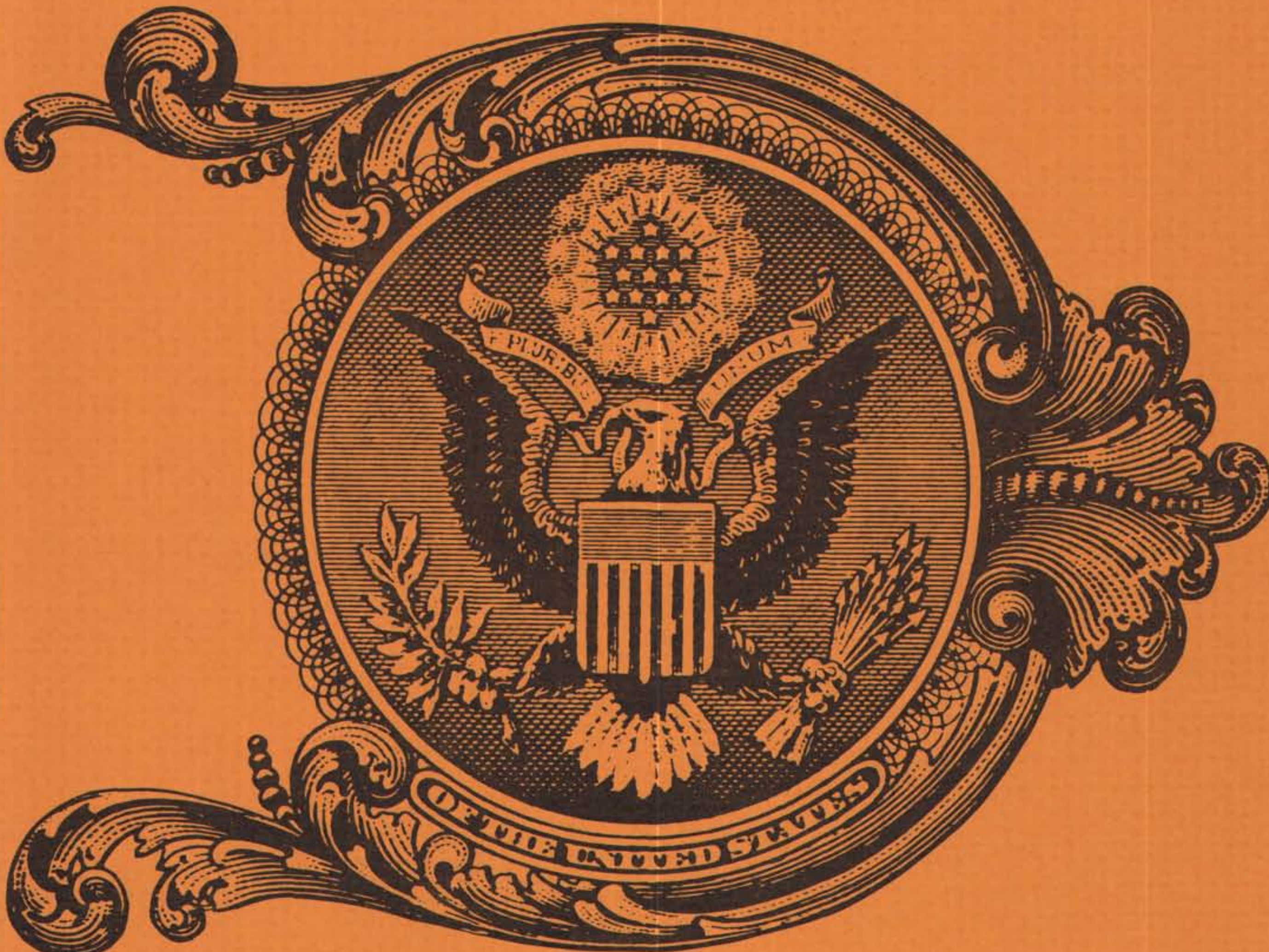

1973 Federal Reserve Bank of Dallas

Federal Reserve Bank of Dallas

**To the Member Banks in the
Eleventh Federal Reserve District:**

The year 1973 concluded on a note of prosperity in the midst of rising political and economic uncertainties and unstable international relationships. Its passing may not be mourned, but most people still enjoyed a very high standard of living and steady employment.

Meeting the challenges ahead, however, will clearly require the best from all of us. Government policies will need to be formulated and executed with extreme care and almost perfect precision. Businesses will need to cooperate on energy-saving programs while maintaining production and enlarging their productive capacities. Labor groups will need to approach the new wage talks in a spirit of moderation, giving the public interest high priority in their negotiations. Finally, the public will need to maintain a balanced perspective, keeping confidence in our economic system and refraining from speculative stockpiling of commodities in short supply.

The year ahead can be one of brilliant accomplishment against adversity if we just remain calmly confident and direct our efforts toward meeting our primary challenges. The following article gives some personal perspective on certain high-priority challenges ahead.

The statement of condition, earnings and expenses, and volume data on operations of the Federal Reserve Bank of Dallas for 1973, with comparative figures for 1972, are also shown in this report. In addition, lists of the directors and officers of the Bank and its branches as of January 1, 1974, are included.

My associates and I wish you a prosperous New Year and thank you for your excellent cooperation during 1973.

Sincerely yours,

P. E. Coldwell

P. E. COLDWELL
President

THE NATION'S PRIORITIES

Shortages of energy and raw materials, disruptions of production and distribution, wage-price problems, and destabilizing international relationships are among the foremost economic and financial topics of early 1974. Each has its own advocates as the primary problem of the coming year, and each may, indeed, have an important influence on some phase of our nation's future. It may be difficult to maintain a broad perspective of the nation's economic posture in the midst of the clamoring about the energy shortage, but concentrating on the longer-term view of our problems is probably the best approach at the start of this new year. If we are to approach our challenges rationally, our nation needs to establish priorities for the coming year. This report will suggest four broad areas as the top-priority challenges toward which to direct our national attention and efforts in 1974.

An annual report usually takes a retrospective look at accomplishments and failures in the previous year. This report will, to a minor extent, draw on the events of 1973, but it looks forward, to a much larger degree, to the challenges, problems, and priorities for 1974. In a relatively short document, it is, obviously, impossible to review all of the myriad forces impacting on our economic and financial prospects; so, the concentration will be on financial matters of special significance to the nation at the beginning of the new year. However, a generalized economic setting is necessary to evaluate the forces of financial significance.

Our nation experienced its most productive year in history in 1973, with gross national product up more than 11 percent and employment at a record level. Consumers spent freely from their sharply advancing incomes and, in addition, borrowed heavily to satisfy their demands for more of the good things in life. Industrial activities pushed against the limits of capacity, with industrial production for the year averaging about 9 percent above that for 1972, and a capital spending boom of major proportions began to develop from these capacity limitations. So strong was the economic acceleration that severe measures were necessary to curtail the boom. A steady reduction in fiscal stimulus, a more restrictive monetary policy with higher interest rates, and even wage-price controls were used to dampen the forward thrust of the economy.

In only a few selected areas were there evidences of significant curtailment during 1973. The termination of the Vietnam war reduced defense spending; higher interest rates, shortages of credit, and higher prices reduced housing construction; and the rising cost of credit held down the growth of new businesses. One can readily recognize the problems created for potential home buyers, construction workers, and thrift institutions that largely service the housing industry. If the massive credit demands from this industry had been added to the insistent demands of others, they would have created an intolerable burden. Even with the reduced level of credit accommodation to the housing industry, there was too much credit demand, which, when met with efforts to restrain the supply, caused a major upward move in rates.

The basically prosperous course of the nation in 1973 was marred by a virulent, advancing inflation that permeated the whole economy. While 1972 had shown some lessening of inflation, the wage-price restraints embodied in Phase III permitted a sharp upward price movement—particularly in the agricultural industry, which was coping with the combination of worldwide shortages of meat and grain supplies and accelerating international demands stemming from depreciation of the dollar and rising incomes of foreigners. Supply disruptions and shortages accentuated the food problem until early fall, and, despite some declines after that, raw agricultural product prices advanced more than 30 percent over the previous year.

Just as the nation began to see some glimmer of hope for future price relief, prospects for an energy shortage became visible and prices of many products rose again. The energy cost advance of late 1973, partly occasioned by heavy stockpiling of fuel, reached over 30 percent. The ramifying effects, both from panic-induced inventory buying and from energy shortage production disruptions, fostered shortages of other raw materials and their resulting higher prices. Measured by the consumer price index, prices rose over 8 percent in 1973, led by the rapid agricultural price advances in the first half and the energy cost increases in the final quarter.

Unfortunately, these primary inflationary pressures originated in developments generally difficult to contain by short-run constraints of fiscal or monetary policy. The economic stabilization efforts of the Treasury and the Federal Reserve were influential in reducing the availability of credit and raising its cost and, thus, were of considerable importance in dampening the boom in credit-supported real estate and securities speculation. To some extent, however, these restraints were counterproductive in the agriculture and energy fields, for in both areas the problem was one of supply limitations that forced higher prices. Furthermore, time lags necessary for alleviation of the supply shortages are fairly long in both industries.

On the supply side, then, the traditional credit restraints had little beneficial influence, and perhaps a negative effect. On the demand side, where credit constraints might limit consumer credit and, thus, consumer purchases, the traditional restraints were also largely impotent, mainly because the demand for food and energy is relatively inelastic.

Given the recognized insufficiency of general aggregate controls on both the demand and supply of these two commodities, our nation turned to stronger direct wage and price controls and, eventually, a form of allocation. Even these measures failed to contain the upward price pressures as demand outran the available supply.

As we turned the corner to the new year, the United States faced many old and new problems but especially one that occurs time and again—the inflation of costs and prices. It is small comfort that almost all other industrialized nations face an even greater inflationary problem or that our postwar record on annual inflation rates is better than most.

The inflation of 1973 added at least $60 billion to the prices of goods and services without a commensurate improvement in quality. To many wage earners, the inflation meant no reward for increased productivity and, to all wage earners, an erosion of purchasing power. To retired people and others on fixed incomes, inflation meant an actual decline in their standard of living.

For the nation as a whole, the disruptions, misallocations, and inefficiencies of inflation-induced business and consumer decisions may be the most costly of all. If a businessman believes his costs of basic materials will rise over the coming months, this will be reflected in his decisions on capital expenditures, stockpiling of short supplies, credit demand, and higher prices for his own product. With this situation multiplied by like situations for the myriad other businesses, the result is a self-fulfilling prophecy of higher prices for all. The consumer may also see the handwriting on the wall and begins to make purchases to cushion the effects of coming price increases. Also, to the extent possible, he curtails expenditures elsewhere or demands higher wages beyond productivity advances to compensate for past and projected cost-of-living increases.

As each economic unit anticipates further cost advances, the pressures for these advances multiply. Also, the usual allocation of spendable funds is distorted to protect against the next round of price increases. Such protective action stimulates greater speculation in land, jewelry, hard metals, and the futures markets in commodities. Scarce supplies of credit are diverted from normal productive channels into stockpiling or speculative hoarding, thus aggravating the inflationary process.

One might be tempted to recommend a major retrenchment to interrupt the inflationary spiral, but such a policy could create serious problems of unemployment and bankruptcies as our debt-supported economic system contracts. Since crash policy actions could potentially lead to widespread changes in our political and economic system, slower corrective measures are both more desirable and more practical. Nevertheless, among the 1974 priorities, a strong attack on the causes of inflation should rank very near the top.

Sorting out the nation's priorities in the midst of a general slowing of activity reflecting not only supply shortages of both energy and raw materials but also the lagged effects of credit restraint will require a delicate balancing of economic and financial policies. As the magnitude of the energy shortfall becomes more visible and the degree of response needed to curtail demand to stay within available supplies becomes clearer, policymakers can begin to assess the economic significance of the necessary measures. In the present state of dim visibility of this problem, it appears singularly unwise to take strong policy measures to restimulate an economy that has just seen a traumatic inflationary spiral. Restimulation could reinforce the already strong price pressures without significantly contributing to alleviation of the disruptions from energy shortages.

On the other hand, accentuating monetary and fiscal restraints in the face of a possible new set of economic circumstances would seem equally inappropriate. Thus, for most economic policymakers, a wait-and-see attitude with great flexibility may be the most desirable short-run course. This recognizes that sharply easier credit may merely provide the wherewithal to bid up prices in shortage areas and that fiscal policies leading to a broad restimulation could compete with private efforts to raise capital for capacity expansion.

Two important elements may have been underestimated in the analysis of our inflationary problems—the impact of a coincident cyclical position of most of the major industrialized countries and the breakdown of the financial mechanism for international settlements. For many years, the industrial countries have been in offsetting cyclical phases so that excessive economic growth and inflation in one were not reinforced by similar trends in the others. Instead, recessions or periods of slow growth in some countries offset major expansions in other countries, thereby helping to dampen worldwide demand and keep the international pressures on prices within bounds. Unfortunately, this has not been the case over the past two years, and world demand for virtually all raw materials, food, energy, and manufactured products has accelerated rapidly.

One common element inducing this cyclical uniformity may have been the 1971 breakdown of the international payments mechanism. When the United States suspended convertibility of the dollar into gold, the Bretton Woods system collapsed. Even the subsequent Smithsonian Agreement and the central rate arrangements of early 1973 failed to reestablish a viable, dependable, and supportable system of international payments. In fact, virtually all the major currencies of the world are floating, with individual floats for some countries, such as Japan and Canada, and joint floats for several of the Common Market countries.

The American dollar thus floats against other major currencies, and exchange rates move up and down, partly in accord with market supply and demand. Intervention by the central banks since July has helped to stabilize rate movements but has failed to provide the certainty needed for strong confidence in currency values. This lack of confidence and the heavy overhang of U.S. dollars in foreign hands have been important factors keeping the world financial community on edge. Lacking confidence in the major currencies, businesses and consumers have adopted protective policies designed to insulate themselves against large losses from exchange rate moves. While it is difficult to document, one can envision the possibility of these moves forming a primary upward thrust in prices that is reinforced as goods and services and capital move from one country to another.

The impact on world trading patterns has already become evident, with purchasers shifting from one country to another as exchange rate relationships change the relative attractiveness of individual product prices. In this world of uncertain currency values and relationships, the distrust of currencies has been sharply accentuated and nations, like individuals, have taken actions to protect against adverse price movements. To a considerable extent, these actions have increased the pressures for change and these pressures, in turn, have been reflected in exchange rates. As the nations of the world become even more dependent on one another for raw materials, markets, and even financing, a unifying, confidence-inspiring international payments mechanism becomes an overriding necessity. Without it, the destabilizing action of one major country can upset relationships for all and effective world demand for raw materials and manufactured products can shift in a devastating manner.

One may be tempted to overemphasize the importance of a new, fully supportable international payments mechanism as a prime element in encouraging a return to international price stability. It should be recognized that the developing shortages of energy and raw materials will not be alleviated by just market or financial stability. However, while it is not a cure-all for the world's economic problems and will call for difficult political negotiations, the development of a new international financial mechanism should occupy a high-level position in the list of our priorities for 1974.

The ravages of inflation and the counter moves against it, coupled with the effects of energy and raw material shortages, have begun to move the United States toward a somewhat higher level of unemployment. The fundamental causes of change are presently indeterminate, but the margin of change is likely to be a small percentage of the labor force. Policy reaction to rising unemployment often has been to force restimulation of the economy regardless of the fundamental causes of the additional unemployment. Such policies have uniformly restimulated inflation as well and, thus, penalized the population as a whole to permit reemployment of a relatively small proportion of workers. There is a possibility that in coming months, some additional unemployment may develop from the energy shortages or other supply problems. A broad policy move to restimulate the economy to cope with this development would seem unwise at present. On the other hand, one cannot turn his back on the unemployed, not only for humane reasons but also because of the social and economic cost of unused resources.

Alternative solutions to the structural or longer-range unemployment problems in the United States have been suggested for many years, including the concept that the federal government should be "the employer of last resort." Efforts have been made to improve mobility and retrain workers in productive skills as a means of reemploying workers from industries that have retrenched or become obsolete. Our nation should not overlook the possibility of greater local responsibility for employment of the structurally unemployed, even if the funding must come from a central government source. Virtually all local governments have some projects that are deferred because of lack of funds and available trained employees. If the unemployed could be channeled into these projects, it would seem more desirable to assign the responsibility at a local level. In periods of severe recession, the central government probably will be required to supply additional funds and, perhaps, even central direction of projects. But since unemployment is so diverse in its composition and location, alleviating action should be equally diversified and specialized. Therefore, it seems that our list of priorities should include a new approach to alleviating unemployment that will not impose a major inflationary penalty on the country as a whole.

Finally, another priority of considerable importance to the ongoing of our nation in 1974 is a return to free-market allocation and pricing. Over the past two years, we have experimented with nonwartime use of broad wage-price controls. While hard to document, it may be reasonable to conclude from our recent experience that federal dictation of wages and prices is both an uneconomic and an inefficient method of achieving our nation's objectives. To some considerable extent, the shortages of food, fiber, and energy might be attributed to the dislocations created by wage-price controls; and if this country is to return to a period of stability without a change in its form of government, wage-price controls need to be moderated, if not dismantled entirely.

It has long been argued, with considerable conviction, that in an economy as complex as ours, no group—whether governmental, economic, or political—can have sufficient wisdom to make the myriad of decisions necessary to allocate resources and goods and services in an efficient and equitable manner. The free enterprise, profit-motivated system in our country has relied heavily on self-interest as a most effective and efficient allocator of goods and services. Direct-control modifications of that system will, in effect, ask the individual to act against his own self-interest. Human nature being what it is, individuals still look out for their own best interests in the vast majority of business and personal decisions. If government controls run counter to such decisions, the results are likely to be both uneconomic and disruptive in their impact on the market processes in the economy as a whole. One can recognize the situation that brought this nation to the 1971 decision to use wage-price controls. But there should also be recognition of the disruptive effects of these controls and the need to shift away from them as soon as possible.

The complicating factor in the economy in early 1974 is, of course, the energy shortage. Price allocation is one of the best methods of distributing energy, but if the regressive effects on the lowincome sector of our population are extensive, some modification of pure price allocation may be required. Similarly, price allocation to resolve energy demand competition between consumers and industries may not provide the best overall results for the economy. Assuming, however, that our nation can move ahead with the development of new energy sources and reduce consumption by means of voluntary actions, modifications of the price mechanism should be both limited and short-lived.

In summary, despite the short-run pressures and problems of early 1974, the long-run picture still shows great strength in our nation's economy. All is not perfect in any economic system, but ours continues to supply the greatest good for the most people of any in the world. Our challenges for the near term reflect some of this affluence, but we need to mount a concerted attack on inflation and help develop a new international payments mechanism that will sustain the confidence of people throughout the Free World. At the same time, our priorities should include a return to the free-market allocation of goods and services while we develop new measures to help the unemployed.

Economic growth with almost fully utilized resources and a relatively stable price level is an attainable objective for our nation. We need, however, to concentrate our efforts on eliminating those forces that seem to undercut our system and impede our progress toward this objective.

Directors

FEDERAL RESERVE BANK OF DALLAS

John Lawrence	(Chairman and Federal Reserve Agent), Chairman of the Board, Dresser Industries, Inc., Dallas, Texas
Charles T. Beaird	(Deputy Chairman), Chairman of the Board, Beaird-Poulan Division, Emerson Electric Co., Shreveport, Louisiana
Gene D. Adams	President, The First National Bank of Seymour, Seymour, Texas
Thomas W. Herrick	President, Mesa Agro, Amarillo, Texas
Irving A. Mathews	Chairman of the Board and Chief Executive Officer, Frost Bros., Inc., San Antonio, Texas
Stewart Orton	President, Foley's, Division of Federated Department Stores, Inc., Houston, Texas
A. W. Riter, Jr.	President and Chairman of the Executive Committee, The Peoples National Bank of Tyler, Tyler, Texas
Hugh F. Steen	President, El Paso Natural Gas Company, El Paso, Texas
Robert H. Stewart, III	Chairman of the Board, First International Bancshares, Inc., Dallas, Texas

EL PASO BRANCH

Allan B. Bowman	President, AMAX Arizona, Inc., Tucson, Arizona
Reed H. Chittim	President, First National Bank of Lea County, Hobbs, New Mexico
Gage Holland	Owner, Gage Holland Ranch, Alpine, Texas
C. J. Kelly	President and Vice Chairman of the Board, The First National Bank of Midland, Midland, Texas
Herbert M. Schwartz	President, Popular Dry Goods Company, Inc., El Paso, Texas
Wayne Stewart	President, First National Bank in Alamogordo, Alamogordo, New Mexico
Sam D. Young, Jr.	President, El Paso National Bank, El Paso, Texas

HOUSTON BRANCH

T. J. Barlow	President and Chief Executive Officer, Anderson, Clayton & Co., Houston, Texas
Seth W. Dorbandt	Chairman of the Board and President, First National Bank in Conroe, Conroe, Texas
Bookman Peters	President, The City National Bank of Bryan, Bryan, Texas
Nat S. Rogers	President, First City National Bank of Houston, Houston, Texas
Carl B. Sherman	President, Houston Lighting & Power Company, Houston, Texas
P. K. Stubblefield	President, Victoria Bank and Trust Company, Victoria, Texas
Alvin I. Thomas	President, Prairie View A & M University, Prairie View, Texas

SAN ANTONIO BRANCH

Marshall Boykin III	Senior Partner, Wood, Boykin & Wolter, Lawyers, Corpus Christi, Texas
Richard W. Calvert	President, National Bank of Commerce of San Antonio, San Antonio, Texas
Ben R. Low	President, First National Bank of Kerrville, Kerrville, Texas
Pete Morales, Jr.	President and General Manager, Morales Feed Lots, Inc., Devine, Texas
W. O. Roberson	Chairman of the Board, First National Bank at Brownsville, Brownsville, Texas
Leon Stone	President, The Austin National Bank, Austin, Texas
Margaret Scarbrough Wilson	President, Scarbroughs Department Store, Austin, Texas

FEDERAL ADVISORY COUNCIL MEMBER

Lewis H. Bond	Chairman of the Board and Chief Executive Officer, The Fort Worth National Bank, Fort Worth, Texas

Officers

FEDERAL RESERVE BANK OF DALLAS

P. E. Coldwell	President
T. W. Plant	First Vice President
Robert H. Boykin	Senior Vice President and Secretary
James L. Cauthen	Senior Vice President
Tony J. Salvaggio	Senior Vice President
Robert A. Brown	General Auditor
George F. Rudy	General Counsel
George C. Cochran, III	Vice President
Leon W. Cowan	Vice President
Ralph T. Green	Vice President
Larry D. Higgins	Vice President
Carl H. Moore	Vice President
James A. Parker	Vice President
W. M. Pritchett	Vice President
Fredric W. Reed	Vice President
Rasco R. Story	Vice President
Thomas R. Sullivan	Vice President
E. W. Vorlop, Jr.	Vice President and Controller
Sidney J. Alexander, Jr.	Assistant Vice President
Richard D. Ingram	Assistant Vice President and Assistant Secretary
William H. Kelly	Assistant Vice President
Harry E. Robinson, Jr.	Assistant Vice President
Jesse D. Sanders	Assistant Vice President
Robert Smith, III	Assistant Vice President and Assistant Secretary
T. E. Spreng	Assistant Vice President
E. A. Thaxton, Jr.	Assistant Vice President
C. L. Vick	Assistant Vice President
Joseph E. Burns	Director of Research
Charles A. Gore	Chief Examiner
J. W. Harlow, Jr.	Data Processing Officer
C. J. Pickering	Planning Officer
Carroll D. Blake	Bank Relations Officer
J. A. Clymer	Operations Officer
Millard E. Sweatt, Jr.	Assistant Counsel

EL PASO BRANCH

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Forrest E. Coleman	Assistant Vice President
Joel L. Koonce, Jr.	Operations Officer

HOUSTON BRANCH

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J. Z. Rowe	Assistant Vice President
Vernon L. Bartee	Operations Officer
Thomas H. Robertson	Operations Officer

SAN ANTONIO BRANCH

Carl H. Moore	Vice President in Charge
Frederick J. Schmid	Assistant Vice President
Thomas C. Cole	Operations Officer
Robert W. Schultz	Operations Officer

Statement of Condition

ASSETS	Dec. 31, 1973	Dec. 31, 1972
Gold certificate account	**$ 252,436,325**	$ 377,502,527
Special drawing rights certificate account	**14,000,000**	14,000,000
Federal Reserve notes of other Banks	**86,147,184**	44,100,994
Other cash	**14,001,225**	13,626,910
Loans and securities:		
Loans	**38,480,000**	41,335,349
Federal agency obligations	**88,739,000**	57,258,000
U.S. Government securities	**3,593,465,000**	3,048,048,000
Total loans and securities	**3,720,684,000**	3,146,641,349
Cash items in process of collection	**562,656,560**	707,043,679
Bank premises	**11,944,377**	11,982,842
Other assets	**37,978,718**	45,227,639
TOTAL ASSETS	**$4,699,848,389**	$4,360,125,940
LIABILITIES		
Federal Reserve notes in actual circulation	**$2,489,009,037**	$2,297,888,016
Deposits:		
Member bank—reserve accounts	**1,496,414,417**	1,373,170,041
U.S. Treasurer—general account	**129,694,581**	123,671,626
Foreign	**14,040,000**	15,950,000
Other	**22,187,684**	16,987,533
Total deposits	**1,662,336,682**	1,529,779,200
Deferred availability cash items	**413,640,867**	422,658,902
Other liabilities	**42,629,403**	23,493,122
TOTAL LIABILITIES	**4,607,615,989**	4,273,819,240
CAPITAL ACCOUNTS		
Capital paid in	**46,116,200**	43,153,350
Surplus	**46,116,200**	43,153,350
TOTAL CAPITAL ACCOUNTS	**92,232,400**	86,306,700
TOTAL LIABILITIES AND CAPITAL ACCOUNTS	**$4,699,848,389**	$4,360,125,940

Earnings and Expenses

	1973	1972
CURRENT EARNINGS		
Loans	$ 6,247,513	$ 629,906
U.S. Government securities	212,600,020	171,213,105
Foreign currencies	24,403	61,007
All other	87,052	48,698
TOTAL CURRENT EARNINGS	218,958,988	171,952,716
CURRENT EXPENSES		
Current operating expenses	22,870,260	19,874,771
Assessment for expenses of Board of Governors	2,422,500	1,939,700
Federal Reserve currency:		
Original cost, including shipping charges	1,817,021	1,618,408
Cost of redemption, including shipping charges	48,481	25,817
Total	27,158,262	23,458,696
Less reimbursement for certain fiscal agency and other expenses	974,748	933,336
NET EXPENSES	26,183,514	22,525,360
PROFIT AND LOSS		
Current net earnings	192,775,474	149,427,356
Additions to current net earnings:		
Profit on sales of U.S. Government securities (net)	—	137,148
All other	83,145	1,271
Total additions	83,145	138,419
Deductions from current net earnings:		
Loss on sales of U.S Government securities (net)	1,546,151	—
All other	2,599,884	2,856,648
Total deductions	4,146,035	2,856,648
Net additions or deductions (—)	—4,062,890	—2,718,229
Net earnings before dividends and payments to U.S. Treasury	188,712,584	146,709,127
Dividends paid	2,686,541	2,519,557
Payments to U.S. Treasury (interest on F.R. notes)	183,063,193	142,050,920
Transferred to surplus	2,962,850	2,138,650
Surplus, January 1	43,153,350	41,014,700
Surplus, December 31	$ 46,116,200	$ 43,153,350

Volume of Operations

Federal Reserve Bank of Dallas
Head Office and Branches Combined

	Number of Pieces Handled[1]		Amount Handled	
	1973	1972	**1973**	1972
Loans	**1,137**	149	**$ 8,833,228,452**	$ 1,741,762,698
Currency received and counted	**277,868,419**	256,748,656	**2,274,765,306**	1,947,729,550
Coin received and counted	**622,166,330**	588,034,450	**75,576,990**	68,313,239
Checks handled:				
U.S. Government checks	**41,630,765**	39,042,050	**14,688,267,962**	12,995,516,365
Postal money orders	**11,614,731**	12,438,271	**349,171,786**	331,743,350
All other[2]	**620,356,623**	531,219,368	**216,049,826,904**	173,737,755,192
Collection items handled:				
U.S. Government coupons paid	**254,388**	332,818	**139,640,415**	154,507,846
All other	**637,621**	734,286	**319,462,749**	292,483,599
Issues, redemptions, and exchanges of U.S. Government securities	**12,211,236**	11,522,337	**22,560,386,670**	16,066,573,497
Transfers of funds	**659,510**	544,215	**1,202,807,910,661**	966,488,555,230
Food stamps redeemed	**97,930,841**	62,927,407	**218,415,986**	133,670,345

[1] Packaged items handled as a single item are counted as one piece.
[2] Exclusive of checks drawn on the F.R. Banks.