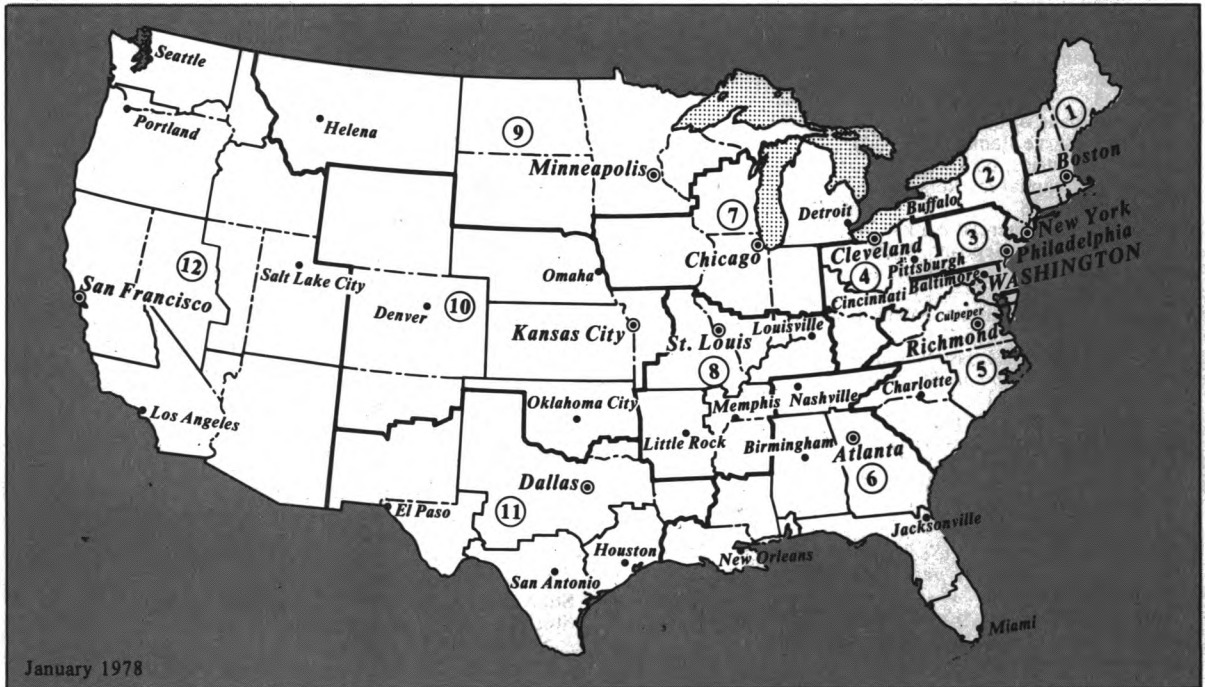
References are to pages A-3 through A-81 although the prefix "A" is omitted in this index

- ACCEPTANCES, bankers, 10, 23, 25
 Agricultural loans, commercial banks, 18, 19, 20, 24
 Assets and liabilities (*See also* Foreigners)
 Banks, by classes, 17, 18–21, 27, 72–77
 Domestic finance companies, 37
 Federal Reserve Banks, 11
 Foreign banks, U.S. branches and agencies, 78–81
 Nonfinancial corporations, current, 36
 Automobiles
 Consumer installment credit, 40, 41
 Production, 46, 47
- BANKERS balances, 17, 18–20, 72, 74, 76
 (*See also* Foreigners)
 Banks for Cooperatives, 33
 Bonds (*See also* U.S. government securities)
 New issues, 34
 Yields, 3
 Branch banks, 15, 21, 54, 78–81
 Business activity, nonfinancial, 44
 Business expenditures on new plant and equipment, 36
 Business loans (*See* Commercial and industrial loans)
- CAPACITY utilization, 44
 Capital accounts
 Banks, by classes, 17, 73, 75, 77
 Federal Reserve Banks, 11
 Central banks, 66
 Certificates of deposit, 21, 25
 Commercial and industrial loans
 Commercial banks, 15, 24
 Weekly reporting banks, 18–21, 22
 Commercial banks
 Assets and liabilities, 3, 15, 17, 18–21, 68–71, 72–77
 Business loans, 24
 Commercial and industrial loans, 22, 24
 Consumer loans held, by type, 40, 41
 Loans sold outright, 21
 Nondeposit funds, 16
 Number, by classes, 17, 73, 75, 77
 Real estate mortgages held, by holder and property, 39
 Commercial paper, 3, 23, 25, 37
 Condition statements (*See* Assets and liabilities)
 Construction, 44, 48
 Consumer installment credit, 40, 41
 Consumer prices, 44, 49
 Consumption expenditures, 50, 51
 Corporations
 Profits and their distribution, 35
 Security issues, 34, 63
 Cost of living (*See* Consumer prices)
 Credit unions, 27, 40, 41
 Currency and coin, 5, 17, 72, 74, 76
 Currency in circulation, 4, 13
 Customer credit, stock market, 26
- DEBITS to deposit accounts, 12
 Debt (*See specific types of debt or securities*)
 Demand deposits
 Adjusted, commercial banks, 12, 14
 Banks, by classes, 17, 18–21, 73, 75, 77
 Ownership by individuals, partnerships, and corporations, 23
 Demand deposits—Continued
 Subject to reserve requirements, 14
 Turnover, 12
 Depository institutions
 Reserve requirements, 8
 Reserves, 3, 4, 5, 14
 Deposits (*See also specific types*)
 Banks, by classes, 3, 17, 18–21, 27, 68–71, 73, 75, 77
 Federal Reserve Banks, 4, 11
 Turnover, 12
 Discount rates at Reserve Banks (*See* Interest rates)
 Discounts and advances by Reserve Banks (*See* Loans)
 Dividends, corporate, 35
- EMPLOYMENT, 44, 45
 Eurodollars, 25
- FARM mortgage loans, 39
 Farmers Home Administration, 39
 Federal agency obligations, 4, 10, 11, 12, 32
 Federal and federally sponsored credit agencies, 33
 Federal finance
 Debt subject to statutory limitation and types and ownership of gross debt, 30
 Receipts and outlays, 28, 29
 Treasury operating balance, 28
 Federal Financing Bank, 28, 33
 Federal funds, 3, 6, 18, 19, 20, 25, 28
 Federal Home Loan Banks, 33
 Federal Home Loan Mortgage Corporation, 33, 38, 39
 Federal Housing Administration, 33, 38, 39
 Federal Intermediate Credit Banks, 33
 Federal Land Banks, 33, 39
 Federal National Mortgage Association, 33, 38, 39
 Federal Reserve Banks
 Condition statement, 11
 Discount rates (*See* Interest rates)
 U.S. government securities held, 4, 11, 12, 30, 31
 Federal Reserve credit, 4, 5, 11, 12
 Federal Reserve notes, 11
 Federally sponsored credit agencies, 33
 Finance companies
 Assets and liabilities, 37
 Business credit, 37
 Loans, 18, 19, 20, 40, 41
 Paper, 23, 25
 Financial institutions, loans to, 18, 19, 20
 Float, 4
 Flow of funds, 42, 43
 Foreign
 Banks, assets and liabilities of U.S. branches and agencies, 78–81
 Currency operations, 11
 Deposits in U.S. banks, 4, 11, 18, 19, 20
 Exchange rates, 66
 Trade, 53
 Foreigners
 Claims on, 54, 56, 59, 60, 61, 65
 Liabilities to, 21, 54–58, 62–64
- GOLD
 Certificates, 11
 Stock, 4, 53

- Government National Mortgage Association, 33, 38, 39
Gross national product, 50, 51
- HOUSING, new and existing units, 48
- INCOME, personal and national, 44, 50, 51
Industrial production, 44, 46
Installment loans, 40, 41
Insurance companies, 27, 30, 31, 39
Insured commercial banks, 68–71
Interbank loans and deposits, 17
Interest rates
 Bonds, 3
 Business loans of banks, 24
 Federal Reserve Banks, 3, 7
 Foreign countries, 66
 Money and capital markets, 3, 25
 Mortgages, 3, 38
 Prime rate, commercial banks, 24
 Time and savings deposits, 9, 71
International capital transactions of the United States, 54–65
International organizations, 54–59, 62–65
Inventories, 50
Investment companies, issues and assets, 35
Investments (*See also specific types*)
 Banks, by classes, 17, 27
 Commercial banks, 3, 15, 17, 18–20, 72, 74, 76
 Federal Reserve Banks, 11, 12
 Life insurance companies, 27
 Savings and loan associations, 27
- LABOR force, 45
Life insurance companies (*See* Insurance companies)
Loans (*See also specific types*)
 Banks, by classes, 17, 18–21, 27
 Commercial banks, 3, 15, 17, 18–21, 22, 24, 72, 74, 76
 Federal Reserve Banks, 3, 4, 5, 7, 11, 12
 Insurance companies, 27, 39
 Insured or guaranteed by United States, 38, 39
 Savings and loan associations, 27
- MANUFACTURING
 Capacity utilization, 44
 Production, 44, 47
Margin requirements, 26
Member banks
 Assets and liabilities, by classes, 17
 Borrowing at Federal Reserve Banks, 5, 11
 Federal funds and repurchase agreements, 6
 Reserve requirements, 8
 Reserves and related items, 14
Mining production, 47
Mobile home shipments, 48
Monetary aggregates, 3, 14
Money and capital market rates (*See* Interest rates)
Money stock measures and components, 3, 13
Mortgages (*See* Real estate loans)
Mutual funds (*See* Investment companies)
Mutual savings banks, 3, 9, 18–20, 27, 30, 31, 39
- NATIONAL defense outlays, 29
National income, 50
- OPEN market transactions, 10
- PERSONAL income, 51
Prices
 Consumer and producer, 44, 49
 Stock market, 26
Prime rate, commercial banks, 24
Production, 44, 46
Profits, corporate, 35
- REAL estate loans
 Banks, by classes, 18–20, 27, 29
 Life insurance companies, 27
 Mortgage terms, yields, and activity, 3, 38
 Type of holder and property mortgaged, 39
Repurchase agreements and federal funds, 6, 18, 19, 20
Reserve requirements, 8
Reserves
 Commercial banks, 17, 72, 74, 76
 Depository institutions, 3, 4, 5, 14
 Federal Reserve Banks, 11
 Member banks, 14
 U.S. reserve assets, 53
Residential mortgage loans, 38
Retail credit and retail sales, 40, 41, 44
- SAVING
 Flow of funds, 42, 43
 National income accounts, 51
Savings and loan assns., 3, 9, 27, 31, 39, 42
Savings deposits (*See* Time deposits)
Savings institutions, selected assets, 27
Securities (*See also* U.S. government securities)
 Federal and federally sponsored agencies, 33
 Foreign transactions, 63
 New issues, 34
 Prices, 26
Special drawing rights, 4, 11, 52, 53
State and local governments
 Deposits, 18, 19, 20
 Holdings of U.S. government securities, 30, 31
 New security issues, 34
 Ownership of securities of, 18, 19, 20, 27
 Yields of securities, 3
Stock market, 26
Stocks (*See also* Securities)
 New issues, 34
 Prices, 26
- TAX receipts, federal, 29
Time deposits, 3, 9, 12, 14, 17, 18–21, 68–71, 73, 75, 77
Trade, foreign, 53
Treasury currency, Treasury cash, 4
Treasury deposits, 4, 11, 28
Treasury operating balance, 28
- UNEMPLOYMENT, 45
U.S. balance of payments, 52
U.S. government balances
 Commercial bank holdings, 18, 19, 20
 Member bank holdings, 14
 Treasury deposits at Reserve Banks, 4, 11, 28
U.S. government securities
 Bank holdings, 17, 18–20, 27, 30, 31, 72, 74, 76
 Dealer transactions, positions, and financing, 32
 Federal Reserve Bank holdings, 4, 11, 12, 30, 31
 Foreign and international holdings and transactions, 11, 30, 62
 Open market transactions, 10
 Outstanding, by type and ownership, 30, 31
 Rates, 3, 25
Utilities, production, 47
- VETERANS Administration, 38, 39
- WEEKLY reporting banks, 18–22
Wholesale (producer) prices, 44, 49
- YIELDS (*See* Interest rates)

The Federal Reserve System

Boundaries of Federal Reserve Districts and Their Branch Territories



LEGEND

— Boundaries of Federal Reserve Districts

— Boundaries of Federal Reserve Branch Territories

★ Board of Governors of the Federal Reserve System

⊙ Federal Reserve Bank Cities

• Federal Reserve Branch Cities

★ Federal Reserve Bank Facility