



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

November 9, 1976

CONFIDENTIAL (FR)
CLASS II FOMC

TO: Federal Open Market Committee

FROM: Arthur L. Broida

ALB

Enclosed is a copy of the report of examination of the System Open Market Account, made by the Board's Division of Federal Reserve Bank Examinations and Budgets as at the close of business August 20, 1976, and submitted by Mr. Wallace, Director. An audit of the Account is made in connection with examination of the Federal Reserve Bank of New York, in accordance with long-standing procedures.

It is contemplated that the enclosed report will be discussed at the November meeting of the Committee.

Enclosure

RESTRICTED

Report of Examination
of the
System Open Market Account

Close of Business, August 20, 1976

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BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

DIVISION OF FEDERAL RESERVE BANK
EXAMINATIONS AND BUDGETS

November 8, 1976

RESTRICTED

Mr. Arthur L. Broida
Secretary
Federal Open Market Committee
Board of Governors of the Federal
Reserve System
Washington, D. C. 20551

Dear Mr. Broida:

An examination of accounts relating to domestic open market operations and foreign currency operations was made at the close of business August 20, 1976, in conjunction with the annual Financial Examination of the Federal Reserve Bank of New York. This report is submitted for the information of the Federal Open Market Committee in compliance with the Committee's standing request.

SCOPE OF EXAMINATION

The examination, conducted in accordance with generally accepted auditing standards, included: verification of the holdings in the System Open Market Account and the asset and liability accounts related to foreign currency operations; tests of the accounting records, the earnings accounts, and the profits and losses resulting from completed transactions; review of transactions for propriety as to authorization and processing; evaluation of internal controls; review of the scope and frequency of audits made by the resident auditing staff; and other examination procedures as we considered necessary or appropriate.

SUMMARY OF FINDINGS

Domestic Open Market Operations

In our opinion, the accompanying statements (Exhibits A, B, and C) present fairly the financial position of the System Open

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Market Account at August 20, 1976, and the results of operations for the periods indicated.

During the interval between examinations, allocations of the Account among the twelve Federal Reserve Banks were made in accordance with procedures approved by the Federal Open Market Committee (see Attachment). We also determined that transactions in the Account since our previous examination were within the limits prescribed in the pertinent authorizations issued by the Federal Open Market Committee.

The procedures, internal controls, supervision of employees, and audit attention as observed during the examination were, in our opinion, adequate to assure the prevention of errors or rapid detection if such should inadvertently occur.

Foreign Currency Operations

In our opinion, the accompanying statement (Exhibit D) presents fairly the foreign currency deposit balances at August 20, 1976. The participation of each of the Federal Reserve Banks in these account balances is shown in Exhibit E.

During the interval between examinations, distribution of interest earnings on foreign currency balances and net loss on foreign exchange operations among the Federal Reserve Banks (Exhibit F) was made on the basis of participation percentages. These percentages are determined at the beginning of each year by a computation of the ratio of each Bank's capital and surplus to the total capital and surplus for all Banks combined.

We reviewed the transactions in effect on the date of our examination and determined that the pertinent authorizations issued by the Federal Open Market Committee were being followed. In our opinion, the accounting records, the internal controls in effect, and the audit attention are adequate.

SUMMARY OF FINANCIAL RESULTS

Domestic Open Market Operations

Through August 20 in the current year, operations resulted in net earnings of \$4,032 million (Exhibit B) and a net profit of \$21.3 million (Exhibit C) on securities sold and exchanged. The following figures

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compare net earnings and net profit or loss from sale and exchange transactions for the year 1975 with corresponding totals for the preceding year.

	<u>1975</u> (In thousands)	<u>1974</u>	<u>Increase</u>
Net earnings	<u>\$6,021,098</u>	<u>\$5,981,623</u>	<u>\$39,475</u>
Net Profit (loss) on sale and exchange of securities	<u>\$ 36,967</u>	<u>\$ (41,656)</u>	<u>\$78,623</u>

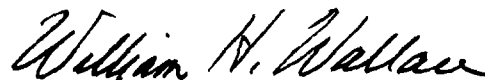
Detailed statements (Schedules I, II, and III) covering the inventory and appraisal of holdings in the Account and related participations of the Reserve Banks are included in the appendix.

Foreign Currency Operations

Through August 20 in the current year, foreign currency operations resulted in distribution of interest earnings of \$15,558 thousand and a net loss of \$5,956 thousand on foreign exchange. The following figures show interest earnings and losses on foreign exchange for the year 1975 and corresponding totals for the preceding year.

	<u>1975</u> (In thousands)	<u>1974</u>
Interest earnings	<u>\$ 5,076</u>	<u>\$ 6,847</u>
Losses on foreign exchange transactions	<u>\$241,797</u>	<u>\$33,965</u>

Sincerely yours,



William H. Wallace
Director

Attachments

ATTACHMENT

PROCEDURES WITH RESPECT TO ALLOCATIONS
OF THE SYSTEM OPEN MARKET ACCOUNT

May 1, 1975

1. Securities in the System Open Market Account shall be reallocated at least once each year as determined by the Board's Division of Federal Reserve Bank Examinations and Budgets and the Manager of the System Open Market Account for the purpose of settling Interdistrict clearings and approximately equalizing for each Federal Reserve Bank the ratio of gold certificate holdings to Federal Reserve notes outstanding.

2. Until the next reallocation, the Account shall be apportioned on the basis of the ratios determined in Paragraph 1.

3. Profits and losses on the sale of securities from the Account shall be allocated on the day of delivery of the securities sold on the basis of each Bank's current holdings at the opening of business on that day.

SYSTEM OPEN MARKET ACCOUNT

Exhibit A

BALANCE SHEET
(In thousands)

At the close of business August 20, 1976

ASSETS

U. S. Government securities at par value (Note A)
(Schedule I)-

Treasury Bills	\$37,774,510	
Treasury Notes	45,914,839	
Treasury Bonds	6,411,058	
Agency Issues	<u>6,804,930</u>	\$96,905,337

Accrued interest-

Treasury Notes	\$ 515,054	
Treasury Bonds	57,947	
Agency Issues	<u>170,546</u>	743,547

Premium (Schedule I)-

Treasury Notes	\$ 60,476	
Treasury Bonds	20,111	
Agency Issues	<u>42,863</u>	<u>123,450</u>

Total assets

\$97,772,334

SYSTEM OPEN MARKET ACCOUNT

Exhibit A
(continued)

BALANCE SHEET
(In thousands)

LIABILITIES

Discount (Schedule I)-

Treasury Bills	\$ 639,532	
Treasury Notes	54,608	
Treasury Bonds	159,442	
Agency Issues	<u>85,628</u>	\$ 939,210

PARTICIPATIONS

Net account (Schedule III)-

Federal Reserve Bank-

Boston	\$ 4,474,808	
New York	22,775,895	
Philadelphia	5,372,659	
Cleveland	7,983,949	
Richmond	7,772,153	
Atlanta	5,186,838	
Chicago	15,506,443	
St. Louis	3,948,025	
Minneapolis	2,214,020	
Kansas City	3,832,850	
Dallas	4,599,383	
San Francisco	<u>13,166,101</u>	<u>96,833,124</u>

Total liabilities and participations

\$97,772,334

Note A- Of the total holdings, \$74,930 million was pledged as collateral securities for outstanding Federal Reserve notes (Schedule III).

SYSTEM OPEN MARKET ACCOUNT

Exhibit B

NET EARNINGS
(In thousands)

	<u>January 1 to</u> <u>August 20, 1976</u>	<u>Year 1975</u>
<u>Earnings</u>		
U. S. Government securities-		
Interest	\$2,708,340	\$3,717,280
Discount	<u>1,355,587</u>	<u>2,342,978</u>
	\$4,063,927	\$6,060,258
Less- Premium amortization	<u>31,859</u>	<u>39,160</u>
Net earnings	<u>\$4,032,068</u>	<u>\$6,021,098</u>

	<u>January 1 to</u> <u>August 20, 1976</u>		<u>Year 1975</u>	
	<u>Amount</u>	<u>Per cent</u>	<u>Amount</u>	<u>Per cent</u>
<u>Participations</u>				
Federal Reserve Bank-				
Boston	\$ 186,893	4.6	\$ 275,844	4.6
New York	958,118	23.8	1,436,613	23.9
Philadelphia	230,325	5.7	345,742	5.7
Cleveland	325,424	8.1	483,292	8.0
Richmond	324,736	8.1	482,491	8.0
Atlanta	213,215	5.3	321,712	5.4
Chicago	626,279	15.5	927,614	15.4
St. Louis	158,934	4.0	231,240	3.8
Minneapolis	90,101	2.2	132,326	2.2
Kansas City	162,228	4.0	242,934	4.0
Dallas	198,909	4.9	295,896	4.9
San Francisco	<u>556,906</u>	<u>13.8</u>	<u>845,394</u>	<u>14.1</u>
	<u>\$4,032,068</u>	<u>100.</u>	<u>\$6,021,098</u>	<u>100.</u>

SYSTEM OPEN MARKET ACCOUNT

Exhibit C

NET PROFIT OR LOSS ON SALES AND EXCHANGES
(In thousands)

	<u>January 1 to</u>		<u>Year 1975</u>	
	<u>August 20, 1976</u>		<u>Amount</u>	<u>Per cent</u>
	<u>Amount</u>	<u>Per cent</u>	<u>Amount</u>	<u>Per cent</u>
U. S. Government securities-				
Profits	\$25,469		\$46,548	
Losses	<u>4,217</u>		<u>9,581</u>	
Net profit	<u>\$21,252</u>		<u>\$36,967</u>	
<u>Participations</u>				
Federal Reserve Bank-				
Boston	\$ 988	4.6	\$ 1,664	4.5
New York	5,101	24.0	8,825	23.9
Philadelphia	1,249	5.9	2,067	5.6
Cleveland	1,678	7.9	3,013	8.1
Richmond	1,718	8.1	2,929	7.9
Atlanta	1,109	5.2	2,023	5.5
Chicago	3,198	15.1	5,828	15.7
St. Louis	809	3.8	1,431	3.9
Minneapolis	464	2.2	817	2.2
Kansas City	869	4.1	1,470	4.0
Dallas	1,088	5.1	1,734	4.7
San Francisco	<u>2,981</u>	<u>14.0</u>	<u>5,166</u>	<u>14.0</u>
Total profit	<u>\$21,252</u>	<u>100.</u>	<u>\$36,967</u>	<u>100.</u>

SYSTEM FOREIGN CURRENCY BALANCES
(In thousands)

At the close of business August 20, 1976

	<u>Balance</u>	<u>Dollar Value</u>
<u>Belgian francs</u>		
Bank for International Settlements	133,370	\$ 3,389
<u>Canadian dollars</u>		
Bank of Canada	115	108
<u>British pounds</u>		
Bank of England	112,783	200,161
<u>German marks</u>		
Bank for International Settlements	136,624	53,029
<u>Japanese yen</u>		
The Bank of Japan	329,846	1,047
<u>Mexican pesos</u>		
Bank of Mexico	4,500,000	360,000
<u>Netherlands guilders</u>		
Bank for International Settlements	10,029	3,658
<u>Swiss francs</u>		
Bank for International Settlements	60,681	<u>23,482</u>
		<u>\$644,874</u>

PARTICIPATION OF THE FEDERAL RESERVE BANKS IN SYSTEM FOREIGN CURRENCY BALANCES
(In thousands)

At the close of business August 20, 1976

	<u>Per cent</u>	<u>Dollar carrying value</u>
Federal Reserve Bank-		
Boston	3.8	\$ 24,742
Philadelphia	4.6	29,951
Cleveland	8.7	56,646
Richmond	5.6	36,462
Atlanta	7.7	50,135
Chicago	15.3	99,618
St. Louis	3.3	21,486
Minneapolis	2.8	18,231
Kansas City	4.2	27,346
Dallas	5.6	36,461
San Francisco	<u>12.7</u>	<u>82,690</u>
	74.3	\$483,768
New York	<u>25.7</u>	<u>161,106</u>
	<u>100.</u>	<u>\$644,874</u>

The System foreign currency balance is participated weekly, unless daily activity exceeds \$10 million. The New York Bank's portion is adjusted accordingly pending weekly participation allocation.

DISTRIBUTION OF INTEREST EARNINGS AND LOSSES ON FOREIGN EXCHANGE
(In thousands)

January 1 to August 20, 1976

	<u>Per cent 1/</u>	<u>Interest earnings</u>	<u>Losses on foreign exchange</u>
Federal Reserve Bank-			
Boston	3.8	\$ 592	\$ 226
Philadelphia	4.6	716	274
Cleveland	8.7	1,354	518
Richmond	5.6	871	334
Atlanta	7.7	1,197	459
Chicago	15.3	2,381	911
St. Louis	3.3	514	197
Minneapolis	2.8	434	167
Kansas City	4.2	653	250
Dallas	5.6	871	334
San Francisco	<u>12.7</u>	<u>1,975</u>	<u>755</u>
	74.3	\$11,558	\$4,425
New York	<u>25.7</u>	<u>4,000</u>	<u>1,531</u>
	<u>100.</u>	<u>\$15,558</u>	<u>\$5,956</u>

1/ Effective January 13, 1976

DISTRIBUTION OF INTEREST EARNINGS AND LOSSES ON FOREIGN EXCHANGE
(In thousands)

Year 1975

	<u>Per cent</u>	<u>Interest earnings</u>	<u>Losses on foreign exchange</u>
Federal Reserve Bank-			
Boston	3.9	\$ 198	\$ 9,430
Philadelphia	4.7	239	11,364
Cleveland	8.7	442	21,036
Richmond	5.5	279	13,299
Atlanta	7.6	386	18,377
Chicago	15.4	782	37,237
St. Louis	3.4	173	8,221
Minneapolis	2.4	122	5,803
Kansas City	4.2	213	10,155
Dallas	5.5	278	13,299
San Francisco	<u>12.5</u>	<u>634</u>	<u>30,225</u>
	73.8	\$ 3,746	\$178,446
New York	<u>26.2</u>	<u>1,330</u>	<u>63,351</u>
	<u>100.</u>	<u>\$ 5,076</u>	<u>\$241,797</u>

SYSTEM OPEN MARKET ACCOUNT

Schedule I

INVENTORY AND APPRAISAL OF HOLDINGS
(In thousands)

<u>U. S. Government Securities</u>	<u>Maturity</u>	<u>Par Value</u>	<u>Premium</u>	<u>Discount</u>	<u>Book Value</u>	<u>Market Value 1/</u>	<u>Appreciation (Depreciation)</u>
Treasury Bills	8-24-76	\$ 596,740	\$ -	\$ 439	\$ 596,301	\$ 596,403	\$ 102
	8-26-76	1,374,580	-	1,192	1,373,388	1,373,421	33
	9- 2-76	385,805	-	736	385,069	385,118	49
	9- 9-76	1,327,135	-	4,021	1,323,114	1,323,530	416
	9-16-76	1,360,755	-	5,439	1,355,316	1,355,775	459
	9-21-76	801,745	-	4,277	797,468	798,239	771
	9-23-76	1,525,905	-	7,654	1,518,251	1,518,829	578
	9-30-76	1,529,035	-	9,290	1,519,745	1,520,467	722
	10- 7-76	1,054,075	-	7,492	1,046,583	1,047,048	465
	10-14-76	1,465,605	-	11,474	1,454,131	1,454,342	211
	10-19-76	854,435	-	9,188	845,247	847,258	2,011
	10-21-76	1,400,285	-	12,395	1,387,890	1,388,131	241
	10-28-76	1,419,750	-	14,212	1,405,538	1,406,008	470
	11- 4-76	1,395,890	-	15,490	1,380,400	1,380,861	461
	11-12-76	1,619,360	-	20,124	1,599,236	1,600,090	854
	11-15-76	777,100	-	11,288	765,812	767,522	1,710
	11-18-76	1,542,875	-	21,121	1,521,754	1,523,010	1,256
	11-26-76	859,000	-	13,782	845,218	846,934	1,716
	12- 2-76	687,030	-	11,623	675,407	676,749	1,342
	12- 9-76	749,600	-	13,283	736,317	737,605	1,288
	12-14-76	883,490	-	18,057	865,433	868,715	3,282
	12-16-76	827,900	-	15,437	812,463	813,816	1,353
	12-23-76	922,000	-	18,218	903,782	905,353	1,571
	12-30-76	<u>870,000</u>	<u>-</u>	<u>18,355</u>	<u>851,645</u>	<u>853,380</u>	<u>1,735</u>
Forward		\$26,230,095	\$ -	\$264,587	\$25,965,508	\$25,988,604	\$23,096

SYSTEM OPEN MARKET ACCOUNT

Schedule I
(continued)

INVENTORY AND APPRAISAL OF HOLDINGS
(In thousands)

<u>U. S. Government Securities</u>	<u>Maturity</u>	<u>Par Value</u>	<u>Premium</u>	<u>Discount</u>	<u>Book Value</u>	<u>Market Value 1/</u>	<u>Appreciation (Depreciation)</u>
Forwarded		\$26,230,095	\$ -	\$264,587	\$25,965,508	\$25,988,604	\$23,096
Treasury Bills (continued)	1- 6-77	607,000	-	13,484	593,516	594,625	1,109
	1-11-77	853,890	-	18,996	834,894	835,787	893
	1-13-77	698,200	-	15,373	682,827	683,164	337
	1-20-77	697,200	-	16,403	680,797	681,377	580
	1-27-77	750,000	-	18,301	731,699	732,167	468
	2- 3-77	821,000	-	20,833	800,167	800,548	381
	2- 8-77	675,585	-	17,976	657,609	658,219	610
	2-10-77	932,300	-	24,412	907,888	908,012	124
	2-17-77	900,000	-	24,390	875,610	875,474	(136)
	3- 8-77	913,900	-	30,269	883,631	886,229	2,598
	4- 5-77	669,480	-	24,318	645,162	646,160	998
	5- 3-77	776,130	-	31,300	744,830	745,499	669
	5-31-77	519,900	-	25,673	494,227	496,932	2,705
	6-28-77	825,960	-	43,394	782,566	785,587	3,021
	7-26-77	<u>903,870</u>	<u>-</u>	<u>49,823</u>	<u>854,047</u>	<u>855,468</u>	<u>1,421</u>
		<u>\$37,774,510</u>	<u>\$ -</u>	<u>\$639,532</u>	<u>\$37,134,978</u>	<u>\$37,173,852</u>	<u>\$38,874</u>

SYSTEM OPEN MARKET ACCOUNT

Schedule I
(continued)

INVENTORY AND APPRAISAL OF HOLDINGS
(In thousands)

<u>U. S. Government Securities</u>	<u>Maturity</u>	<u>Rate</u>	<u>Par Value</u>	<u>Premium</u>	<u>Discount</u>	<u>Book Value</u>	<u>Market Value 1/</u>	<u>Appreciation (Depreciation)</u>
Treasury Notes	8-31-76	5-7/8%	\$ 54,050	\$ -	\$ 7	\$ 54,043	\$ 54,067	\$ 24
	9-30-76	8-1/4	326,350	150	-	326,500	327,472	972
	10-31-76	6-1/2	86,870	13	-	86,883	87,033	150
	11-15-76	6-1/4	119,900	-	97	119,803	120,125	322
	11-30-76	7-1/8	135,750	14	-	135,764	136,386	622
	12-31-76	7-1/4	252,250	330	-	252,580	253,905	1,325
	2-15-77	8	2,479,990	1,819	-	2,481,809	2,508,665	26,856
	2-28-77	6	145,375	-	397	144,978	145,648	670
	3-31-77	6-1/2	469,890	-	697	469,193	471,946	2,753
	4-30-77	7-3/8	78,800	239	-	79,039	79,613	574
	5-15-77	6-7/8	480,600	78	-	480,678	484,054	3,376
	5-15-77	9	2,980,432	8,353	-	2,988,785	3,046,560	57,775
	5-31-77	6-3/4	132,275	-	244	132,031	133,143	1,112
	6-30-77	6-1/2	248,820	-	545	248,275	249,909	1,634
	7-31-77	7-1/2	59,300	136	-	59,436	60,152	716
	8-15-77	7-3/4	841,544	1,298	-	842,842	856,008	13,166
	8-31-77	8-1/4	114,030	664	-	114,694	116,560	1,866
	9-30-77	8-3/8	41,190	523	-	41,713	42,194	481
	10-31-77	7-1/2	139,990	1,117	-	141,107	142,046	939
	11-15-77	7-3/4	1,228,055	-	22	1,228,033	1,250,314	22,281
	11-30-77	6-5/8	35,650	-	17	35,633	35,806	173
	12-31-77	7-1/4	213,450	257	-	213,707	216,051	2,344
	1-31-78	6-3/8	235,850	-	336	235,514	235,924	410
	2-15-78	6-1/4	<u>2,613,100</u>	<u>1,428</u>	<u>-</u>	<u>2,614,528</u>	<u>2,608,200</u>	<u>(6,328)</u>
Forward			\$13,513,511	\$16,419	\$ 2,362	\$13,527,568	\$13,661,781	\$ 134,213

SYSTEM OPEN MARKET ACCOUNT

Schedule I
(continued)

INVENTORY AND APPRAISAL OF HOLDINGS
(In thousands)

<u>U. S. Government Securities</u>	<u>Maturity</u>	<u>Rate</u>	<u>Par Value</u>	<u>Premium</u>	<u>Discount</u>	<u>Book Value</u>	<u>Market Value I/</u>	<u>Appreciation (Depreciation)</u>
Forwarded			\$13,513,511	\$16,419	\$ 2,362	\$13,527,568	\$13,661,781	\$ 134,213
Treasury Notes (continued)	2-28-78	8 %	22,210	363	-	22,573	22,717	144
	3-31-78	6-3/4	217,500	449	-	217,949	218,384	435
	4-30-78	6-1/2	348,000	-	828	347,172	348,109	937
	5-15-78	7-1/8	887,830	-	1,048	886,782	896,431	9,649
	5-15-78	7-7/8	1,498,490	-	1,633	1,496,857	1,530,333	33,476
	5-31-78	7-1/8	149,400	118	-	149,518	150,754	1,236
	6-30-78	6-7/8	709,450	-	1,266	708,184	712,776	4,592
	7-31-78	6-7/8	71,250	378	-	71,628	71,562	(66)
	8-15-78	7-5/8	2,537,500	-	4,149	2,533,351	2,584,285	50,934
	8-15-78	8-3/4	624,520	754	-	625,274	649,696	24,422
	11-15-78	6	2,448,000	-	1,857	2,446,143	2,416,635	(29,508)
	12-31-78	8-1/8	120,700	2,376	-	123,076	124,208	1,132
	2-15-79	7	1,644,000	-	1,853	1,642,147	1,652,734	10,587
	5-15-79	7-7/8	465,202	5,313	-	470,515	477,268	6,753
	6-30-79	7-3/4	61,915	-	25	61,890	63,347	1,457
	8-15-79	6-1/4	589,788	-	1,447	588,341	581,863	(6,478)
	8-15-79	6-7/8	770,000	-	572	769,428	769,759	331
	9-30-79	8-1/2	154,255	2,110	-	156,365	161,100	4,735
	11-15-79	6-5/8	872,000	-	5,129	866,871	866,550	(321)
	11-15-79	7	343,400	-	1,331	342,069	344,473	2,404
	12-31-79	7-1/2	53,900	503	-	54,403	54,776	373
	3-31-80	7-1/2	83,380	564	-	83,944	84,683	739
	5-15-80	6-7/8	<u>5,249,903</u>	<u>-</u>	<u>21,748</u>	<u>5,228,155</u>	<u>5,233,497</u>	<u>5,342</u>
Forward			\$33,436,104	\$29,347	\$45,248	\$33,420,203	\$33,677,721	\$ 257,518

SYSTEM OPEN MARKET ACCOUNT

Schedule I
(continued)

INVENTORY AND APPRAISAL OF HOLDINGS
(In thousands)

<u>U. S. Government Securities</u>	<u>Maturity</u>	<u>Rate</u>	<u>Par Value</u>	<u>Premium</u>	<u>Discount</u>	<u>Book Value</u>	<u>Market Value 1/</u>	<u>Appreciation (Depreciation)</u>
Forwarded			\$33,436,104	\$29,347	\$45,248	\$33,420,203	\$33,677,721	\$ 257,518
Treasury Notes (continued)	6-30-80	7-5/8	149,000	951	-	149,951	151,747	1,796
	8-15-80	9	2,414,200	25,936	-	2,440,136	2,578,667	138,531
	2-15-81	7-3/8	62,300	-	25	62,275	62,728	453
	2-15-81	7	331,510	-	2,281	329,229	330,267	1,038
	2-15-81	7-3/8	699,500	-	3,232	696,268	704,309	8,041
	5-15-81	7-3/8	69,050	-	95	68,955	69,503	548
	8-15-81	7-5/8	26,000	377	-	26,377	26,390	13
	11-15-81	7-3/4	1,524,110	-	1,682	1,522,428	1,551,734	29,306
	5-15-82	8	1,407,311	818	-	1,408,129	1,447,331	39,202
	8-15-82	8-1/8	1,045,350	-	879	1,044,471	1,078,344	33,873
	11-15-82	7-7/8	601,000	-	1,166	599,834	612,832	12,998
	2-15-83	8	2,019,159	1,948	-	2,021,107	2,072,162	51,055
	5-15-86	7-7/8	618,140	499	-	618,639	623,162	4,523
	8-15-86	8	<u>1,512,105</u>	<u>600</u>	<u>-</u>	<u>1,512,705</u>	<u>1,537,149</u>	<u>24,444</u>
			<u>\$45,914,839</u>	<u>\$60,476</u>	<u>\$54,608</u>	<u>\$45,920,707</u>	<u>\$46,524,046</u>	<u>\$ 603,339</u>

SYSTEM OPEN MARKET ACCOUNT

Schedule I
(continued)

INVENTORY AND APPRAISAL OF HOLDINGS
(In thousands)

<u>U. S. Government Securities</u>	<u>Maturity</u>	<u>Rate</u>	<u>Par Value</u>	<u>Premium</u>	<u>Discount</u>	<u>Book Value</u>	<u>Market Value 1/</u>	<u>Appreciation (Depreciation)</u>
Treasury Bonds	2-15-80	4 %	\$ 261,395	\$ -	\$ 19,215	\$ 242,180	\$ 238,523	\$ (3,657)
	11-15-80	3-1/2	74,450	-	4,198	70,252	66,028	(4,224)
	8-15-81	7	122,541	128	-	122,669	121,545	(1,124)
	2-15-82	6-3/8	358,170	-	1,246	356,924	343,619	(13,305)
	6-15-1978-1983	3-1/4	86,750	-	12,236	74,514	73,250	(1,264)
	8-15-84	6-3/8	334,260	-	2,806	331,454	319,009	(12,445)
	5-15-85	3-1/4	46,800	-	4,407	42,393	39,575	(2,818)
	5-15-1975-1985	4-1/4	155,523	-	10,747	144,776	134,139	(10,637)
	11-15-86	6-1/8	310,160	-	1,922	308,238	282,052	(26,186)
	2-15-90	3-1/2	84,250	-	5,222	79,028	71,349	(7,679)
	5-15-90	8-1/4	223,300	2,983	-	226,283	231,674	5,391
	8-15-1987-1992	4-1/4	509,200	-	53,711	455,489	439,185	(16,304)
	2-15-1988-1993	4	24,300	-	940	23,360	20,701	(2,659)
	2-15-93	6-3/4	69,550	-	5,417	64,133	63,377	(756)
	8-15-1988-1993	7-1/2	298,249	-	8,860	289,389	289,488	99
	5-15-94	4-1/8	76,625	-	8,822	67,803	65,419	(2,384)
	2-15-95	3	2,100	-	359	1,741	1,777	36
	5-15-1993-1998	7	149,775	-	8,100	141,675	137,044	(4,631)
	11-15-98	3-1/2	30,750	-	3,630	27,120	26,041	(1,079)
	5-15-99	8-1/2	874,385	14,715	-	889,100	918,104	29,004
	2-15-00	7-7/8	386,065	-	7,602	378,463	383,170	4,707
	8-15-1995-2000	8-3/8	799,350	1,004	-	800,354	831,824	31,470
	8-15-1996-2001	8	300,000	-	2	299,998	301,687	1,689
	5-15-05	8-1/4	<u>833,110</u>	<u>1,281</u>	<u>-</u>	<u>834,391</u>	<u>859,145</u>	<u>24,754</u>
			<u>\$6,411,058</u>	<u>\$20,111</u>	<u>\$159,442</u>	<u>\$6,271,727</u>	<u>\$6,257,725</u>	<u>\$ (14,002)</u>

SYSTEM OPEN MARKET ACCOUNT

Schedule I
(continued)

INVENTORY AND APPRAISAL OF HOLDINGS
(In thousands)

<u>U. S. Government Agency Securities</u>	<u>Maturity</u>	<u>Rate</u>	<u>Par Value</u>	<u>Premium</u>	<u>Discount</u>	<u>Book Value</u>	<u>Market Value 1/</u>	<u>Appreciation (Depreciation)</u>
Banks for Cooperatives	9-01-76	5.45%	\$ 8,600	\$ -	\$ -	\$ 8,600	\$ 8,600	\$ 0
	10-04-76	5.80	6,000	-	-	6,000	6,004	4
	11-01-76	5.20	7,650	-	-	7,650	7,648	(2)
	12-01-76	5.80	24,000	-	-	24,000	24,015	15
	1-03-77	6.15	21,010	-	-	21,010	21,049	39
	2-01-77	5.80	5,200	-	-	5,200	5,202	2
	1-02-86	7-3/4	<u>5,525</u>	<u>-</u>	<u>43</u>	<u>5,482</u>	<u>5,470</u>	<u>(12)</u>
			<u>\$77,985</u>	<u>\$ -</u>	<u>\$ 43</u>	<u>\$77,942</u>	<u>\$77,988</u>	<u>\$ 46</u>
 Export-Import Bank of the United States	12-01-76	5.70%	\$ 23,540	\$ -	\$ 38	\$ 23,502	\$ 23,525	\$ 23
	8-02-77	6-1/4	12,195	-	113	12,082	12,195	113
	2-01-78	6.45	22,000	7	-	22,007	21,973	(34)
	8-28-78	8.35	3,000	-	3	2,997	3,086	89
	11-27-78	7.30	12,500	-	7	12,493	12,625	132
	3-07-79	7	23,000	-	432	22,568	23,029	461
	5-03-79	6.60	30,000	84	-	30,084	29,738	(346)
	2-02-82	5.10	<u>15,500</u>	<u>-</u>	<u>1,703</u>	<u>13,797</u>	<u>13,776</u>	<u>(21)</u>
			<u>\$141,735</u>	<u>\$ 91</u>	<u>\$2,296</u>	<u>\$139,530</u>	<u>\$139,947</u>	<u>\$ 417</u>

SYSTEM OPEN MARKET ACCOUNT

Schedule I
(continued)

INVENTORY AND APPRAISAL OF HOLDINGS
(In thousands)

<u>U. S. Government Agency Securities</u>	<u>Maturity</u>	<u>Rate</u>	<u>Par Value</u>	<u>Premium</u>	<u>Discount</u>	<u>Book Value</u>	<u>Market Value 1/</u>	<u>Appreciation (Depreciation)</u>
Farmers Home Administration	3-31-77	6.35%	\$ 13,499	\$ -	\$ 40	\$ 13,459	\$ 13,499	\$ 40
	6-30-77	6.45	12,492	-	101	12,391	12,508	117
	8-31-77	6-7/8	21,472	-	78	21,394	21,552	158
	12-29-77	6.55	9,125	-	54	9,071	9,091	20
	3-21-78	7.20	8,875	-	136	8,739	8,909	170
	5-12-78	7-1/4	33,916	-	116	33,800	34,043	243
	11-30-80	7	8,989	-	215	8,774	8,809	35
	3-31-81	6.40	10,506	-	340	10,166	10,033	(133)
	6-30-81	7-7/8	12,495	-	30	12,465	12,604	139
	1-04-82	7.10	15,990	-	367	15,623	15,511	(112)
	7-31-85	8-5/8	45,988	1,530	-	47,518	47,252	(266)
	12-29-87	7-1/8	2,505	-	187	2,318	2,311	(7)
	3-21-88	7.50	2,966	-	296	2,670	2,814	144
	5-12-88	7.50	10,487	-	299	10,188	9,949	(239)
	12-28-88	7-3/4	50,750	-	2,232	48,518	48,974	456
	4-23-89	9	<u>34,300</u>	<u>754</u>	<u>-</u>	<u>35,054</u>	<u>36,444</u>	<u>1,390</u>
			<u>\$294,355</u>	<u>\$2,284</u>	<u>\$4,491</u>	<u>\$292,148</u>	<u>\$294,303</u>	<u>\$2,155</u>

SYSTEM OPEN MARKET ACCOUNT

Schedule I
(continued)

INVENTORY AND APPRAISAL OF HOLDINGS
(In thousands)

<u>U. S. Government Agency Securities</u>	<u>Maturity</u>	<u>Rate</u>	<u>Par Value</u>	<u>Premium</u>	<u>Discount</u>	<u>Book Value</u>	<u>Market Value 1/</u>	<u>Appreciation (Depreciation)</u>
Federal Home Loan Bank	8-25-76	7.05%	\$ 27,175	\$ -	\$ 2	\$ 27,173	\$ 27,192	\$ 19
	8-25-76	7.80	24,225	-	-	24,225	24,225	0
	8-25-76	9.55	49,500	12	-	49,512	49,562	50
	11-26-76	8.60	37,860	82	-	37,942	38,144	202
	11-26-76	9.55	76,560	226	-	76,786	77,278	492
	2-25-77	6.15	23,550	-	87	23,463	23,594	131
	2-25-77	7.20	23,000	-	164	22,836	23,173	337
	2-25-77	8.05	27,800	17	-	27,817	28,148	331
	5-25-77	6.95	4,250	16	-	4,266	4,282	16
	5-25-77	8.70	34,980	340	-	35,320	35,680	360
	8-25-77	7.15	21,165	-	180	20,985	21,377	392
	8-25-77	8.80	114,575	343	-	114,918	117,583	2,665
	11-25-77	6-3/4	4,200	9	-	4,209	4,221	12
	11-25-77	7.45	13,015	62	-	13,077	13,178	101
	11-25-77	9.15	50,800	617	-	51,417	52,419	1,002
	2-27-78	7-1/4	30,000	3	-	30,003	30,319	316
	2-27-78	9-3/8	46,400	1,204	-	47,604	48,256	652
	5-25-78	7.60	30,400	-	499	29,901	30,894	993
	11-27-78	9.10	76,080	1,110	-	77,190	79,789	2,599
	2-26-79	8.65	90,440	-	403	90,037	93,945	3,908
	2-26-79	9.45	146,000	4,271	-	150,271	154,395	4,124
	5-25-79	8.65	71,150	703	-	71,853	73,907	2,054
	5-25-79	8-3/4	52,810	-	222	52,588	54,988	2,400
	8-27-79	9-1/2	<u>76,300</u>	<u>2,127</u>	<u>-</u>	<u>78,427</u>	<u>81,355</u>	<u>2,928</u>
Forward			\$1,152,235	\$11,142	\$ 1,557	\$1,161,820	\$ 1,187,904	\$26,084

SYSTEM OPEN MARKET ACCOUNT

Schedule I
(continued)

INVENTORY AND APPRAISAL OF HOLDINGS
(In thousands)

<u>U. S. Government Agency Securities</u>	<u>Maturity</u>	<u>Rate</u>	<u>Par Value</u>	<u>Premium</u>	<u>Discount</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Appreciation / (Depreciation)</u>
Forwarded			\$1,152,235	\$11,142	\$ 1,557	\$1,161,820	\$ 1,187,904	\$ 26,084
Federal Home Loan Bank (continued)	11-26-79	7-1/2	4,500	-	1	4,499	4,556	57
	11-26-79	8.15	38,010	317	-	38,327	39,150	823
	2-25-80	7.05	51,535	-	1,731	49,804	51,471	1,667
	2-25-80	7-3/4	43,415	954	-	44,369	44,229	(140)
	10-15-80	7.80	15,350	348	-	15,698	15,657	(41)
	11-25-80	7-3/4	34,900	89	-	34,989	35,554	565
	2-25-81	7.60	35,800	6	-	35,806	36,113	307
	11-25-81	8.65	91,870	2,789	-	94,659	96,349	1,690
	11-27-81	6.60	7,950	-	14	7,936	7,662	(274)
	2-25-82	8-5/8	80,000	183	-	80,183	83,500	3,317
	5-25-83	7.30	13,980	-	292	13,688	13,858	170
	11-25-83	7-3/8	29,260	-	504	28,756	28,821	65
	5-25-84	7-3/4	25,000	-	-	25,000	25,000	0
	5-25-84	8-3/4	68,730	1,300	-	70,030	72,252	2,222
	11-25-85	8.10	10,000	-	-	10,000	10,100	100
	11-26-93	7-3/8	<u>107,060</u>	<u>-</u>	<u>10,579</u>	<u>96,481</u>	<u>100,636</u>	<u>4,155</u>
			<u>\$1,809,595</u>	<u>\$17,128</u>	<u>\$ 14,678</u>	<u>\$1,812,045</u>	<u>\$ 1,852,812</u>	<u>\$ 40,767</u>

SYSTEM OPEN MARKET ACCOUNT

Schedule I
(continued)

INVENTORY AND APPRAISAL OF HOLDINGS
(In thousands)

<u>U. S. Government Agency Securities</u>	<u>Maturity</u>	<u>Rate</u>	<u>Par Value</u>	<u>Premium</u>	<u>Discount</u>	<u>Book Value</u>	<u>Market Value 1/</u>	<u>Appreciation (Depreciation)</u>
Federal Intermediate Credit Bank	9-01-76	6.20%	\$ 43,985	\$ 1	\$ -	\$ 43,986	\$ 43,985	\$ (1)
	10-04-76	6.55	26,200	18	-	26,218	26,233	15
	11-01-76	6.65	12,700	-	-	12,700	12,704	4
	12-01-76	5.80	20,200	-	-	20,200	20,213	13
	1-03-77	6.10	20,000	-	-	20,000	20,031	31
	2-01-77	5.60	34,640	-	-	34,640	34,618	(22)
	3-01-77	6.25	38,500	-	-	38,500	38,584	84
	4-04-77	6.50	5,500	-	-	5,500	5,522	22
	4-04-77	8.70	16,170	29	-	16,199	16,433	234
	5-02-77	6.10	37,350	-	-	37,350	37,408	58
	1-03-78	7.10	64,125	-	627	63,498	64,646	1,148
	1-02-79	7.40	42,100	-	237	41,863	42,153	290
	1-02-80	7.40	15,500	-	5	15,495	15,636	141
	1-05-81	7.90	14,250	133	-	14,383	14,535	152
	4-01-86	7.95	<u>15,300</u>	<u>-</u>	<u>-</u>	<u>15,300</u>	<u>15,319</u>	<u>19</u>
			<u>\$ 406,520</u>	<u>\$ 181</u>	<u>\$869</u>	<u>\$ 405,832</u>	<u>\$ 408,020</u>	<u>\$2,188</u>

SYSTEM OPEN MARKET ACCOUNT

Schedule I
(continued)

INVENTORY AND APPRAISAL OF HOLDINGS
(In thousands)

<u>U. S. Government Agency Securities</u>	<u>Maturity</u>	<u>Rate</u>	<u>Par Value</u>	<u>Premium</u>	<u>Discount</u>	<u>Book Value</u>	<u>Market Value 1/</u>	<u>Appreciation (Depreciation)</u>
Federal Land Bank	10-20-76	7.15%	\$ 40,690	\$ -	\$ 55	\$ 40,635	\$ 40,779	\$ 144
	10-20-76	7.20	650	1	-	651	651	0
	1-20-77	7.45	8,650	-	1	8,649	8,715	66
	4-20-77	8.25	45,500	-	69	45,431	46,239	808
	7-20-77	6.25	6,000	-	-	6,000	6,011	11
	7-20-77	7.50	45,670	-	126	45,544	46,269	725
	10-20-77	6.35	28,900	-	104	28,796	28,918	122
	10-20-77	6.60	29,250	5	-	29,255	29,360	105
	10-20-77	6.70	16,150	-	-	16,150	16,241	91
	1-23-78	8.70	40,861	319	-	41,180	42,036	856
	4-20-78	7.60	5,980	17	-	5,997	6,077	80
	7-20-78	6.40	2,000	2	-	2,002	1,993	(9)
	7-20-78	9.15	8,700	329	-	9,029	9,070	41
	10-19-78	7.35	24,500	-	158	24,342	24,745	403
	1-22-79	5.00	18,570	-	851	17,719	17,804	85
	1-22-79	7.10	6,900	-	191	6,709	6,935	226
	4-23-79	6.85	11,450	42	-	11,492	11,436	(56)
	4-23-79	8.55	21,000	291	-	21,291	21,788	497
	7-23-79	7.15	36,216	-	1,080	35,136	36,397	1,261
	10-23-79	6.80	45,043	-	898	44,145	44,705	560
	1-21-80	6.70	8,650	-	266	8,384	8,542	158
	4-21-80	7.35	25,625	-	44	25,581	25,721	140
	7-21-80	7.50	3,150	-	57	3,093	3,185	92
	10-20-80	8.70	<u>86,100</u>	<u>2,308</u>	<u>-</u>	<u>88,408</u>	<u>90,190</u>	<u>1,782</u>
Forward			\$ 566,205	\$ 3,314	\$ 3,900	\$ 565,619	\$ 573,807	\$ 8,188

SYSTEM OPEN MARKET ACCOUNT

Schedule I
(continued)

INVENTORY AND APPRAISAL OF HOLDINGS
(In thousands)

<u>U. S. Government Agency Securities</u>	<u>Maturity</u>	<u>Rate</u>	<u>Par Value</u>	<u>Premium</u>	<u>Discount</u>	<u>Book Value</u>	<u>Market Value 1/</u>	<u>Appreciation (Depreciation)</u>
Forwarded			\$ 566,205	\$ 3,314	\$ 3,900	\$ 565,619	\$ 573,807	\$ 8,188
Federal Land Bank (continued)	4-20-81	6.70%	4,800	-	213	4,587	4,686	99
	7-20-81	9.10	35,950	1,338	-	37,288	38,197	909
	10-20-81	7.45	9,000	-	20	8,980	9,011	31
	1-20-82	7.80	83,500	425	-	83,925	84,544	619
	4-20-82	6.90	7,000	-	268	6,732	6,816	84
	10-20-82	7.30	47,450	31	-	47,481	46,916	(565)
	1-20-83	8.20	5,000	98	-	5,098	5,119	21
	10-20-83	7.30	33,435	-	1,117	32,318	32,850	532
	7-22-85	8.10	6,500	52	-	6,552	6,581	29
	10-21-85	7.95	13,000	-	-	13,000	13,033	33
	10-21-85	8.80	51,595	2,146	-	53,741	54,368	627
	1-20-88	7.85	37,600	-	407	37,193	37,365	172
	4-22-91	7.95	<u>8,690</u>	<u>-</u>	<u>97</u>	<u>8,593</u>	<u>8,674</u>	<u>81</u>
			<u>\$ 909,725</u>	<u>\$ 7,404</u>	<u>\$ 6,022</u>	<u>\$ 911,107</u>	<u>\$ 921,967</u>	<u>\$ 10,860</u>

SYSTEM OPEN MARKET ACCOUNT

Schedule I
(continued)

INVENTORY AND APPRAISAL OF HOLDINGS
(In thousands)

<u>U. S. Government Agency Securities</u>	<u>Maturity</u>	<u>Rate</u>	<u>Par Value</u>	<u>Premium</u>	<u>Discount</u>	<u>Book Value</u>	<u>Market Value 1/</u>	<u>Appreciation (Depreciation)</u>
Federal National Mortgage Association	9-10-76	5.85%	\$ 47,030	\$ -	\$ 36	\$ 46,994	\$ 47,045	\$ 51
	9-10-76	6.125	30,030	-	4	30,026	30,039	13
	9-10-76	7.50	4,470	2	-	4,472	4,473	1
	12-10-76	6.25	28,205	-	102	28,103	28,240	137
	12-10-76	7.45	35,700	22	-	35,722	35,879	157
	12-10-76	8.45	75,060	-	2	75,058	75,623	565
	3-10-77	6.30	45,950	-	255	45,695	46,065	370
	3-10-77	7.05	31,980	-	144	31,836	32,180	344
	3-10-77	8.30	44,450	23	-	44,473	45,033	560
	6-10-77	6.375	13,850	-	77	13,773	13,885	112
	6-10-77	7.20	56,650	-	228	56,422	57,181	759
	9-12-77	6.875	38,915	131	-	39,046	39,183	137
	9-12-77	7.375	18,040	24	-	18,064	18,243	179
	9-12-77	7.85	68,340	18	-	68,358	69,451	1,093
	12-12-77	7.25	40,100	-	140	39,960	40,476	516
	12-12-77	7.55	58,010	55	-	58,065	58,808	743
	3-10-78	8.45	136,490	-	987	135,503	140,243	4,740
	3-10-78	6.70	32,675	-	102	32,573	32,736	163
	6-12-78	7.15	81,575	-	1,612	79,963	82,136	2,173
	6-12-78	7.45	16,100	-	8	16,092	16,301	209
	9-11-78	7.15	57,415	-	882	56,533	57,846	1,313
	9-11-78	7.45	28,000	-	-	28,000	28,350	350
	12-11-78	6.75	45,000	209	-	45,209	44,944	(265)
	12-11-78	8.95	<u>17,900</u>	<u>155</u>	<u>-</u>	<u>18,055</u>	<u>18,706</u>	<u>651</u>
Forward			\$1,051,935	\$ 639	\$ 4,579	\$1,047,995	\$1,063,066	\$15,071

SYSTEM OPEN MARKET ACCOUNT

Schedule I
(continued)

INVENTORY AND APPRAISAL OF HOLDINGS
(In thousands)

<u>U. S. Government Agency Securities</u>	<u>Maturity</u>	<u>Rate</u>	<u>Par Value</u>	<u>Premium</u>	<u>Discount</u>	<u>Book Value</u>	<u>Market Value 1/</u>	<u>Appreciation (Depreciation)</u>
Forwarded			\$1,051,935	\$ 639	\$ 4,579	\$1,047,995	\$1,063,066	\$15,071
Federal National Mortgage Association (continued)	3-12-79	7.25	45,665	-	517	45,148	45,950	802
	6-11-79	7.85	62,100	690	-	62,790	63,420	630
	6-11-79	9.80	134,055	4,659	-	138,714	143,271	4,557
	9-10-79	6.40	16,515	-	391	16,124	16,205	81
	9-10-79	7.80	60,250	195	-	60,445	61,455	1,010
	10-10-79	8.50	16,300	333	-	16,633	16,952	319
	12-10-79	6.55	35,800	-	874	34,926	35,218	292
	12-10-79	7.75	26,425	-	117	26,308	26,920	612
	3-10-80	6.875	16,765	-	392	16,373	16,660	287
	3-10-80	7.25	68,500	-	279	68,221	68,671	450
	4-10-80	7.375	16,150	-	120	16,030	16,271	241
	6-10-80	8.50	76,450	-	955	75,495	79,412	3,917
	9-10-80	7.50	61,810	-	710	61,100	62,196	1,096
	9-10-80	8.75	100,800	613	-	101,413	105,462	4,049
	12-10-80	8.00	27,800	99	-	27,899	28,391	492
	12-10-80	6.60	42,770	-	1,422	41,348	41,594	246
	3-10-81	7.05	12,300	-	359	11,941	12,177	236
	6-10-81	7.25	22,620	171	-	22,791	22,563	(228)
	6-10-81	7.95	38,000	-	-	38,000	38,808	808
	9-10-81	7.25	30,780	410	-	31,190	30,626	(564)
	9-10-81	9.70	76,620	4,172	-	80,792	83,228	2,436
	12-10-81	7.30	<u>31,705</u>	<u>-</u>	<u>1,193</u>	<u>30,512</u>	<u>31,546</u>	<u>1,034</u>
Forward			\$2,072,115	\$11,981	\$11,908	\$2,072,188	\$2,110,062	\$37,874

SYSTEM OPEN MARKET ACCOUNT

Schedule I
(continued)

INVENTORY AND APPRAISAL OF HOLDINGS
(In thousands)

<u>U. S. Government Agency Securities</u>	<u>Maturity</u>	<u>Rate</u>	<u>Par Value</u>	<u>Premium</u>	<u>Discount</u>	<u>Book Value</u>	<u>Market Value</u> ^{1/}	<u>Appreciation (Depreciation)</u>
Forwarded			\$2,072,115	\$11,981	\$11,908	\$2,072,188	\$2,110,062	\$37,874
Federal National Mortgage Association (continued)	3-10-82	8.875	46,900	1,083	-	47,983	49,538	1,555
	6-10-82	6.65	14,910	-	396	14,514	14,276	(238)
	9-10-82	6.80	13,500	-	516	12,984	12,977	(7)
	10-11-82	8.60	40,050	1,073	-	41,123	41,902	779
	12-10-82	7.35	63,870	-	2,007	61,863	63,072	1,209
	3-10-83	7.75	66,265	-	28	66,237	66,431	194
	6-10-83	6.75	20,580	-	571	20,009	19,577	(432)
	6-10-83	7.30	60,505	-	2,643	57,862	59,371	1,509
	6-10-83	8.10	22,000	-	-	22,000	22,385	385
	9-12-83	6.75	49,925	-	890	49,035	47,491	(1,544)
	12-12-83	8.00	18,970	-	370	18,600	19,183	583
	12-12-83	8.40	15,500	132	-	15,632	15,965	333
	6-11-84	6.25	16,630	-	738	15,892	15,029	(863)
	7-10-84	8.20	7,300	50	-	7,350	7,437	87
	9-10-84	7.95	64,050	-	560	63,490	64,210	720
	12-10-84	6.90	39,580	-	68	39,512	37,552	(1,960)
	3-11-85	7.65	66,070	-	1,103	64,967	65,079	112
	2-10-86	8.15	5,300	-	2	5,298	5,340	42
	10-01-90	8.625	58,300	1,456	-	59,756	60,195	439
	3-10-92	7.00	42,030	-	2,922	39,108	38,510	(598)
	6-10-92	7.05	31,100	-	2,849	28,251	28,612	361
	10-01-97	7.40	46,150	-	3,403	42,747	42,458	(289)
	12-10-97	7.10	<u>26,195</u>	<u>-</u>	<u>3,353</u>	<u>22,842</u>	<u>23,576</u>	<u>734</u>
			<u>\$2,907,795</u>	<u>\$15,775</u>	<u>\$34,327</u>	<u>\$2,889,243</u>	<u>\$2,930,228</u>	<u>\$40,985</u>

SYSTEM OPEN MARKET ACCOUNT

Schedule I
(continued)

INVENTORY AND APPRAISAL OF HOLDINGS
(In thousands)

<u>U. S. Government Agency Securities</u>	<u>Maturity</u>	<u>Rate</u>	<u>Par Value</u>	<u>Premium</u>	<u>Discount</u>	<u>Book Value</u>	<u>Market Value 1/</u>	<u>Appreciation (Depreciation)</u>
General Services Administration	12-15-02	7.15%	\$14,350	\$ -	\$1,985	\$12,365	\$12,789	\$ 424
			<u>\$14,350</u>	<u>\$ -</u>	<u>\$1,985</u>	<u>\$12,365</u>	<u>\$12,789</u>	<u>\$ 424</u>
Government National Mortgage Association	1-19-77	5.20%	\$ 3,300	\$ -	\$ 15	\$ 3,285	\$ 3,290	\$ 5
	8-14-78	6.125	3,800	-	52	3,748	3,743	(5)
	1-19-82	5.20	15,590	-	1,388	14,202	14,031	(171)
	4-06-87	5.10	4,950	-	706	4,244	4,010	(234)
	12-11-87	6.40	10,460	-	745	9,715	9,283	(432)
	2-01-88	6.05	20,500	-	2,170	18,330	17,630	(700)
	4-08-88	6.45	19,995	-	1,782	18,213	17,796	(417)
	8-12-88	6.20	<u>10,450</u>	<u>-</u>	<u>838</u>	<u>9,612</u>	<u>9,078</u>	<u>(534)</u>
			<u>\$89,045</u>	<u>\$ -</u>	<u>\$7,696</u>	<u>\$81,349</u>	<u>\$78,861</u>	<u>\$(2,488)</u>
U. S. Postal Service	2-01-97	6.875%	\$37,055	\$ -	\$3,332	\$33,723	\$31,497	\$(2,226)
			<u>\$37,055</u>	<u>\$ -</u>	<u>\$3,332</u>	<u>\$33,723</u>	<u>\$31,497</u>	<u>\$(2,226)</u>
Washington Metropolitan Area Transit Authority	7-01-12	7.30	\$ 44,950	\$ -	\$4,698	\$ 40,252	\$ 40,511	\$ 259
	7-01-12	7.35	35,410	-	3,907	31,503	32,090	587
	7-01-14	8.15	<u>36,410</u>	<u>-</u>	<u>1,284</u>	<u>35,126</u>	<u>36,410</u>	<u>1,284</u>
				<u>\$116,770</u>	<u>\$ -</u>	<u>\$9,889</u>	<u>\$106,881</u>	<u>\$109,011</u>

SYSTEM OPEN MARKET ACCOUNT

Schedule I
(continued)

RECAPITULATION

INVENTORY AND APPRAISAL OF HOLDINGS
(In thousands)

U. S. Government Securities	Per Cent	Par Value	Premium	Discount	Book Value	Market Value 1/	Appreciation (Depreciation)
Treasury Bills	39.0	\$37,774,510	\$ -	\$639,532	\$37,134,978	\$37,173,852	\$ 38,874
Treasury Notes	47.4	45,914,839	60,476	54,608	45,920,707	46,524,046	603,339
Treasury Bonds	6.6	6,411,058	20,111	159,442	6,271,727	6,257,725	(14,002)
		<u>\$90,100,407</u>	<u>\$ 80,587</u>	<u>\$853,582</u>	<u>\$89,327,412</u>	<u>\$89,955,623</u>	<u>\$628,211</u>
Banks for Cooperatives		\$ 77,985	\$ -	\$ 43	\$ 77,942	\$ 77,988	\$ 46
Export-Import Bank of the United States		141,735	91	2,296	139,530	139,947	417
Farmers Home Administration		294,355	2,284	4,491	292,148	294,303	2,155
Federal Home Loan Bank		1,809,595	17,128	14,678	1,812,045	1,852,812	40,767
Federal Intermediate Credit Bank		406,520	181	869	405,832	408,020	2,188
Federal Land Bank		909,725	7,404	6,022	911,107	921,967	10,860
Federal National Mortgage Association		2,907,795	15,775	34,327	2,889,243	2,930,228	40,985
General Services Administration		14,350	-	1,985	12,365	12,789	424
Government National Mortgage Association		89,045	-	7,696	81,349	78,861	(2,488)
U. S. Postal Service		37,055	-	3,332	33,723	31,497	(2,226)
Washington Metropolitan Area Transit Authority		116,770	-	9,889	106,881	109,011	2,130
	<u>7.0</u>	<u>\$ 6,804,930</u>	<u>\$ 42,863</u>	<u>\$ 85,628</u>	<u>\$ 6,762,165</u>	<u>\$ 6,857,423</u>	<u>\$ 95,258</u>
	<u>100.</u>	<u>\$96,905,337</u>	<u>\$123,450</u>	<u>\$939,210</u>	<u>\$96,089,577</u>	<u>\$96,813,046</u>	<u>\$723,469</u>

SYSTEM OPEN MARKET ACCOUNT

Schedule I
(continued)

INVENTORY AND APPRAISAL OF HOLDINGS
(In thousands)

<u>U. S. Government Securities</u>	<u>Per Cent</u>	<u>Par Value</u>	<u>Premium</u>	<u>Discount</u>	<u>Book Value</u>	<u>Market Value</u> ^{1/}	<u>Appreciation (Depreciation)</u>
Less than 6 months	38.6	\$37,363,260	\$ 2,690	\$435,114	\$36,930,836	\$36,990,592	\$ 59,756
6 months to 1 year	10.9	10,585,612	10,529	208,064	10,388,077	10,486,797	98,720
1 to 2 years	13.2	12,783,419	9,196	13,994	12,778,621	12,945,618	166,997
2 to 5 years	21.5	20,856,473	59,503	79,092	20,836,884	21,055,464	218,580
5 to 10 years	10.3	9,962,901	19,339	52,210	9,930,030	10,042,978	112,948
Over 10 years	<u>5.5</u>	<u>5,353,672</u>	<u>22,193</u>	<u>150,736</u>	<u>5,225,129</u>	<u>5,291,597</u>	<u>66,468</u>
	<u>100.</u>	<u>\$96,905,337</u>	<u>\$123,450</u>	<u>\$939,210</u>	<u>\$96,089,577</u>	<u>\$96,813,046</u>	<u>\$723,469</u>

^{1/}

Market value computed at the midpoint between dealers bid and asked prices at closing August 20, 1976.

SYSTEM OPEN MARKET ACCOUNT

Schedule II

PARTICIPATIONS OF THE FEDERAL RESERVE BANKS IN U. S. TREASURY AND
GOVERNMENT AGENCY SECURITIES BY CLASS OF SECURITY

(In thousands)

At the close of business August 20, 1976

	<u>Bills</u>	<u>Notes</u>	<u>Bonds</u>	<u>Agencies</u>	<u>Total</u>	<u>Per cent</u>
Federal Reserve Bank-						
Boston	\$ 1,745,648	\$ 2,121,771	\$ 296,263	\$ 314,463	\$ 4,478,145	4.6
New York	8,884,838	10,799,538	1,507,929	1,600,575	22,792,880	23.5
Philadelphia	2,095,851	2,547,539	355,711	377,565	5,376,666	5.5
Cleveland	3,114,508	3,785,724	528,598	561,073	7,989,903	8.2
Richmond	3,031,933	3,685,263	514,570	546,184	7,777,950	8.0
Atlanta	2,023,364	2,459,428	343,408	364,506	5,190,706	5.4
Chicago	6,049,031	7,352,619	1,026,642	1,089,714	15,518,006	16.0
St. Louis	1,540,146	1,871,993	261,386	277,444	3,950,969	4.1
Minneapolis	863,704	1,049,797	146,582	155,588	2,215,671	2.3
Kansas City	1,495,193	1,817,401	253,763	269,352	3,835,709	4.0
Dallas	1,794,217	2,180,863	304,513	323,220	4,602,813	4.8
San Francisco	<u>5,136,077</u>	<u>6,242,903</u>	<u>871,693</u>	<u>925,246</u>	<u>13,175,919</u>	<u>13.6</u>
	<u>\$37,774,510</u>	<u>\$45,914,839</u>	<u>\$6,411,058</u>	<u>\$6,804,930</u>	<u>\$96,905,337</u>	<u>100.</u>

SYSTEM OPEN MARKET ACCOUNT

Schedule III

PARTICIPATIONS OF THE FEDERAL RESERVE BANKS IN THE ACCOUNT
(In thousands)

At the close of business August 20, 1976

	<u>Assets</u>						<u>Liabilities</u>	<u>Participations-</u>	
	<u>U. S. Government securities-</u>			<u>Accrued</u>	<u>Premium</u>	<u>Total</u>	<u>Discount</u>	<u>net</u>	
	<u>at par value</u>							<u>Interest</u>	<u>Amount</u>
	<u>Pledged</u>	<u>Unpledged</u>	<u>Total</u>						
Federal Reserve Bank-									
Boston	\$ 3,675,000	\$ 803,145	\$ 4,478,145	\$ 34,360	\$ 5,705	\$ 40,065	\$ 43,402	\$ 4,474,808	4.6
New York	18,250,000	4,542,880	22,792,880	174,888	29,037	203,925	220,910	22,775,895	23.5
Philadelphia	4,500,000	876,666	5,376,666	41,255	6,849	48,104	52,111	5,372,659	5.5
Cleveland	6,360,000	1,629,903	7,989,903	61,306	10,179	71,485	77,439	7,983,949	8.2
Richmond	6,675,000	1,102,950	7,777,950	59,679	9,908	69,587	75,384	7,772,153	8.0
Atlanta	4,000,000	1,190,706	5,190,706	39,828	6,613	46,441	50,309	5,186,838	5.4
Chicago	12,000,000	3,518,006	15,518,006	119,069	19,769	138,838	150,401	15,506,443	16.0
St. Louis	3,250,000	700,969	3,950,969	30,315	5,033	35,348	38,292	3,948,025	4.1
Minneapolis	1,610,000	605,671	2,215,671	17,001	2,822	19,823	21,474	2,214,020	2.3
Kansas City	2,700,000	1,135,709	3,835,709	29,431	4,886	34,317	37,176	3,832,850	4.0
Dallas	3,010,000	1,592,813	4,602,813	35,317	5,864	41,181	44,611	4,599,383	4.8
San Francisco	<u>8,900,000</u>	<u>4,275,919</u>	<u>13,175,919</u>	<u>101,098</u>	<u>16,785</u>	<u>117,883</u>	<u>127,701</u>	<u>13,166,101</u>	<u>13.6</u>
	<u>\$74,930,000</u>	<u>\$21,975,337</u>	<u>\$96,905,337</u>	<u>\$743,547</u>	<u>\$123,450</u>	<u>\$866,997</u>	<u>\$939,210</u>	<u>\$96,833,124</u>	<u>100.</u>