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be consistent with a resumption in the growth of M2 and M3 during the weeks ahead, but in light of the declines in these aggregates since June, the Committee now anticipated that M2 would be little changed and M3 would be down at an annual rate of about 1 percent in the period from June through September.

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An Update on the Farm Economy

John Rosine and Nicholas Walraven, of the Board's Division of Research and Statistics, prepared this article. Michael J. Ott provided research assistance.

The latter part of the 1980s was a time of strong recovery in the farm economy. Farm exports rebounded from their lows of the mid-1980s, farm prices rose more than prices in general, farm income strengthened, and the farm balance sheet stabilized. In 1990, however, prices fell sharply in some parts of the farm economy, and in 1991, price weakness has become more widespread. Agricultural exports have been sluggish this year, farm income has fallen, and the value of farm land appears to be edging down in real terms.

A softening of the farm economy may rekindle memories of the early and middle 1980s, when the sector suffered a major decline and a wave of farm failures. But as we will discuss below, the current situation in farming differs in several ways from the conditions that existed then. Inventory overhangs, which were sizable in the first half of the 1980s, are virtually absent now; stocks of some key crops are in fact rather tight at the moment. Moreover, farmers have not been in a mood to boost output aggressively. Partly in response to government incentives, many acres are being held out of production, and farm capital investment has been restrained. On the financial side, farmers have been cautious in bidding up land values, and they have cut back heavily on the use of debt since the early 1980s. Overall, imbalances in the sector are far less pronounced than those of the early 1980s, and financial vulnerability has been reduced.

THE RECENT BEHAVIOR OF FARM PRICES

Three fairly distinct periods can be identified in the farm price data of the past decade (table 1). In

the first, about 1981 to 1986, the farm economy was under severe pressure as the prices received by farmers for farm products fell 11½ percent overall. Price declines extended to almost all livestock products and crops; they were especially large for grains and oilseeds. Although farmers offset part of that pressure by cutting costs and improving productivity, their nominal income was well short of the levels of the late 1970s. With prices in general having risen considerably over the period, farmers suffered a sizable loss of real purchasing power.¹

In the second period, 1986 to 1990, the index of prices received by farmers rose 22 percent. Increases extended to virtually all commodity groups. The climb in the prices of meat animals was especially large, amounting to more than 30 percent over the four-year period, with relatively steady gains throughout. The annual price changes for crops were much more volatile. In 1988, when severe drought cut deeply into production, the prices of feed grains, oilseeds, and food grains all surged. Later on, as concerns about a persistence of drought diminished and exports flagged, the prices of these crops fell, retracing part of the 1988 gains. The overall rise in prices received by farmers from 1986 to 1990 was more than double the increase in prices of production inputs purchased by farmers from the nonfarm sector; it also exceeded, by about 6 percentage points, the cumulative rise in the implicit price deflator for GNP over the period.

This year, overall farm prices likely will be down for the first time since 1986. Through the first ten months of 1991, the prices received by

1. We have followed the practice of the Department of Agriculture in using the implicit price deflator for gross national product to adjust nominal values for inflation. At the time this article was being prepared, the GNP accounts still were being published on a 1982 base, and our inflation adjustments are thus in terms of 1982 dollars. New accounts on a 1987 base were scheduled to be published in early December, after the article had gone to press.

1. Changes in prices received and paid by farmers, selected periods, 1981-91

Percent

Item	First period (1981-86) ¹	Second period (1986-90) ¹	Third period (1990-91) ²	Second-period detail ³				Third-period detail (1990-91) ⁴			Memo: Weight
				1987	1988	1989	1990	H1	Q3	Oct.	
<i>Prices received by farmers</i>											
All farm products	-11.5	22.0	-1.7	3.3	8.7	6.5	2.0	-1.6	-1.1	-3.4	100
Livestock products	-3.5	23.2	-4.8	5.8	2.7	6.7	6.3	-2.6	-8.3	-7.6	55.8
Meat animals	-3.3	33.1	-1.9	12.4	3.1	3.6	10.9	2.8	-8.3	-9.8	37.2
Dairy products	-9.2	9.3	-14.8	0	-2.3	11.1	.7	-18.6	-12.0	.7	11.1
Poultry and eggs	10.3	2.3	-5.0	-16.4	10.3	16.1	-4.4	-6.2	-1.6	-7.5	7.5
Crops ⁵	-20.1	19.6	2.6	-9	18.9	6.3	-4.5	-5	8.8	4.2	44.2
Feed grains and hay	-30.5	25.5	-5.8	-13.3	41.2	6.7	-3.9	-5.5	-8.2	.9	12.1
Oil-bearing crops	-30.0	19.5	-1.1	2.6	36.7	-5.6	-9.8	3.7	-6.4	-12.6	9.2
Food grains	-34.3	12.8	-13.5	-5.5	34.0	13.0	-21.2	-24.4	2.4	25.7	7.2
Fruit	30.0	13.6	50.6	7.7	1.6	3.8	0	28.7	94.1	49.7	4.5
Commercial vegetables	-4.4	18.5	-2.3	11.5	-3.4	8.6	1.3	4.8	-9.1	-27.8	4.1
Cotton	-18.0	17.6	3.9	8.8	-4.0	3.2	9.2	6.8	2.2	-8.0	2.9
<i>Prices paid by farmers</i>											
Production inputs purchased from the nonfarm sector	4.6	9.4	3.1	-6	2.5	4.3	2.9	3.4	4.0	1.7	...
Implicit price deflator for gross national product	32.3	15.6	3.9	3.2	3.3	4.1	4.1	4.1	3.6	n.a.	...

1. Change from average for beginning year to that for ending year.

2. For prices received by farmers and prices paid by farmers for production inputs, changes based on average for first ten months of each year; for implicit price deflator, change based on average for first three quarters of each year.

3. Change from average for previous year to that for year indicated.

4. Change from average for period indicated in beginning year to average for same period in ending year.

5. Some crops included in the total are not shown separately.

SOURCE: Prices received and prices paid for production inputs, based on data from Department of Agriculture; implicit price deflator, Department of Commerce.

farmers were, on average, about 1¾ percent below the level of a year earlier. Over this ten-month period, the average prices of livestock products and of feed grains and food grains were all below the levels of a year earlier. A big rise this year in the prices received by growers of fruit largely reflects a surge in the prices of oranges and other citrus products since last winter's freeze in California. Prices of the inputs purchased by farmers from the nonfarm sector have continued to rise this year, once again adding to the pressures on farmers' terms of trade.

Very recently, some farm prices have firmed. Wheat prices have moved up considerably since late summer amid signs that the export market might be improving. In addition, cattle prices have reversed a portion of their sharp decline of mid-summer. Dairy prices also have increased of late, aided by a small decline in the output of milk. Overall, however, farm prices in October were about 3½ percent below the level of a year earlier.

THE DETERMINANTS OF FARM PRICES

The firmness of farm prices through the latter part of the 1980s appears to have been largely the result of a rebound in farm exports, continued growth of domestic demand, widespread production restraint in the farm sector, and the effects of the 1988 drought. Similarly, the weakness of prices this year seems to have been caused by weak exports, soft domestic demand, and a pickup in the rate of expansion of livestock production. Excess supplies of farm crops do not appear to have played a major role in the recent price declines: Although crop production rebounded after 1988, it no longer is on the strong upward trajectory that was apparent before the 1980s, and inventories of crops are relatively lean by the standards of the past decade.

Farm Exports

Just as the boom-bust cycle that took hold in farming two decades ago was heavily influenced

by trends in the farm export markets, the more recent swing in farm prices also has ties to the changing patterns of farm exports. From 1986 to 1989, real farm exports rose sharply, retracing the previous decline (chart 1). The rise in grain exports was especially large over this period: The volume of corn exports surged, and wheat exports were strong for a couple of years.

Economic growth in foreign economies was relatively brisk over the 1986-89 period. In addition, changes in U.S. farm policy in the mid-1980s permitted prices to move lower for a number of crops and enhanced their competitiveness in world markets. Competitiveness also was boosted by the effects of a sustained depreciation of the exchange value of the dollar, which extended from early 1985 to the end of 1987. Export subsidies for some commodities, notably wheat, also helped to lift export volume over this period.

After the start of 1990, farm exports flattened out in real terms. Harvests in foreign countries have been relatively good in recent years, and exporters have continued to compete aggressively. In addition, the impetus to U.S. exports from the big decline in exchange rates has long since faded. After its plunge ended in late 1987, the exchange value of the dollar took on more of a sideways trend, changing relatively little on net from 1987 on. A slowing of economic growth abroad has been still another depressant of export growth. Under these influences, the uptrend in total U.S. farm exports petered out after 1989, and the exports of some farm products fell considerably. In the grain markets, the volume of wheat exports dropped most of the way back to

its low levels of the mid-1980s, and corn exports also declined sharply.

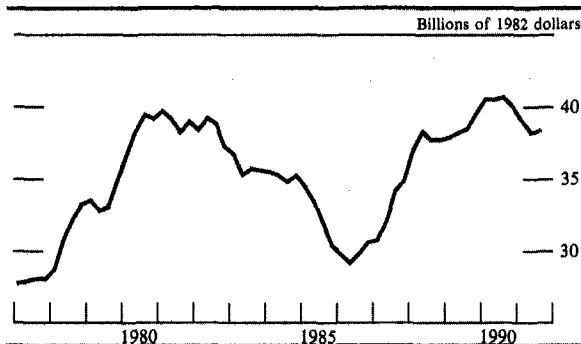
The very recent news on farm export developments has been a little more favorable, however. In the third quarter of 1991, real exports of agricultural products rebounded to a level slightly above that of a year earlier. In addition, the market for wheat has been buoyed since mid-August by the prospect of increased food aid or subsidized sales to the Soviet Union. Thus, events currently do not seem to be moving in the direction of a severe, protracted decline in farm exports such as that seen in the first half of the 1980s, and a moderate advance in exports from the pace of recent quarters is not inconceivable.

Domestic Demand for Farm Products

Farm prices also appear to have been influenced by the domestic business cycle in recent years. More than three-fourths of the nation's output of farm products is used in the domestic economy, most of it as food but some also as leather goods, tobacco products, textiles, house furnishings, and apparel. The quantity of food purchased by households is not as sensitive to the business cycle as are purchases of household durables such as automobiles. Still, the potential for adjustment of food outlays may be greater than is commonly thought. When consumers see their real incomes growing less rapidly or even declining, they may eat away from home less often, shift to a cheaper mix of foods for home consumption, stretch out leftovers further than they normally would, or adjust their food budgets in still other ways. Whatever the actual adjustments, the growth of food purchases does tend to vary positively with the growth of real disposable income, often accelerating during expansion phases of the business cycle and, more often than not, slowing or perhaps even turning negative in periods of slow growth or recession.

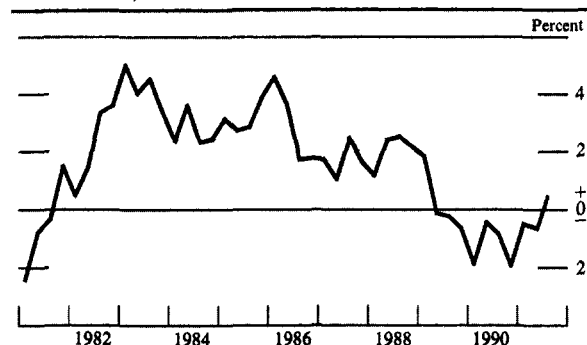
That cyclical relationship seems to have held in at least a rough way over the past decade (chart 2). Real purchases of food and beverages were weak from 1980 to 1982, when the U.S. economy was going through two recessions in quick succession. Growth of food purchases then picked up as the economy moved into expansion and as the growth of real disposable income

1. Real agricultural exports, 1977-91¹



1. Four-quarter moving average.
SOURCE: Department of Commerce.

2. Change in real personal consumption expenditures for food, 1981-91¹



1. Food purchased for off-premises consumption and food portion of purchased meals and beverages. Quarterly data, 1982 dollars; change measured from the same quarter of the previous year.
SOURCE: Based on data from the Department of Commerce.

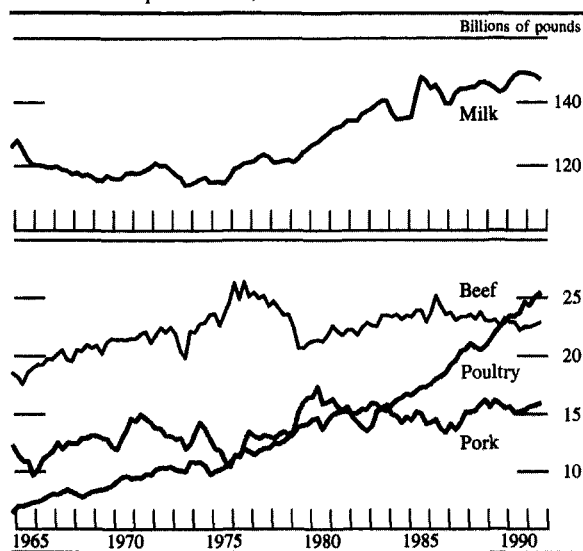
strengthened; the average rate of growth in these purchases over the four-year period starting in 1983 was more than 3 percent per year. Growth of real food purchases slowed in 1987 and 1988 but still averaged close to 1¾ percent per year. In 1989, however, real consumer expenditures for food flattened out; growth of real income had slowed by that time, and food price increases had accelerated to a rate faster than inflation in general. In 1990, income growth was very sluggish—less than 1 percent in terms of annual averages—and food prices again rose faster than prices in general; accordingly, real purchases of food fell a bit. This year, the rate of increase in food prices has slowed; but income through the first three quarters of the year was below the

2. Changes in output of livestock products, 1987-91¹
Percent

Item	1987	1988	1989	1990	1991
Index of livestock production	2.7	2.7	0	.9	1.7
Selected products					
Beef	-3.3	.1	-1.9	-1.5	1.0
Pork	2.2	9.2	.9	-2.9	4.0
Poultry	10.2	4.1	7.0	7.2	5.5
Milk	-.3	1.7	-.6	2.8	.2
MEMO					
<i>Animals on farms, beginning inventory</i>					
Cattle, January 1	-3.1	-2.4	-1.6	.1	1.3
Hogs and pigs, 10 states, March 1 .....	.7	7.7	.4	-3.5	4.5

1. For index and products, changes from averages of previous year to those for year indicated; values for 1991 are based on projections of the Department of Agriculture. For inventories, changes to date indicated

3. Livestock production, 1965-91¹



1. Quarterly data, annual rate, seasonally adjusted.
SOURCE: Based on data from the Department of Agriculture.

average for 1990, and the real purchases of food have remained sluggish, according to the preliminary data currently available.

The Supply of Livestock Products

The aggregate output of livestock products rose about 6.5 percent from 1986 to 1990, but the increases were uneven from year to year, and the overall gains masked some big differences across the various products (table 2 and chart 3). During 1991, production gains have become more wide-

from same date of previous year.
SOURCE: Based on data from Department of Agriculture.

spread, and with demand weak, prices of livestock products have fallen.

The output of poultry has risen sharply again this year, to a level about two-thirds above that of ten years ago. This strong secular advance has been spurred by changes in dietary habits that have favored chicken and turkey.

In contrast, the output of beef fell fairly steadily over most of the period from 1986 to 1990. Cattle producers, who had suffered large financial losses in the mid-1970s, have been reluctant ever since to undertake major expansion. They did boost herds moderately in the first part of the 1980s, but that increase was more than reversed in the latter part of the decade; at the start of 1989, the total number of cattle and calves on farms and ranches was at its lowest level in three decades. A little rebuilding of the herd has come about in the early 1990s in response to the high cattle prices of recent years, and output of beef appears to be headed for a small advance this year.

Output of the other major livestock products has exhibited a more variable pattern from year to year. From 1986 to 1990, pork production traced out another of the three- or four-year cycles that has long been its hallmark: Output expanded rapidly in 1987 and 1988, but then leveled off in 1989 and turned down in 1990, contributing, along with lowered beef output, to the tightness in meat supplies in that year. This year, pork production has rebounded. Output for 1991 as a whole likely will be at the high end of the range of the past decade but will fall short of the peak, which came in 1980.

Dairy production also has exhibited an uneven pattern of expansion in recent years. Like crop producers, dairy farmers entered the second half of the 1980s burdened by surpluses, and a period of production restraint was needed to work off the excess stocks; a government buyout of a portion of the dairy herd helped to facilitate the needed adjustment. By the fourth quarter of 1986, the output of milk was nearly 5 percent below the level of a year earlier. Before long, however, output started to turn up again, as rapid productivity gains quickly made up for reductions in the size of the herd. Then, repercussions of the 1988 drought cut into milk production, but by 1990, still another upswing in output was in

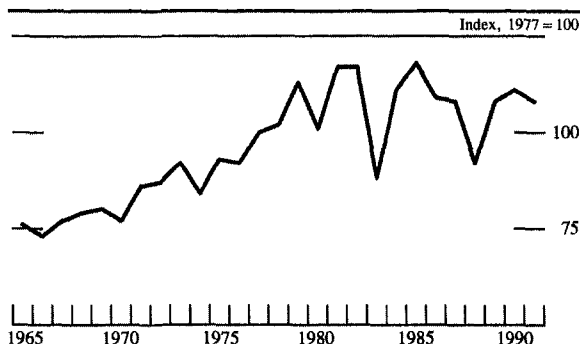
train. Stocks began to accumulate once more, and prices, which had shot up temporarily, came crashing back to government support levels. This year, producers have moved to curb production gains, and in recent months, prices have increased a little from their lows.

Even with a firming of the demand for livestock products, the outlook for livestock producers over the near term may be less favorable than the situation of the past few years. The cattle business now seems to be edging back into the expansion phase of its production cycle. At the same time, pork and poultry producers also are boosting output. Given the inertia that biological constraints typically impart to livestock production, gains in output may extend well into 1992. However, producers are not likely to keep pushing their production ever higher in the face of declining prices and profits, and sooner or later, renewed production restraint is sure to emerge in one segment or another of the livestock industry, although neither its timing nor its magnitude can be predicted with much precision.

Crop Production and Inventories

The aggregate output of farm crops has been on a sideways trend since 1980 (chart 4). From 1980 to 1986, plantings were cut back drastically, and real investment in new equipment and structures was curtailed. During this period, however, productive potential in farming continued to exceed the level of demand, leading to sizable inventory accumulation, especially for some of the major field crops. The stockpile of corn at the end of the 1986 marketing year amounted to about an eight-

4. Output of crops, 1965-91



SOURCE: Department of Agriculture.

month supply, roughly triple the average carry-over during the two previous decades. The stockpile of wheat was the equivalent of a ten-month supply; and the carryover of cotton amounted to more than a full year's supply, given the depressed rates of usage seen at that time. In 1986 and 1987, many observers thought that these large stockpiles would continue to be a depressant of prices for some time to come, even as current production and consumption were being brought back into closer alignment.

The production restraint that emerged in the first half of the 1980s persisted over the balance of the decade and on into the 1990s. On average, almost 30 million fewer acres were planted in the second half of the 1980s than in the first half (table 3); incentives provided by the government's farm programs have helped keep acreage low. Farmers' purchases of tractors and other new machinery perked up a little as the farm recovery progressed, but not enough to offset depreciation, so that the real stock of farm capital remained on a downward course. Labor input also continued to fall after 1986, albeit not quite as rapidly as in the first half of the 1980s. Although productivity in farming continued to advance at a brisk pace, the reductions in farm inputs were large enough to bring to a halt the previous uptrend in the aggregate output of farm crops. The annual production of corn, which had exceeded 8 billion bushels four times from 1981 to 1986, has not reached that mark even once since 1986. Wheat production in the past six years has been, on average, about 18 percent below the harvests from 1981 to 1985. To be sure,

the production of some other crops has been increasing in recent years (cotton output this year will apparently be the highest since 1937), but the gains for these other crops have not been large enough to keep aggregate crop output on its former uptrend.

The efforts of farmers and the government to restore a more favorable supply-demand balance for crops was aided greatly by the severe drought of 1988, which helped to eliminate the overhang of farm inventories more quickly. The carryover of corn after the drought amounted to 3.2 months of usage, less than half of what it had been two years before, and a much tighter supply-demand balance emerged for other crops as well. With production and usage remaining in reasonably close balance, the supply overhangs have not reappeared. Indeed, the nation's stockpile of grain appears likely to be lean at the end of the current marketing year. Thus, in sharp contrast to the situation that prevailed earlier in the 1980s, farm inventories are not themselves a major impediment to increases in the prices of farm crops.

FARM INCOME AND THE FARM BALANCE SHEET

Farm income was strong from 1986 to 1990. But in another display of their caution of recent years, and in contrast to their behavior during the 1970s boom, farmers did not start bidding up the value of land and investing heavily in other farm

3. Indicators of crop supplies, annual averages for selected periods, 1971-91¹

Indicator	1971-80	1981-86	1987-91	1990	1991
Acres planted (millions)	329.6	340.9	312.7	319.1	314.9
Output					
All crops, index, 1977 = 100	95.0	110.0	105.0	113.0	111.0
Selected crops (billions of bushels)					
Wheat	1.9	2.5	2.1	2.7	2.0
Corn	6.2	7.6	7.0	7.9	7.5
Soybeans	1.6	2.0	1.9	1.9	1.9
Inventories (months' supply at end of marketing year)					
Wheat	5.18	7.95	3.80	4.25	2.60
Corn	2.08	5.04	3.19	2.35	1.99
Soybeans	1.37	2.14	1.74	2.15	1.91

1. Values for 1991 output and inventory based on projections of Department of Agriculture as of mid-November.

SOURCE: Based on data from Department of Agriculture.

assets. Instead, they kept the value of farm assets fairly steady in real terms.

The relationship of farm income to farm asset values reflects, of course, the interplay between actual and expected farm earnings. In a given year, actual income may be high or low, depending on production, the state of domestic demand, the parameters of government farm programs, and economic conditions abroad. The value of farm assets, on the other hand, can be read as an indicator of farmers' expectations of income over the longer run. Farmers presumably are willing to invest in land and other assets only if they are convinced that future earnings from those assets will be sufficient to justify the purchase price and will be greater than if the investments had been directed elsewhere. Lenders presumably are willing to extend credit only if the prospects for repayment from future earnings look favorable.

The 1970s surge in real farm income, while dramatic, had largely dissipated by 1976; yet the value of assets and debt continued to spiral upward for a number of years. Farmers and lenders, it seemed, were wagering on a prosperity of major proportions that seemed to recede before them even as the size of the wager kept growing. The divergence between current earnings and apparent expectations of future earnings became even more pronounced when energy prices and interest rates began to soar in the late 1970s. Eventually, however, the expectations embodied in the balance sheet had to come into better alignment with actual earnings reported each year on the income statement. That realignment was accomplished in the 1980s through a steep markdown in the value of farm assets and, in the latter part of the decade, a strengthening of farm earnings.

Farm Income and Expenses

The average level of net farm income, adjusted for inflation, was about \$36 billion for the 1987-90 period (table 4); although this level of income was moderately below the average for the 1970s, the decade of the boom, it was roughly 50 percent higher than the 1981-86 average. Farm income data for 1991 still are subject to some uncertainty. As of mid-October, the De-

4. Real farm income and expenses, annual averages for selected periods, 1971-91¹

Billions of 1982 dollars

Item	1971-80	1981-86	1987-90	1991
Net farm income	39	24	36	32
Gross farm income	171	155	146	139
Production expenses	132	131	110	108

1. Inflation adjustment made by dividing nominal income and expenses of farmers by implicit price deflator for gross national product. Calculations for 1991 assume that nominal income and expenses will be at midpoints of ranges forecasted by Department of Agriculture as of October 1991 and that the annual rise in the implicit price deflator will be 3.9 percent, the same as its year-to-year change over first three quarters of 1991. Components may not sum to totals because of rounding.

SOURCE: Based on data from Department of Agriculture and Department of Commerce.

partment of Agriculture is forecasting that nominal net farm income will be in the range of \$41 billion to \$46 billion. If the midpoint of this range is realized, and an adjustment is made for inflation, the resulting level of real net income would be about 10 percent below the average for the 1987-90 period; it would remain far above the 1981-86 average, however.

To understand why real farm income was strong after 1986, one must look back once again to the period before 1986, when farmers were cutting production costs with a vengeance (table 5). Total farm production expenses, in real terms, peaked around the start of the 1980s, at about \$155 billion. By 1986, they had plunged

5. Real farm income and expenses, total changes over selected periods, 1981-90¹

Billions of 1982 dollars

Item	1981-86	1986-90
Net farm income	-1.0	10.4
Gross farm income	-39.5	10.3
Cash marketings	-31.9	9.8
Government payments	8.3	-3.3
Other cash income	1.7	.7
Noncash income	-17.6	3.0
Value of inventory change	-9.0	4.4
Imputed rent and home consumption	-8.6	-1.4
Production expenses	-38.5	-.1
Intermediate inputs	-19.5	3.3
Inputs of farm origin	-8.7	3.0
Manufactured inputs	-9.4	-.2
Other	-1.4	.6
Interest	-6.6	-3.5
Taxes and rents	-1.7	1.1
Labor expenses	-1.2	1.3
Capital consumption	-9.5	-2.3

1. See note to table 4.

nearly 30 percent, to \$110 billion. The cuts, which showed up in virtually all categories of expense, stemmed in part from a reduction in actual physical input; but they also reflected a rate of rise in farm input prices that lagged behind inflation in general (which thus caused inflation-adjusted farm costs to fall). With regard to the farm inputs purchased from the industrial sector, real outlays for petroleum products were halved from 1981 to 1986, and those for fertilizer fell 40 percent. Farmers' interest expenses dropped steeply from 1981 to 1986, as interest rates declined and as the volume of debt contracted. Charges for farm capital consumption dropped nearly \$10 billion in inflation-adjusted terms from 1981 to 1986. Charges for hired labor also came down a little in real terms.

After 1986, farm production expenses essentially stabilized in real terms. But with costs so much lower, farmers were well-positioned to profit once farm prices began to improve. After plummeting in the period from 1980 to 1986, real cash receipts from marketings turned up in 1987 and made further small gains in each of the next three years. The accumulated gain in these receipts from 1986 to 1990 was about \$10 billion. At the same time, government assistance to farmers jumped to more than \$14 billion in real terms in 1987, roughly twice the average over the previous five years and equal to about 40 percent of total net farm income. After 1987, real payments trended lower, but as of 1990 they still amounted to about \$7 billion and were equal to about 18 percent of net farm income.

Although net farm income probably has declined this year, farmers' well-being ultimately will be affected more by the trend in income over time. In that regard, a pickup in economic growth here and abroad obviously would work to support the demand for farm products. But it also is essential that farmers maintain a focus on cost control and productivity gain, the factors that have been so important in raising the level of profitability in the sector in recent years.

The Farm Balance Sheet

Reversing the 1970s surge, the real value of farm assets fell more than \$500 billion from the

end of 1980 to the end of 1986, as the earlier expectations of agricultural prosperity gave way to a more sober and probably more realistic view of farming's future (table 6). Most of the drop was reflected in the value of farmland, the price of which plunged in the first half of the 1980s. Land prices turned up in nominal terms after 1986, at first a bit faster than inflation in general, and then a bit slower. In real terms, however, the total change in land prices from 1986 to 1990 was relatively small, as was the change in the real value of farm assets. The real value of assets over this period was only moderately below that which had prevailed for a number of years before the boom of the 1970s; the effect of the boom thus appears to have been fully reversed by the contraction of the 1980s. No major change in the balance sheet seems to have occurred in 1991; land prices appear to be up slightly from the levels of a year ago but not as much as prices in general.

The rate of return earned by investors in farm assets (most of the investors being farmers themselves) improved considerably in the latter part of the 1980s. The ratio of current earnings to the value of assets averaged about 5 percent over the four-year period starting in 1987. This rate of return was about twice that seen in the seven-year period from 1980 to 1986 and was well above the average rate of return during the 1970s. Of course, farmers in the 1970s also benefitted, at least on paper, from real capital

6. Real farm assets, liabilities, and equity, total changes over selected periods, 1970-91¹
Billions of 1982 dollars

Item	1970-80	1980-86	1986-90	1990-91
Assets	484	-511	-2	-13
Real estate	432	-437	-9	-8
Other assets	52	-74	7	-5
Liabilities	79	-57	-34	-3
Equity	405	-454	32	-10

1. Excludes farm dwellings and the debt related to those dwellings. Inflation adjustment made by dividing nominal assets and liabilities of farmers by implicit price deflator for gross national product. Calculations for 1991 assume that nominal assets and liabilities will be at midpoints of ranges forecasted by Department of Agriculture as of September 1991 and that the annual rise in the implicit price deflator will be 3.9 percent, the same as its year-to-year change over first three quarters of 1991. Components may not sum to totals because of rounding.

SOURCE: Department of Agriculture and Department of Commerce.

gains on the value of their land; in fact, the size of those capital gains dwarfed the current income generated by farm assets. By contrast, cumulative real capital gains on farm assets have been slightly negative since 1986 and have offset a portion of the rise in current earnings.

Underlying the balance-sheet data are some major changes in the attitudes of farmers since the 1970s. In that decade, the rate of current return to farm assets fell back after a surge in 1973 and 1974, but this reduced rate of return did not deter farmers from continuing to bid up land prices at a rapid clip, thereby driving the rate of current return on assets still lower. In contrast, in the period since 1986, a much-improved rate of current return (on average, as high as that of the first half of the 1970s) has not touched off another boom in land prices.

Restraint also has been evident on the other side of the balance sheet. After soaring in the 1970s, real farm debt turned down in 1981 and had declined nearly 30 percent by the end of 1986. It then went right on declining over the remainder of the decade, even as the farm sector recovered; by the end of 1991, farm debt in real terms was little more than half the level of a decade earlier. The ongoing reduction of debt stemmed, in part, from a low level of farm investment in both fixed capital and inventories. In addition, the much reduced level of land prices cut into financing needs, and farmers tended, more than before, to finance land acquisitions with internal funds rather than credit. The volume of farm debt outstanding also continued to be reduced by charge-offs of loans that had gone bad earlier in the 1980s; some of these loans still were being written off in the 1990s. With total farm debt thus falling rapidly and farm asset values fairly stable in real terms, real farm equity—the wealth that farmers have invested in their operations—increased about \$30 billion from the end of 1986 to the end of 1990. Only part of that gain seems to have been reversed in 1991.

THE RECENT EXPERIENCE OF FARM LENDERS

The financial problems of farmers during the mid-1980s caused a good many farm lenders to

fail or be restructured, and those that survived saw the size of their market shrink drastically as the volume of farm debt declined. In addition, like farmers, lenders shifted to more cautious business strategies in reaction to the period of financial stress. The financial structure of agricultural lenders changed, as did the terms of lending that they offered. Bank lending to agriculture became more profitable toward the end of the 1980s; and the farm loan volume of banks began to expand, slowly at first and then a bit more briskly. The operations of the Farm Credit System also have been profitable of late, after big losses in the mid-1980s, and the farm loan volume of the system appears to be edging up. In contrast, the loan volume of the Farmers Home Administration, the government farm lender of last resort, has been declining rapidly in the early 1990s as the agency has been cleaning up problem loans left from the 1980s.

Commercial Banks

The repercussions of the farm financial problems reverberated among commercial banks even as farm incomes were beginning to improve late in 1986. Failures of farm banks continued at a rapid rate—peaking at almost seventy failures each year from 1985 through 1987.² This rate of failure of agricultural banks was stunning given that only a few agricultural banks had failed between World War II and the start of the 1980s. Yet, the vast majority of agricultural banks survived and remained active in farm lending; in 1990, as in 1985, farm banks constituted about 35 percent of all commercial banks (table 7). Furthermore, the distribution of agricultural loans across degrees of specialization in agricultural lending was about unchanged in 1990 from that in 1985 despite the rapid change and consolidation seen in the commercial banking sector.

Agricultural lending by commercial banks declined for a couple of years in the 1980s but has

2. We define a farm bank or agricultural bank as a commercial bank whose ratio of farm loans to total loans is greater than the unweighted average of such ratios at all banks. This unweighted average has been about 16 percent since the mid-1980s.

7. Distribution of commercial banks and agricultural loans, by farm loan ratio, 1985 and 1990

Farm loans as a percent of total loans	Number of banks		Percentage of banks		Amount of farm loans (billions of dollars)		Percentage of farm loans	
	1985	1990	1985	1990	1985	1990	1985	1990
Less than 15 ¹	9,295	8,081	64.9	65.9	18.7	21.2	40.0	42.3
15-25	1,337	1,093	9.3	8.9	6.2	6.3	13.2	12.5
25-50	2,188	1,743	15.3	14.2	12.3	11.7	26.3	23.4
More than 50	1,503	1,353	10.5	11.0	9.6	10.9	20.5	21.8
Total	14,323	12,270	100	100	46.8	50.1	100	100

1. Nonagricultural banks (see text note 2).

since rebounded. At the end of 1990 the volume of outstanding farm loans held by banks amounted to about \$50 billion, about 7 percent higher than at the end of 1985 (table 7); the share of all farm loans that were held by banks grew substantially, from 25 percent in 1985 to 35 percent in 1990 (not shown). Much of the share gained by banks came at the expense of the Farm Credit System (FCS). From 1982 to 1990, the FCS lost almost one-half of its farm loan volume as rates on its loans rose relative to other sources of farm debt and as its financial problems grew. The volume of bank loans secured by farm real estate rose by about half from 1985 through 1990, and the share of banks in that market roughly doubled, to nearly 22 percent. In contrast, the volume of outstanding debt that was not secured by farm real estate was about 7 percent lower at the end of 1990 than at the end of 1985, although the volume of such debt has been growing since 1987.

The volume of non-real-estate loans made by commercial banks for the purchase of farm machinery and equipment fell considerably during the 1980s—from about \$6 billion in 1983 to about \$2 billion by 1988—and has not recovered a great deal since. Much of this shrinkage likely reflects the general reduction in capital spending in agriculture in the past decade. In addition, the volume of loans for current operating expenses excluding those for livestock has only recently picked up to the levels that were seen in the early 1980s. In contrast, loans for the purchase of feeder livestock have picked up appreciably, a development that likely reflects the strong returns for that enterprise in recent years.

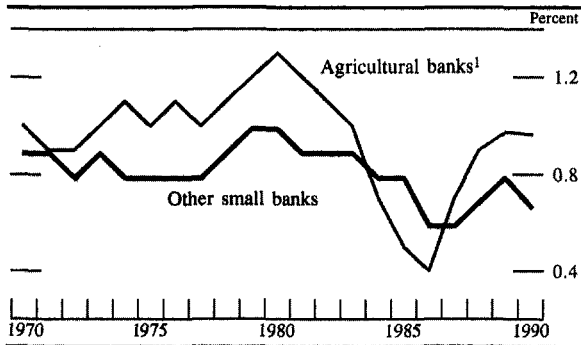
Average interest rates for new agricultural loans have been trending downward since early

1989, generally following the direction of interest rates in the economy as a whole. Rates on farm loans at commercial banks now are at their lowest level since the 1970s. Interest rates have been lower, on average, for larger loans than for smaller loans since interest rates peaked in the early 1980s because the rates on the larger loans have tended to adjust more quickly to the declines in money market rates over that period. In general, a growing proportion of new loans have been made with an interest rate that floats; an estimated 75 percent of the volume of bank loans had adjustable rates in August 1991, in contrast to about 17 percent in 1979.

Despite the rebound in overall bank lending to farmers since 1987, the ratio of loans to deposits at agricultural banks has remained fairly low. Agricultural banks in the Kansas City and Dallas Federal Reserve Districts have had particularly low ratios, with loans equal to only about one-half of deposits in both of these areas. Given the low reading on this commonly used indicator of the availability of funds, banks appeared to be positioned to expand lending more rapidly than they actually did. And in fact, quarterly surveys by several Federal Reserve Banks show that agricultural bankers wished to make more farm loans in the period from the late 1980s on; however, bankers may have been more selective in their lending choices, and farmers were demanding less credit than they were before the crash in farm finances.

Agricultural banks consistently had a higher return on assets than did other small banks during the 1970s, but as the volume of problem agricultural loans mounted through 1987, the profitability of agricultural banks suffered (chart 5). Then, as

5. Comparison of rates of return on assets, agricultural banks and other small banks, 1970-90

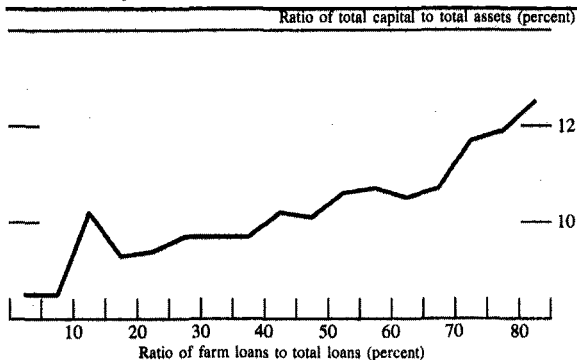


1. For definition, see text note 2.

the recovery in the farm sector picked up steam, agricultural banks again started to earn profits at a higher rate than other small banks.

Perhaps the higher rate of return earned by banks that specialize in agricultural lending reflects a premium for the greater riskiness of agricultural lending. This rationale is consistent with the broad theme of much of the academic literature on finance, in which investors must be compensated for taking greater risks by earning a higher average return. The riskier environment in which agricultural banks seem to operate also might lead them to maintain a greater proportion of their assets as capital to cushion some of the swings in returns that they might encounter. Indeed, generally the greater the proportion of farm loans in the portfolio of a bank, the greater that bank's ratio of capital to assets (chart 6). Of course, the relatively high earnings for agricul-

6. Ratio of total capital to total assets of commercial banks, by farm loan ratio, December 1990¹



1. End-point of curve covers ratios of farm loans to total loans of 80 percent and above.

tural banks might arise from sources other than high risk, such as market power or special expertise, but neither of these explanations would lead to the greater amount of capital that farm banks hold.

The Farm Credit System

As the 1980s began, the Farm Credit System was fast consolidating its position as the dominant farm lender. The agency, a lending cooperative that was created early in the twentieth century to lower the cost of farm debt, acquires money in national capital markets at rates of interest that are slightly above the rates on Treasury securities and below the rates paid by its commercial competitors. The access of the FCS to inexpensive capital has been rationalized by policymakers as compensation for legal measures that prevent it from building a broader portfolio outside the agricultural sector. In the 1970s and early 1980s, when interest rates were rising, the cost advantage of the FCS over its commercial competitors was magnified by its policy of pricing new loans according to its average cost of funds rather than its marginal cost. The agency's volume of lending grew rapidly over this period.

Two things happened early in the 1980s that greatly reduced the profitability of the FCS. First, the farm sector fell on extraordinarily bad times, and the quality of the FCS loan portfolio, restricted by law to the agricultural sector, deteriorated rapidly. Second, after a very sharp runup in 1981, interest rates began to fall, leaving the average cost of FCS funds higher than new capital from the national money markets. In addition, the FCS inadvertently boosted its cost of funds by issuing, near the time that interest rates peaked, a large amount of longer-term bonds (most with a maturity of ten to fifteen years) that had no call provisions—with hindsight, a mistake that put them at a competitive disadvantage for years to come. By 1985, as loan losses mounted and its most creditworthy customers refinanced their FCS loans with commercial lenders that were increasingly competitive, the Farm Credit System was in financial crisis.

To address its financial problems, the FCS set aside large amounts of its shrinking income in a

reserve for loan losses; in 1985 the \$3 billion that it reserved for loan losses amounted to about 228 percent of its net interest income for that year. At roughly the same time as the FCS was reporting the steep decline in income to fund the loan loss reserves, it was petitioning the Congress for financial assistance. After a great deal of debate, the Congress in 1987 gave the FCS a \$4 billion line of credit. The Congress allowed the FCS to repay funds borrowed from this line over fifteen years at subsidized rates, but it also required the system to revise its organizational structure and submit to greater governmental oversight. As of the end of 1990, the FCS had tapped only about one-third of the \$4 billion line of credit.

Ironically, the completion of the assistance bill, the Farm Credit Assistance Act of 1987, coincided with an upturn in farm income that soon would help the Farm Credit System and other farm lenders to return to profitability. The rejuvenation of the agricultural sector allowed the FCS to reduce its reserve for loan losses in each year from 1987 to 1990, thereby adding to its current income in those years. Since 1988, the FCS has earned a return on assets of about 1 percent per year, a rate roughly comparable to those at agricultural banks.

Through the first half of 1991, the profitability of the Farm Credit System continued to improve. Net interest income during this period amounted to 0.7 percent of total assets (not at an annual rate), compared with 0.6 percent during the first half of 1990. According to the FCS, almost all of this improvement came from a larger interest margin rather than an increased volume of lending. The FCS has been retaining its profits either as surplus or as a restricted fund for capital that was mandated by the 1987 assistance bill. Total capital stock and surplus amounted to 200 percent of nonperforming loans at midyear, compared with 156 percent in mid-1990.

Farmers Home Administration

By legislative design, the Farmers Home Administration (FmHA) is the agricultural sector's lender of last resort. Created in the 1930s, the agency grants loans to farmers only when they have been refused credit at other lenders. The FmHA is a conduit for subsidized loans to dis-

advantaged groups, to rural communities for development purposes, and to farmers who have experienced a natural or economic disaster that the government has deemed extraordinary. As the lender of last resort, the FmHA in the mid-1980s picked up some problem loans when other farm lenders refused to extend additional credit to borrowers whose financial condition had become shaky.

Thus, with loans generally made to less creditworthy farm customers, the FmHA suffers a rate of delinquency by its borrowers that is much higher than that among other lenders. Moreover, a variety of court injunctions and congressional directives have hindered the agency from foreclosing on delinquent loans or attempting to collect late payments. The volume of farm loans outstanding at the FmHA peaked at \$27.8 billion in the fiscal year that ended in 1986, and roughly \$12 billion of these were delinquent. By the end of fiscal 1990 the agency had pared its volume to about \$20 billion, but still roughly \$8 billion was delinquent, most of it for a number of years.

The delinquent loans at the FmHA are the last major holdover from the farm financial problems of the 1980s; loan portfolios at other lenders have regained more normal levels of quality and profitability. In recent years, the FmHA has gained some ability to deal with its delinquent loans, although still with many legal restrictions and at a high cost to taxpayers. The restructuring or foreclosure of these delinquent loans will finally bring the farm financial crisis of the 1980s to a close.

SUMMARY

The softness of the farm economy this year follows several years in which income was relatively strong. Farmers took advantage of the high returns in those years to pay off debt and to consolidate their operations, leaving themselves in a good position to weather transitory periods of falling income. Similarly, farm lenders have strengthened their financial positions. This year's downturn in the farm economy may cause financial hardship among some farmers and lenders, especially those in areas hurt by drought or other natural disasters. But a recurrence of the wide-

spread problems of the mid-1980s probably would require an extended period of weak income; the risk of such a period transpiring is being moderated by the present leanness of in-

ventories, the cautious production strategies in the farm sector, and the continued efforts of farmers to keep tight control over their production costs. □

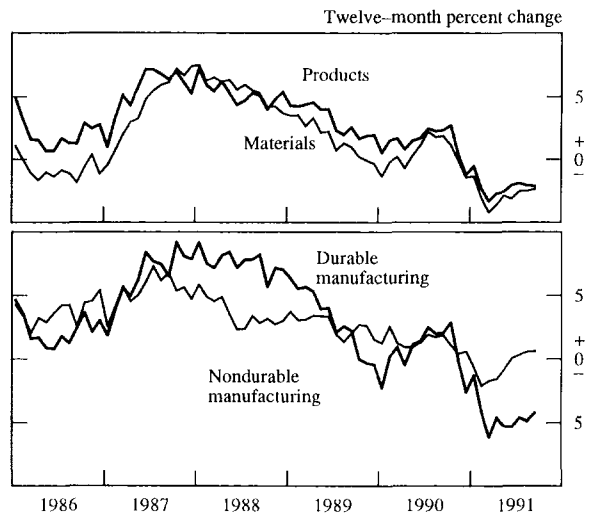
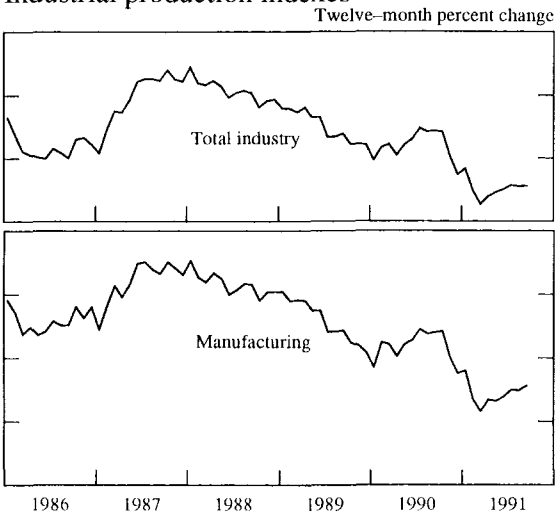
Industrial Production and Capacity Utilization

Released for publication on October 17

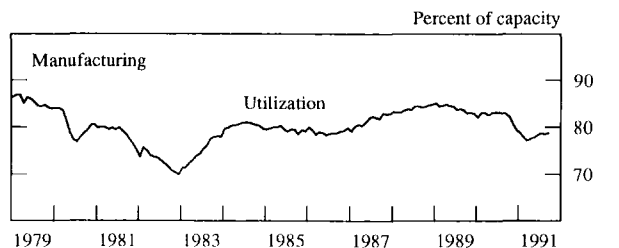
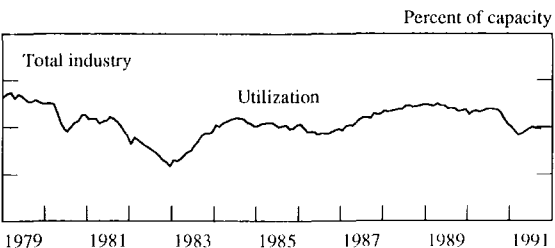
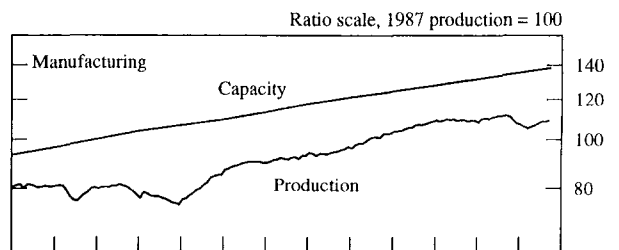
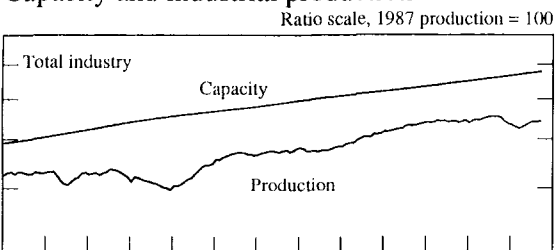
The index of industrial production edged up 0.1 percent in September; after revision, the index was unchanged in August. The output of motor vehicles and parts rose 8 percent in September, more than reversing the decline in August. However, output at

utilities fell sharply from the high levels evident since May. Output in other categories of production changed little, on balance. At 108.1 percent of its 1987 annual average, industrial production in September was 2.2 percent below its year-ago level. Despite little change in September and August, total output for the third quarter as a whole advanced

Industrial production indexes



Capacity and industrial production



All series are seasonally adjusted. Latest series, September. Capacity is an index of potential industrial production.

Industrial production and capacity utilization ¹

Category	Industrial production, index, 1987 = 100								
	1991				Percentage change				Sept. 1990 to Sept. 1991
	June ^r	July ^r	Aug. ^r	Sept. ^p	1991 ²				
					June ^r	July ^r	Aug. ^r	Sept. ^p	
Total	107.3	108.0	108.0	108.1	.8	.6	.0	.1	-2.2
Previous estimate	107.3	108.0	108.2	...	.8	.6	.3	...	...
<i>Major market groups</i>									
Products, total	108.6	108.8	108.6	109.0	.9	.2	-.1	.3	-2.1
Consumer goods	108.0	108.3	108.4	109.1	1.3	.3	.1	.7	.4
Business equipment	121.9	122.6	121.8	122.9	.2	.6	-.6	.9	-2.8
Construction supplies	97.4	97.1	97.7	98.2	1.7	-.3	.6	.5	-5.4
Materials	105.4	106.9	107.0	106.8	.8	1.4	.1	-.2	-2.4
<i>Major industry groups</i>									
Manufacturing	107.5	108.3	108.3	108.8	.8	.8	.0	.5	-2.2
Durable	107.3	108.1	108.0	108.9	.6	.8	-.1	.8	-4.3
Nondurable	107.6	108.5	108.7	108.7	1.1	.8	.2	.0	.6
Mining	102.1	102.7	101.5	100.5	2.0	.6	-1.2	-.9	-3.2
Utilities	111.5	110.9	111.3	108.5	.1	-.5	.4	-2.5	-1.7
Capacity utilization, percent									MEMO Capacity, per- centage change, Sept. 1990 to Sept. 1991
	Average, 1967-90	Low, 1982	High, 1988-89	1990	1991				
				Sept.	June ^r	July ^r	Aug. ^r	Sept. ^p	
Total	82.2	71.8	85.0	83.6	79.6	80.0	79.8	79.7	2.6
Manufacturing	81.5	70.0	85.1	82.8	78.3	78.7	78.5	78.7	2.9
Advanced processing	81.1	71.4	83.6	81.8	77.6	77.8	77.5	77.7	3.2
Primary processing	82.4	66.8	89.0	85.1	79.9	81.0	81.1	81.2	2.1
Mining	87.4	80.6	87.2	90.9	89.2	89.7	88.6	87.7	.2
Utilities	86.8	76.2	92.3	86.7	86.7	86.2	86.4	84.1	1.3

1. Seasonally adjusted.

2. Change from preceding month to month indicated.

r Revised.

p Preliminary.

6 percent at an annual rate. Total industrial capacity utilization slipped 0.1 percentage point in September, to 79.7 percent.

Analyzing the production data by market group, output of consumer goods excluding autos and trucks was unchanged in September. A drop in electricity generation for residential use offset gains in production of appliances and paper products; most other consumer sectors posted small changes. Production of business equipment other than motor vehicles was flat in September and has not shown much improvement since it reached its cyclical low in March. Output of construction supplies, which declined a bit in July, rose about 0.5 percent in each of the past two months; despite the overall recovery evident since the spring, production in September remained well below its year-ago level. Output of materials, which had grown rapidly over the spring and early summer months, has changed little recently. Among durable materials, production of parts and materials used by

the motor vehicle industry has been flat since July; the output of basic metals was unchanged last month. In August and September, production of nondurable materials, such as textiles, paper, and chemicals, was somewhat below the recent high level posted in July. Production of energy materials plunged in September because electricity generation, which was maintained at high levels over most of the spring and summer, returned to a more normal level.

Analyzing the production data by industry group, manufacturing output increased 0.5 percent in September, with the rise in motor vehicles accounting for most of the gain. Factory utilization edged up 0.2 percentage point, to 78.7 percent, in September, retracing the decline in August. Operating rates for primary- and advanced-processing industries rose slightly, but still remain well below their 1967-90 averages. Operating rates in most primary-processing industries changed little except in petroleum products, which advanced noticeably. In the

advanced-processing category, the utilization rate for motor vehicles and parts rose sharply, but factory operating rates for foods, printing, and machinery declined.

The operating rate at utilities fell very sharply in response to the step-down in demand for electricity. The utilization rate in mining was down for a second month but remained a bit above its historical average.

Statements to the Congress

Statement by John P. LaWare, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Consumer Affairs and Coinage of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, Washington, D.C., October 9, 1991

I appreciate the opportunity to appear before this subcommittee on behalf of the Board of Governors of the Federal Reserve System to comment on the credit and charge card legislation being considered in H.R.2440 as well as other issues concerning credit cards.

H.R.2440

H.R.2440 would amend the Truth in Lending Act to provide for additional disclosures to accompany credit and charge card applications and preapproved solicitations mailed to consumers. The bill would also expand the disclosure requirements of the Truth in Lending Act for credit and charge card advertisements. Finally, the bill would require additional disclosures and provide substantive rights to consumers in connection with certain changes in the terms of card accounts.

The Board believes that existing law generally provides adequate disclosure to consumers of the key costs associated with credit and charge card accounts. Furthermore, a wealth of public information is available to consumers about credit card rates and nonrate terms. For example, the Federal Reserve Board collects information and then publishes a semiannual report of the terms of credit card plans offered by the largest card issuers in the United States. The Board's September 1991 report (attached to this statement) includes twenty-eight card issuers that offer a

rate below 16 percent.¹ Seventeen issuers impose no annual membership fee. Lists of rates and other fees offered by card issuers also are available from groups such as Bankcard Holders of America and from commercial sources. In addition, the media report on credit card rates. In short, it is not apparent to the Board that the current disclosure rules and public information on credit card charges need to be supplemented by further legislation.

Disclosures on Card Applications and Solicitations

In March 1989, the Fair Credit and Charge Card Disclosure Act amendments to the Truth in Lending law went into effect. Before these amendments were enacted, consumers sometimes did not receive full disclosure of the credit terms on their card accounts until after they had received a credit card accessing the account.

The Fair Credit and Charge Card Disclosure Act requires that card issuers provide early disclosure of rate and other cost information to potential cardholders. The disclosures generally must be provided in direct mail or telephone applications and preapproved solicitations and in applications made available to the general public. Most of the required disclosures must be provided in the form of a table (attached to this statement) that the Board prescribes to allow easy comparison of the terms offered by different card issuers.

H.R.2440 would require that the prescribed disclosure table appear on envelopes containing card applications or preapproved solicitations mailed to consumers. For card issuers that operate in several states, providing their disclosure

1. The attachments to this statement are available on request from Publications Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

tables on the outside of envelopes could be difficult given the length of the disclosures.

Although the Board recognizes the value of early disclosure of essential credit information to consumers to facilitate credit shopping, it believes that this proposed requirement would not offer any meaningful benefit to consumers. The consumer who is intrigued by a card issuer's offer to open an account will of necessity have to open the envelope to act on the offer and therefore will encounter the current disclosure table. The consumer who fails to open the envelope (and thereby does not see the disclosure table) obviously is not taking the offer, has not been misled by the card issuer's marketing, and cannot be deemed to have been harmed just because the table is not on the outside of the envelope. Accordingly, the Board believes that this additional disclosure requirement is unnecessary.

Credit Card Advertising

Under the current Truth in Lending Act, creditors that mention specific costs in advertisements for any type of open-end credit product must also disclose other relevant cost information. Under this "trigger term" approach, a card issuer that advertises its annual percentage rate, for example, must also disclose any minimum finance charge, transaction fee, or similar charge. The Board by regulation also requires that any fee for membership or participation be disclosed.

In general credit card advertisements, when no specific costs are stated, the law does not mandate that any other cost information be provided. In addition, if creditors advertise that certain fees are *not* charged on an account, no additional disclosures are required. For example, a card issuer may advertise that no annual fee is imposed on a card account, without disclosing the rate. Or a card issuer may represent in an advertisement that the annual percentage rate on its accounts is "low," without providing additional disclosure. Consequently, although the Truth in Lending Act and the Board's implementing regulation generally require uniform disclosure of cost information in credit advertisements, they do not require full cost information about credit and charge cards in all advertisements—only in

those in which the advertiser triggers the need for further detail.

H.R.2440 would expand the advertising provisions of the Truth in Lending Act to specifically mandate detailed disclosure in *any* advertisement that promotes credit and charge card accounts. The bill would require that the prescribed Fair Credit and Charge Card Disclosure Act table as well as information about cash advance fees be included, or referred to, in all advertisements of card accounts no matter how brief or general. Disclosure requirements would vary according to the medium (such as television, radio, or print) in which the card advertisement appears.

The Board understands the apparent concern behind this provision of the proposed legislation—that consumers may not be getting full disclosure of credit terms in general advertisements. Nevertheless, the Board believes that the Congress should not require cost information in all advertisements. Mandated disclosures in advertisements could lead to a decrease in advertising as opposed to an increase in disclosure. The costs of compliance as well as the possible length and complexity of the proposed disclosure requirements—inclusion of a disclosure table in any form of advertising—could cause some card issuers to cut back on advertising.

The Board believes that the current disclosure scheme under the Truth in Lending Act gives consumers ample opportunity to ascertain and review account terms before being obligated on a card account. The advertising rules provide for the uniform disclosure of credit terms when specific costs are mentioned. The Fair Credit and Charge Card Disclosure Act requires disclosure of key terms in those situations in which card issuers are aggressively marketing their card accounts—for example, in direct mail or telephone campaigns. In addition, the Truth in Lending Act has always required that consumers receive full disclosure before they become obligated on open-end plans. Moreover, the Board by regulation has provided that, if full disclosure is not given beforehand, a consumer may reject the plan once disclosures are received and the creditor must refund any membership fee that has already been paid.

If the Congress nonetheless decides to go forward with legislation to amend the open-end

advertising rules, the Board urges the Congress to retain the trigger concept of advertising, perhaps adopting the approach used in the Home Equity Loan Consumer Protection Act of 1988. That law provides that both affirmative and negative references to "trigger" terms in advertisements would require additional Truth in Lending disclosure. Under such a rule, advertising "no annual fee" or "no transaction charge" would call for further disclosure. The Board believes that this more limited approach would effectively address most of the congressional concerns about credit card advertising. In general, however, we do not believe that a compelling need to amend the law exists at this time.

Changes in the Terms of a Card Account

Currently, creditors are required to provide consumers with advance notice of changes in rates and other key cost terms initially required to be disclosed under the Truth in Lending Act. The notice must be provided at least fifteen days before a change takes effect. The act itself does not require this notification. The change in terms requirement, which the Board established by regulation, has been in effect since 1969.

H.R.2440 would provide a statutory requirement of notice for a change in terms. The proposed legislation would require a thirty-day advance notice of any adverse change in the items that appear in the disclosure table required under the Fair Credit and Charge Card Disclosure Act as well as of any increase in a cash advance fee. The proposed legislation would also require that, before the change, the notice along with the entire disclosure table be provided on one or more periodic statements of account activity sent to consumers.

The Board does not believe that this additional disclosure requirement is needed. The Board has little evidence that additional disclosure is required to adequately inform consumers about changes in the terms of their accounts. Rather, consumer concern is likely based on the *fact* that a change takes place, not the lack of advance knowledge of the change. This conclusion is borne out somewhat by the consumer complaints received by the Board in this area, although they are few. Furthermore, if the legislation became

law, two different time periods would apply to notifications of a change in terms—fifteen days and thirty days—depending on whether or not the open-end plan had a card associated with it. This feature seems to be unnecessarily complicated.

H.R.2440 would also provide a substantive right to cardholders, permitting them to cancel an account and pay off any outstanding balance under existing terms when certain changes in terms occur (for example, an increase in the annual percentage rate). Although the Truth in Lending Act includes some substantive provisions, it remains primarily a disclosure statute. The Board continues to believe that substantive laws should generally be left to the realm of state law. Some states have, in fact, legislated in this area, although it should be noted that only about a half-dozen states have seen the need to give cardholders the right to pay off existing balances on the terms in effect at the time of change. If the Congress nonetheless decides to adopt this opt-out provision, it should at least limit the time period in which consumers can pay back the outstanding amounts owed.

Although the proposed legislation seeks to protect consumers, adverse consequences for consumers themselves may arise. Faced with a federal law that essentially restricts their ability to change the terms on accounts, card issuers may tighten the availability of credit or they may adjust the pricing on card accounts, making the use of credit cards more expensive. Issuers might, for example, stiffen the penalty for late payments or for exceeding a credit limit. Some issuers might charge fees that typically have not been imposed, such as application processing fees or transaction fees for purchases. Other issuers might eliminate or shorten grace periods. These actions could have a negative effect on consumers in general and on less affluent borrowers in particular. Furthermore, restricting the ability of card issuers to change terms would not give them much of an incentive to reduce credit card interest rates when conditions might permit reductions; if rates were lowered, it would then be more difficult for card issuers to increase these rates when necessary.

In summary, the Board does not believe that new disclosure or substantive requirements are

needed in connection with credit and charge card accounts.

THE CREDIT CARD INDUSTRY

The Fair Credit and Charge Card Disclosure Act directs the Federal Reserve to report to the Congress annually about the profitability of credit card operations of depository institutions. The Board has issued two reports, one in 1990 and another in September 1991. The 1990 report showed that in recent years, credit card profitability generally was higher than returns on other major bank product lines. The 1991 report found that net earnings of credit card banks were higher in 1990 than they were in both 1989 and 1988.

Competition among card issuers is intense and has taken several forms. For example, some card issuers are lowering or waiving fees such as annual membership fees, raising credit limits available to customers, offering enhancements such as purchase protection plans and travel insurance, or offering rebate programs for purchases or discounts on various services. These changes have effectively reduced the costs that many consumers incur, or increased the benefits that many consumers enjoy, in holding and using their credit cards.

Although some industry consolidation has occurred recently, new firms continue to enter the market, and existing firms continue to expand operations. Over the past few years, the availability of credit cards to consumers has increased. Several major new card issuers have entered the market. One issuer, Greenwood Trust, which issues the Discover Card, is now the largest card issuer in the country. A second issuer, Universal Bank, which issues the AT&T Universal card, has attracted about 8 million cardholders in less than one year. Further entry into the market by large businesses is anticipated, as evidenced by the announced intention of major U.S. automobile companies and at least one large regional telephone company to offer credit cards.

At the same time, problem loans have increased recently. Credit card delinquency rates and consumer bankruptcies, which directly relate to credit card losses, have risen substan-

tially. In 1990, more than 717,000 nonbusiness bankruptcies were filed, compared with 616,000 in 1989 and just over 284,000 in 1984. For bank credit cards in 1984, 3.3 percent of outstanding debt was thirty or more days delinquent. That figure has increased, and by the end of 1990, 4.46 percent of outstanding bank credit card debt was delinquent. In spite of this rising delinquency, credit card operations continue to be a strong-performing segment of the banking industry.

Lack of Change in Credit Card Interest Rates

A notable phenomenon in the card market is that interest rates on credit card debt have remained quite stable in recent years. The Board, of course, is aware of the long-standing concerns of some consumers about the sustained high level and rigidity of credit card interest rates.

As with other types of credit, the cost of funds for credit card operations is an important component of average and marginal costs, although it is substantially less important for credit card operations than it is for other major types of bank lending. On average, credit card rates have not responded significantly to changes in funding costs. In analyzing the reasons for this response, it is important to bear in mind that the interest rate is only one element of credit card pricing. Other features, such as annual fees, grace periods, late payment fees, and enhancements, are also important components of overall pricing. Card issuers may choose to modify these elements, rather than lending rates, when costs of funds change. Issuers may also choose to relax credit requirements or raise credit limits to broaden and maintain their customer base. Or, of course, they may simply benefit from the public's willingness to continue to borrow on their credit cards even when the interest rates charged do not respond to a decline in card issuers' costs of funds.

There is a debate about why credit card interest rates seem to be so stable. One possible explanation of price "stickiness" relates to the differences in consumer behavior or the type of consumer that card issuers encounter as a result of rate increases or decreases. A presumption under this theory is that card issuers face at

least two classes of consumers whose behavior makes rate reductions unattractive even when funding costs decline. The first class of consumers do not intend to borrow on their accounts, but instead, maintain credit card accounts primarily for convenience. Although these convenience users may unexpectedly borrow at high rates, their use of credit is not responsive to changes in interest rates. They are valuable customers for the bank because they may be better credit risks and are unlikely to respond to interest rate changes. The second class of consumers fully intend to borrow on their credit card accounts and are therefore more responsive to rate changes. These consumers may, however, be less attractive credit risks.

Because a reduction in rates will attract few of the more creditworthy consumers but perhaps will attract many consumers that could cause losses from delinquency or default, this theory proposes that issuers faced with these results will be reluctant to reduce rates in response to reductions in funding costs. This theory is somewhat controversial because it assumes persistent irrational behavior on the part of a class of consumers.

An alternative explanation offered for the stickiness in rates assumes that established credit card issuers have a solid customer base that does not change its use of credit cards in response to changes in interest rates because of the costs of searching for, and switching to, another card provider. These costs include the following: (1) the time and effort to identify a more attractive credit card and to complete a new credit card application, (2) the potential effect of having a credit rejection added to a credit bureau report, (3) the possibility of a reduced credit limit with the new issuer, (4) uncertainty about the quality of service with a new card issuer, and (5) uncertainty about future rates and fees. Also, the

potential savings in interest costs from switching from a high-rate issuer to a low-rate issuer may not be substantial. Because the average balance outstanding for those consumers who regularly borrow is approximately \$1,500, a reduction in credit card rates from, for example, 20 percent to 16 percent is likely to save the consumer about \$60 per year. I suspect that for many consumers this potential savings is not sufficiently great to overcome the convenience of retaining their current accounts and the costs of changing accounts.

If credit card issuers perceive that the demand for their credit cards is not very sensitive to interest rates, they may have little incentive to adjust their rates rapidly to changing financial conditions. This is particularly true if, in addition, they must incur some costs to change credit card rates (such as costs to advertise, change solicitation literature, and generally inform customers of changes). The gain from changing prices simply may not justify the cost of doing so for those card issuers.

Although these explanations and others have been offered for the marked stickiness in credit card interest rates, little consensus exists as to which explanation has the most merit.

In closing, I would like to emphasize that the Board believes it is important that consumers have adequate information to shop for credit. But more disclosure is not necessarily better disclosure. The federal law requiring early disclosure of credit card terms has been in effect for only about two and one-half years. The full effect of this law should be realized before additional federal legislation in the credit card area is adopted. Moreover, compliance with ever-changing laws and regulations imposes substantial costs on creditors. We believe that these costs will ultimately be borne by consumers through increased prices or reduced services. □

Statement by David W. Mullins, Jr., Vice Chairman, Board of Governors of the Federal Reserve System, before the Subcommittee on Telecommunications and Finance of the Committee on Energy and Commerce, U.S. House of Representatives, October 25, 1991

Thank you for this opportunity to present the Federal Reserve Board's views on legislative proposals pertaining to the regulation of the government securities market.

As I noted in testimony before you in September, the Board considers the U.S. government

securities market to be the most important securities market in the world. It is important for at least three reasons. First, market conditions there determine the cost to the taxpayer of financing U.S. government operations. Second, this market serves as the foundation for other money and capital markets here and abroad and as a prime source of liquidity for financial institutions. Finally, and for us perhaps most important, it is the market in which the Federal Reserve implements monetary policy; in this role, it must be an efficient and reliable transmitter of policy actions.

The U.S. government securities market is a valuable national resource and has performed very well throughout the years. Nevertheless, it is not immutable, and it is certainly not perfect—as the admissions of wrongdoing by Salomon Brothers have quite clearly pointed out. But, changes—especially government-mandated changes—in market practices, structure, and regulation must be rigorously derived from thoughtful study of this marketplace so that the chance of inadvertent damage to the market is minimized. These hearings contribute to that process of careful consideration. Without such a process, regulatory changes—however well-intentioned—risk producing costly mistakes.

The unparalleled depth and liquidity of the market must be preserved in any reforms that are instituted. Useful changes can likely be made, but the bulk of them should await the results of a thorough, full-scale investigation of the market. Such a study is under way by the Treasury Department, the Federal Reserve, and the Securities and Exchange Commission (SEC). This interagency study encompasses both the primary and secondary markets in government securities, and the proposals emerging from it will likely interact in complex ways. A piecemeal approach cannot capture these interactions; a coordinated approach is needed.

While the interagency study is in process, some actions are being taken in response to the abuses that Salomon Brothers committed. In particular, surveillance and enforcement activities have been intensified. A permanent, interagency surveillance group has been created to formalize and expand information sharing among the Treasury, the Federal Reserve, and the SEC.

And plans for automating the auction process have been accelerated. The objective is to build a fully computerized bidding procedure. This initiative should not only broaden access to the primary market and enhance enforcement efforts but also should facilitate other potential improvements in the auction process. Broader-based participation in auctions should reduce the vulnerability to abuses and result in a deeper, more efficient market.

More sweeping changes are, I believe, premature at this time; for the reasons I noted earlier, I feel that it is too early to move forward with specific legislative initiatives prompted by the Salomon Brothers episode. A comprehensive review of the market and the abuses has not yet been completed. Rigorous study is required to determine the need for change, to weigh the costs and benefits of alternatives, and to craft any requisite legislation that would improve the market without significant adverse consequences.

Of course, I do welcome the opportunity to discuss the proposals before us today. These proposals fall into two broad categories—those designed to address the Salomon Brothers abuses and those associated more generally with the debate on the reauthorization of the Government Securities Act. With respect to the latter proposals, several of them involve issues that were analyzed in 1990 by the General Accounting Office in its report on the Government Securities Act and by the Treasury, the Board, and the SEC in their joint report. Progress on these proposals can certainly be made now. In particular, as the October 1990 joint report and earlier Board testimony stated, the Board supports extending—or more correctly, now reinstating—the rulemaking authority of the Treasury Department that expired at the beginning of October. And it would want this authority to be made permanent.

With regard to mandated dissemination of trading information and sales practice rules, the Board still believes that a decisive case has not yet been presented for adding statutory requirements. Nevertheless, the Board would not oppose a modest broadening of current law, with adequate safeguards.

Specifically, in the case of information on securities trading, the Board would urge that the

current private-sector initiative in this area be given adequate opportunity to satisfy congressional concerns, with backstop authority to mandate dissemination if necessary. The Board has some reservations, however, about whether the current proposal on dissemination of information includes enough leeway to allow for a more efficient, more flexible, market-based solution to the problem before the government steps in with regulation. For example, adding language that requires the government to make specific findings before invoking its backstop authority to mandate information disclosure would help provide some additional safeguards against unnecessary regulation.

If the Congress feels that a provision for sales practice rules, too, is necessary, perhaps the least costly and most responsive added measure would be a simple removal of the prohibition that blocks the National Association of Securities Dealers (NASD) from applying its sales practice rules to government securities transactions. That change would bring NASD firms into line with what is already the case for member firms of the New York Stock Exchange, extending rules for sales practices to all nonbank brokers and dealers. In this process, which would, in essence, take place with oversight by the SEC, the Board would favor substantive consultation and cooperation with the Treasury Department as the primary regulator of this market. In general, the Board favors consultation and cooperation and opposes the granting of veto powers over other agencies' regulations in this market. The Board is pleased that the committee's legislative proposals include extensive consultation provisions.

The other four proposals on which you requested the Board's views appear to represent responses to the Salomon Brothers episode and thus fall into the category of proposals that, in the Board's view, are better considered as part of a comprehensive review of the market. Although the Board is not prepared to express a definitive view, I would like to share some preliminary reactions to these proposals.

Perhaps the strongest potential concerns are associated with the proposed system of reporting by large traders in the government securities market. Additional recordkeeping and reporting by brokers and dealers may well be worthwhile.

But imposing this burden with respect to all large traders may not be necessary and could well involve significant costs.

Although a system for large-trader reporting may be appropriate for the stock market, the market for government securities is very different. The need for large-trader reporting must be rigorously determined, based upon the findings of the Board's study of this episode, because of the possibly considerable costs associated with this reporting burden. These costs include the direct cost incurred by market participants in producing and maintaining reports. More important, such a reporting system could cause some investors to withdraw from a Treasury market in which their finances and trading strategies may be revealed. Because reduced investor demand could translate into higher interest rates required to finance Treasury debt, the Board must carefully assess this potential increase in taxpayer cost. Indeed, equally efficacious but much less costly alternatives to a large-trader reporting system may exist. The stakes are high; the consequences of mistakes are severe; and the Board believes that careful study is required before proceeding with proposals in this area.

Concerning the proposals for requiring internal controls and extending SEC authority to prevent fraudulent and manipulative acts and practices, I expect that the Board's review of the market and its regulation will shed light on the need for such legislation. Certainly, securities firms must have adequate internal procedures to prevent wrongdoing by their employees, and adequate provisions to prevent fraud in this market are needed. However, a determination on whether these two provisions would represent significant, cost-effective, additions that are appropriate in this regard should, in the Board's view, await the results of further study.

The Salomon Brothers episode highlighted some vulnerabilities in the government securities market; it also presented the Board with an opportunity not only to solve the specific problems but also to initiate a comprehensive study for designing and implementing fundamental improvements in market practices, structure, and regulation. I fully expect that the Board will be able to use this opportunity to enhance the integrity and efficiency of this important market. □

Announcements

FINAL MODIFICATIONS OF RISK-BASED CAPITAL GUIDELINES

The Federal Reserve Board on October 4, 1991, issued final modifications, clarifications, and technical changes to the Board's risk-based capital guidelines.

The new guidelines, which are effective November 8, relate to the following:

- Treatment of residential mortgages that are sold with recourse
- Redemption of perpetual preferred stock
- Treatment of supervisory goodwill in the definition of capital
- Treatment of claims on non-OECD central banks.

FEE SCHEDULES OF THE FEDERAL RESERVE BANKS FOR 1992

The Federal Reserve Board announced on October 31, 1991, the 1992 fee schedules for services provided by the Reserve Banks. The fees will become effective January 1, 1992.

The fee schedules apply to check collection, automated clearinghouse transactions, funds transfer and net settlement, book-entry securities, definitive safekeeping, noncash collection, and special cash services, and for electronic connections to the Federal Reserve. The 1992 fee schedules are available from the Reserve Banks.

In 1992, total costs for priced services, including float and the private sector adjustment factor (PSAF), are projected to be \$781.3 million. Total revenue is projected to be \$785.6 million, resulting in a 100.6 percent recovery rate. The fees for 1992 are based on total costs, including the PSAF but excluding costs for special projects.

At the same time, the Board approved the 1992 PSAF for Reserve Bank priced services of \$79.9 million, a decrease of \$5.9 million or 6.8 percent from the \$85.8 million targeted for 1991.

The PSAF is an allowance for the taxes that would have been paid and the return on capital that would have been provided had the Federal Reserve's priced services been furnished by a private business firm.

PUBLICATION OF THE REVISED LIST OF MARGINABLE OTC STOCKS AND THE REVISED LIST OF FOREIGN MARGIN STOCKS

The Federal Reserve Board published on October 31, 1991, a revised List of Marginable OTC Stocks for over-the-counter (OTC) stocks that are subject to its margin regulations and also a revised List of Foreign Margin Stocks for foreign equity securities that are subject to Regulation T (Credit by Brokers and Dealers). The lists are effective November 12, 1991, and supersede the previous lists that were effective August 12, 1991.

The Foreign List indicates those foreign equity securities that are eligible for margin treatment at broker-dealers. A 1990 amendment to Regulation T made possible the eligibility of foreign securities for margin treatment. Since publication of the last Foreign List one company was deleted, and no companies were added; the total number of foreign equity securities on the list is now 294.

The changes that have been made to the revised OTC list, which now contains 2,766 OTC stocks, are as follows:

- One hundred thirty stocks have been included for the first time, 108 under National Market System (NMS) designation.
- Forty-eight stocks previously on the list have been removed for substantially failing to meet the requirements for continued listing.
- Twenty-nine stocks have been removed for reasons such as listing on a national securities exchange or involvement in an acquisition.

The Board publishes the OTC List for the information of lenders and the general public. The list includes all OTC securities designated by the

Board pursuant to its established criteria as well as all OTC stocks designated as NMS securities for which transaction reports are required pursuant to an effective transaction reporting plan. Additional OTC securities may be designated as NMS securities in the interim between the Board's quarterly publications and will be immediately marginable. The next publication of the Board's list is scheduled for February 1992.

Besides NMS-designated securities, the Board will continue to monitor the market activity of other OTC stocks to determine which stocks meet the requirements for inclusion and continued inclusion on the OTC List.

PROPOSED ACTIONS

The Federal Reserve Board on October 31, 1991, requested public comment on a proposal to permit bank holding companies to raise additional tier one risk-based capital through the sale of perpetual preferred stock. Comments were requested by November 22.

The Federal Reserve Board withdrew on October 31, 1991, a proposed modification to the price structure for the Interdistrict Transportation System (ITS) component of the Federal Reserve's check collection service. This modification had been issued for public comment in August 1990.

EXTENSION OF COMMENT PERIOD FOR MEETINGS HELD ON PROPOSED ACQUISITION OF C&S/SOVRAN CORPORATION BY NCNB CORPORATION

The Federal Reserve Board announced on October 4, 1991, that it had provided an additional thirty-day period, until November 8, 1991, to submit comments regarding matters raised at four public meetings that the Board held on the application by NCNB Corporation to acquire C&S/Sovran Corporation. The meetings on this application were held during the week of October 7, 1991, in Richmond, Charlotte, Atlanta, and Dallas.

CHANGES IN BOARD STAFF

The Board of Governors has announced the following changes to the official staff in the Division of Banking Supervision and Regulation.

William Taylor, Staff Director, resigned, effective October 25, 1991, to become Chairman of the Federal Deposit Insurance Corporation. The Board announced the promotion of Richard Spillenkothen from Deputy Associate Director to Director to replace Mr. Taylor. Stephen C. Schemering was promoted from Deputy Associate Director to Deputy Director, and William A. Ryback was promoted from Deputy Associate Director to Associate Director.

The Board also announced the resignation of Joe M. Cleaver, Assistant Director, effective October 31, 1991. □

Record of Policy Actions of the Federal Open Market Committee

MEETING HELD ON AUGUST 20, 1991

The information reviewed at this meeting was mixed, but it suggested on balance that economic activity was expanding at a moderate pace. Some strengthening in consumption expenditures, notably for motor vehicles, and in single-family residential investment was providing much of the impetus for the recovery. On the other hand, business fixed investment was still weak, and the runoff of business inventories was showing few signs of abating. On the supply side, production had strengthened, particularly in manufacturing and housing, but labor demand remained soft overall. Increases in consumer prices had been small in recent months, while the pace of labor cost increases did not appear to have slowed further.

Total nonfarm payroll employment edged down in July, but substantial upward revisions to data for May and June left the July level above that for April. Job gains were recorded in manufacturing, retail trade, and health services in July, but employment in construction and various financial service industries continued to contract. Despite the lower employment level and a sharp decline in the average workweek, the unemployment rate fell slightly to 6.8 percent in July apparently owing to a net exit of jobless workers from the labor force.

Led by another rise in the production of motor vehicles, industrial production rose appreciably further in July, although the rate of increase was a little less than the average pace in the second quarter. Over the period from April through July, production retraced nearly half of the decline that had occurred between September of last year and March. Total industrial capacity utilization rose for a fourth consecutive month in July, but the overall operating rate was still well below its longer-run average.

Retail sales rose in July, and previously reported increases for May and June were revised upward. Gains at automotive dealers remained strong, and

sales at general merchandise, apparel, and furniture outlets in July more than retraced a sharp June decline. Housing starts continued to trend higher in July. As had been the case thus far in the upturn, most of the July increase occurred in single-family units; multifamily starts edged up but remained near the thirty-year low recorded in May. Sales of both new and existing homes strengthened further in June.

Business fixed investment declined again in the second quarter as outlays for producers durable equipment fell modestly, and forward-looking indicators pointed to sluggishness in spending for equipment over the near term. Reflecting in part the damping effect on office construction of high vacancy rates and falling property values for existing buildings, the decline in nonresidential construction continued in the second quarter, and data on construction permits and contracts suggested that this sector likely would remain weak for an extended period. Inventory liquidation by manufacturers and non-auto trade establishments continued through the second quarter, although the pace slowed in June from the sharp declines of April and May. The ratio of stocks to sales at these establishments was about unchanged.

The nominal U.S. merchandise trade deficit narrowed somewhat in June from the downward revised May value and was somewhat below its rate for the first quarter. For the second quarter, there was substantial growth in the value of exports, primarily resulting from strength in machinery, commercial aircraft, and automotive products. The value of imports edged up as increases in foods and selected capital goods were not quite offset by declines in oil and automotive products. Economic activity in the major foreign industrial countries continued to present a mixed picture. Tentative signs of more rapid growth emerged in the second quarter in some European countries, but the pace of economic activity appeared to have eased in Japan

and Germany from robust rates in the first quarter.

Declines in the prices of food and energy in June and July damped the rise in consumer prices and lowered producer prices of finished goods. Excluding food and energy items, consumer prices rose over the twelve months ended in July at a slightly slower rate than in the preceding twelve months. At the producer level, prices of nonfood, non-energy items continued to increase in July at the very slow second-quarter pace. Total compensation per hour for private industry workers accelerated a bit in the second quarter, reflecting the effects of a sharp increase in the cost of benefits and the upward adjustment of the minimum wage in April.

At its meeting on July 2-3, 1991, the Committee adopted a directive that called for maintaining the existing degree of pressure on reserve positions and that did not include a presumption about the likely direction of any intermeeting adjustments to policy. Accordingly, the Committee decided that somewhat greater or somewhat lesser reserve restraint might be acceptable during the intermeeting period ahead depending on progress toward price stability, trends in economic activity, the behavior of the monetary aggregates, and developments in foreign exchange and domestic financial markets. The reserve conditions contemplated at this meeting were expected to be consistent with some increase in the growth of M2 and M3 to annual rates of around 5½ and 3 percent respectively over the three-month period from June through September.

Open market operations during the intermeeting period initially were directed toward maintaining the existing degree of pressure on reserve positions. Subsequently, in early August, reserve pressures were eased slightly; this action was taken against a backdrop of indications that price pressures were abating and the recovery was proving to be sluggish at a time of persisting weakness in the broad monetary aggregates. Over the course of the period, two technical increases were made to expected levels of adjustment plus seasonal borrowing to reflect the run-up in seasonal borrowing that usually occurs at this time of the year. In the three reserve maintenance periods completed since the July meeting, adjustment plus seasonal borrowing tended to run at appreciably higher levels than expected, owing in part to difficulties in estimating nonborrowed reserve needs near the ends of reserve maintenance periods. The federal funds rate aver-

aged around 5¾ percent in the early part of the intermeeting period, but following the action to ease reserve conditions, the rate averaged about 5½ percent.

Other market interest rates declined appreciably over the intermeeting period in response to downward revisions in market expectations about the pace of the recovery and price pressures, the easing of reserve conditions, and especially for short-term Treasury securities, the uncertain outcome of the coup attempt in the Soviet Union that had begun a few days before the meeting. Despite the uncertainty surrounding the status of the recovery, interest rates on private instruments fell as much as Treasury yields, and most major indexes of stock market prices advanced considerably. Expectations of a slower recovery and an easier monetary policy in the United States contributed to a decline on balance in the trade-weighted value of the dollar in terms of the other G-10 currencies over the intermeeting period. Late in the period, the coup attempt in the Soviet Union triggered a sharp rise in the dollar against many European currencies.

The broad monetary aggregates were quite weak in July. After several months of sluggish growth, M2 contracted as expansion in transaction deposits slowed and retail time deposits continued to run off at a rapid rate. M3 fell further in July as declines in M2 were augmented by further runoffs of large time deposits. The reasons for the weaker-than-expected growth of the broader aggregates were not entirely understood; however, it appeared that the underlying weakness in credit growth at depository institutions combined with shifts of funds out of the broader aggregates by depositors reaching for higher yields were contributing to the reduced growth. For the year through July, M2 and M3 had expanded at rates near the lower ends of the Committee's ranges.

The staff projection prepared for this meeting indicated that the economy was continuing to recover from the recent recession, although somewhat slower growth than previously anticipated was now projected for the second half of the year. The projection still pointed to moderate expansion in final demand over the next several quarters, with economic activity later this year and in the first part of 1992 given added impetus by a cyclical swing from substantial liquidation to modest accumulation in business inventories. The stimulus from the swing in inventories was expected to diminish during the

first part of next year, but business capital expenditures were projected to pick up as the recovery continued. Real purchases of goods and services by the federal government were projected to trend downward, and budgetary problems were expected to restrain spending by state and local governments. On balance, the expansion in economic activity was projected to be relatively moderate in comparison with past cyclical experience. Persisting though diminishing slack in the economy was expected to induce a further moderation in cost pressures and an appreciable decline in the core rate of inflation over the period through 1992.

In the Committee's discussion of current and prospective economic and financial conditions, the members generally agreed that the recovery was continuing, although recent economic data and the general tenor of the anecdotal information suggested an uneven performance in different sectors of the economy and parts of the country. While sustained expansion at a moderate pace was still viewed as a reasonable expectation, many members now believed that the risks were tilted toward the downside. These risks stemmed to an important extent from the financial side of the economy: life insurance companies as well as banks had become quite cautious lenders, and the very weak recent data on both money and credit added to concerns about financial developments. In addition, consumer surveys and business contacts suggested some erosion in the confidence that had built up amid the initial signs of an economic turnaround after the end of the Persian Gulf war. Some members commented, however, that the prospective sources and potential strength of the expansion were always difficult to discern at this stage of the recovery, and a stronger-than-projected expansion could not be ruled out. With regard to the outlook for inflation, members continued to anticipate a reduction in its core rate over coming quarters, especially following an extended period of restrained monetary growth. However, several expressed disappointment regarding the recent behavior of labor costs and commented that progress toward lower inflation might be more limited, at least in the quarters immediately ahead, than they had expected earlier.

Recent events in the Soviet Union had introduced a new element of uncertainty in the economic outlook. The outcome of the coup attempt was uncertain but, should it succeed, early market

reactions suggested the possibility of some adverse consequences for the U.S. economy stemming in part from a further deterioration in business and consumer confidence, an increase in the price of oil and the value of the dollar, and perhaps higher long-term interest rates.

The financial sector of the domestic economy continued to be seen as a potential source of developments that could hold the expansion below the forecast. Financing from a number of institutional lenders had been curtailed for some time and did not yet show signs of becoming more readily available; indeed, mounting difficulties for some life insurance companies could reduce further the willingness of these lenders to extend credit. Members also commented that the continuing publicity given to the weakened condition of many financial institutions along with widespread reports of financial scandals tended to erode confidence. Several observed that the weakness of the monetary aggregates, while not closely correlated with short-run economic performance, was nonetheless a matter of increasing concern to the extent that it implied unusual constraints on the availability of credit and possibly a faltering economic expansion. On the positive side, the financial condition of banking institutions appeared to be continuing to stabilize or improve. Indeed, while banks had raised their credit standards, bank financing was widely reported to be readily available to creditworthy borrowers, at least outside the real estate sector, though bank lending continued to lag because of weak credit demand associated in part with inventory liquidation and because many business firms were taking advantage of their direct access to financial markets. In the absence of further deterioration in lender confidence, the availability of loans from financial intermediaries could be expected to increase over time and appeared likely to be adequate to finance a moderate recovery. Nonetheless, the risks seemed to be skewed toward the possibility of further difficulties damping credit supplies and impeding economic growth.

In the course of their discussion, members commented on continuing indications of mixed business conditions in different parts of the country. They noted that economic activity appeared to have deteriorated at least marginally in several regions, though the available evidence pointed on the whole to growth in the overall economy. Members referred

to the contrast between gloomier business attitudes and the improvement that was occurring in some sectors of the economy, notably industrial production and housing. Business executives seemed disappointed by a much less vigorous rebound in demand than they had anticipated with the end of the Persian Gulf war. In the circumstances, they remained very cautious in managing their inventories and reluctant to undertake major investment projects.

Available information suggested that inventories had declined somewhat further in recent months. As at previous meetings, members anticipated that with inventories at much reduced levels, the pickup in final demand would at some point stimulate a turnaround in inventory investment that would in turn provide an important fillip to the expansion. Thus far, however, the evidence did not indicate a cumulative expansionary process involving stepped-up inventory demand that generated growth in production, incomes, and spending and in turn stimulated further demand for inventories. Some members commented that the relative weakness in commodity prices was further evidence that a self-reinforcing process of that kind had not yet emerged in the current cyclical recovery. There was little reason to conclude, however, that a dynamic process of that sort, which in the early stages of past cyclical recoveries had tended to provide the major thrust to the expansion, would fail to materialize in the quarters ahead.

During their discussion, members commented that retail sales appeared to be improving at least a little in many parts of the country but remained quite sluggish elsewhere. An important but geographically uneven source of strength was the sale of motor vehicles, though contacts in the auto industry suggested some disappointment over the sales performance of many new models. In general, consumers remained concerned about financial developments, relatively heavy debt burdens, and uncertainty about employment prospects. While further growth in consumer spending was a likely development, various factors tending to inhibit consumer confidence and an already low saving rate pointed to relatively limited expansion in such spending over the quarters ahead.

Members did not see business capital spending as an important source of stimulus to the economy over the next few quarters. There were continuing reports of marked weakness in commercial construction

activity, reflecting the persistence of high vacancy rates in many parts of the country that were likely to hold back new building for an extended period. Nonetheless, overall nonresidential construction appeared to have bottomed out in some areas and indeed to have edged up in others, buttressed by expenditures on public works projects by a number of state and local governments. Current spending for business equipment was less depressed though also indicative of considerable caution on the part of businessmen in the context of disappointing profits and uncertain demand for their products. While a pickup in equipment spending could be expected to occur with some lag during the course of the cyclical upswing, overall capital spending was likely to grow at a relatively subdued pace unless final demand turned out to be much stronger than the members currently expected and induced a major turnaround in business sentiment.

The outlook for residential construction remained more promising. Spurred by reduced mortgage rates, sales of homes continued on a moderate uptrend in most areas and, indeed, represented a bright spot in some otherwise depressed regions such as New England. While the construction of new housing was still being damped by relatively high vacancy rates and the difficulties encountered by some builders in obtaining financing, modest strengthening in homebuilding was occurring in many parts of the country. The recent decline in long-term interest rates was cited as a further favorable factor for housing construction activity.

Turning to the outlook for the nation's trade balance, members commented that export demand had continued to grow and several expressed optimism regarding the prospects for further growth, including the outlook for expanding markets in Latin America. The trade balance would be influenced to an important extent by the value of the dollar in foreign exchange markets; the latter was subject to considerable uncertainty, especially in connection with the events that were under way in the Soviet Union. Those events had raised questions about trade developments, notably the potential for reduced world oil supplies and lower foreign demand for U.S. goods, especially agricultural products. The members also recognized that the domestic economic expansion would have a damping effect on the trade balance by stimulating growth in imports.

The members anticipated that federal government

purchases of goods and services would be curtailed in line with last year's budget agreement. They noted that the recent developments in the Soviet Union had raised new uncertainties about the size of cutbacks in defense spending, which had been projected to account for all the reduction in real federal expenditures. With regard to the state and local governments, there continued to be widespread reports of current or expected spending cuts and higher taxes to counter budgetary shortfalls. On balance, overall government spending and tax policies appeared likely to exert a somewhat negative influence on the economic expansion.

Given a projection of some persisting slack in labor and product markets and following an extended period of relatively restrained monetary growth, the members continued to anticipate appreciable progress toward lower inflation over the period through 1992. Competitive pressures, including competition from foreign producers, remained strong in markets for many products, and the decline in consumer inflation over the course of recent months was likely to have a favorable effect on inflationary expectations. On the negative side, the recent lack of progress in bringing down the rate of increase in labor costs was a worrisome development. While some of the upward pressures on such costs appeared to reflect special factors such as the second-quarter rise in the minimum wage, a major underlying cause was the continuing surge in the cost of benefits, especially medical insurance. In this situation, several members observed that they now anticipated less progress toward a lower core rate of inflation over the next several quarters.

Against the background of a broad consensus that a moderately paced recovery with ebbing inflation probably was under way, all of the members indicated that they preferred or could accept a proposal to maintain an unchanged degree of pressure on reserve positions. In addition, a majority expressed a preference for an asymmetric directive that was tilted toward possible easing during the weeks ahead. Those favoring such asymmetry felt that the risks to the expansion were largely on the side of a weaker-than-projected economy, and they believed that the Federal Reserve should react promptly to any signs that the expansion was less robust than desired or that monetary conditions might be inconsistent with sustained growth. However, they believed that an immediate easing move

would be premature because the most recent economic information, although mixed, still suggested a moderate rate of economic expansion and also because of the questions that were raised about how to interpret the behavior of the monetary aggregates. Some members marginally favored an immediate move toward ease because of the weakness in the broader monetary aggregates and a sense that such a move might bolster confidence and better ensure a satisfactory recovery in the months ahead. Nonetheless, they found acceptable an initially unchanged policy that was coupled with an instruction calling for policy implementation to be especially alert to developments that might require some easing during the intermeeting period. Other members viewed the risks to the expansion as more evenly balanced or questioned the extent to which further easing in the near term might stimulate monetary growth or result in lower long-term interest rates. Accordingly, they felt that retaining the current symmetric directive was a preferable option. They were concerned about the risk of responding to what might prove to be short-lived fluctuations in the economic data and anecdotal information bearing on the performance of the economy. In particular, the persistence of inflationary cost pressures made it advisable to pause in order to assess the implications of the information that would become available over the next few weeks, including data on the behavior of the monetary aggregates. Nonetheless, given prevailing uncertainties, these members could accept a directive that was biased toward possible easing in the weeks ahead.

In the course of the Committee's discussion, members devoted considerable attention to the behavior of the monetary aggregates. While the cumulative growth of M2 and M3 for the year to date was still within the Committee's ranges—though near the bottom of those ranges—the weakness in recent months, including declines in both aggregates in July, was seen by many members as a disturbing development. The members acknowledged that it was difficult to disentangle the various reasons for the unexpected shortfall in monetary growth and thus the implications for the thrust of monetary policy. In the context of essentially unchanged or even declining interest rates, there appeared to be little import for the economy and monetary policy to the extent that the shortfall reflected shifts of funds out of the broader aggregates and into nonmonetary

investment instruments that provided higher interest returns, thereby bypassing depository institutions but tending to have little effect on the overall availability of credit. Of potentially greater concern and significance for policy was the evidence that some of the weakness of the monetary aggregates stemmed from unusual constraints on the amount of credit provided by depository institutions and implied restraint on the overall supply of credit. The weak growth in credit extended by depository institutions reflected, of course, an uncertain combination of anemic demand by creditworthy borrowers and supply constraints by lending institutions. The behavior of M2 and M3 also might be indicative of even weaker nominal spending than was currently recognized and hence a monetary policy stance that was too tight under such circumstances. According to a staff analysis prepared for this meeting, growth in both measures could be expected to pick up a little over the months ahead, assuming steady reserve conditions. The persistence in some degree of recent relationships between movements in short-term interest rates, income, and monetary growth would imply slower monetary expansion than might otherwise be expected.

In these circumstances, many members indicated that continued weakness in M2 and M3 would be a matter of increasing concern, especially given questions about the strength of the economic recovery. Some favored a proposal to give greater emphasis in the directive to the behavior of the monetary aggregates in guiding possible intermeeting adjustments in policy, at least for the period ahead. However, a majority preferred to retain the current directive wording. In support of this view, some commented that in recent years the broader aggregates have been unreliable indicators of the path of the economy over the quarters immediately ahead and thus imperfect guides for short-run policy adjustments. Some observed that growth in M1 and total reserves had held up fairly well on balance over the past several months and that the behavior of those measures might be more indicative of the underlying thrust of monetary policy than that of the broader aggregates on which the Committee had tended to focus. Giving the monetary aggregates more prominence in the directive could provide a misleading indication of the adjustments that would be made to reserve conditions in response to the behavior of the aggregates, including aberrant

fluctuations, thereby misconstruing the views of many members.

At the conclusion of the Committee's discussion, all of the members indicated that they could vote for a directive that called for maintaining the existing degree of pressure on reserve positions. All also indicated that they preferred or could accept a directive that included a bias toward possible easing during the intermeeting period. Accordingly, the Committee decided that somewhat greater reserve restraint might be acceptable or somewhat lesser reserve restraint would be acceptable during the period ahead depending on progress toward price stability, trends in economic activity, the behavior of the monetary aggregates, and developments in foreign exchange and domestic financial markets. The reserve conditions contemplated at this meeting were expected to be consistent with a resumption in the growth of M2 and M3 during the weeks ahead, but in light of the declines in these aggregates since June, the Committee now anticipated that M2 would be little changed and M3 would be down at an annual rate of about 1 percent in the period from June through September.

At the conclusion of the meeting, the following domestic policy directive was issued to the Federal Reserve Bank of New York:

The information reviewed at this meeting has been mixed, but it suggests on balance that economic activity is expanding at a moderate pace. The unemployment rate fell slightly to 6.8 percent in July, but total nonfarm payroll employment edged down and the average work-week posted a sharp decline. Industrial production rose appreciably further in July. Consumer spending has increased considerably in recent months, led by sizable gains in expenditures for motor vehicles. New orders for nondefense capital goods point to little change in spending for business equipment over the near term, and nonresidential construction remains weak. Housing starts rose further in June and July. The nominal U.S. merchandise trade deficit declined in June, and its average for the second quarter was somewhat below the rate in the first quarter. Increases in consumer prices have been small in recent months.

Over the intermeeting period prior to August 19, market interest rates declined appreciably and the trade-weighted value of the dollar in terms of the other G-10 currencies depreciated somewhat. Subsequently, in the wake of events in the Soviet Union, Treasury bill rates fell somewhat further and the dollar rebounded sharply against many European currencies.

M2 contracted in July after several months of slow growth and M3 fell further. For the year through July,

expansion of M2 and M3 has been near the lower ends of the Committee's ranges.

The Federal Open Market Committee seeks monetary and financial conditions that will foster price stability and promote sustainable growth in output. In furtherance of these objectives, the Committee at its meeting in July reaffirmed the ranges it had established in February for growth of M2 and M3 of 2½ to 6½ percent and 1 to 5 percent, respectively, measured from the fourth quarter of 1990 to the fourth quarter of 1991. The monitoring range for growth of total domestic nonfinancial debt also was maintained at 4½ to 8½ percent for the year. For 1992, on a tentative basis, the Committee agreed in July to use the same ranges as in 1991 for growth in each of the monetary aggregates and debt, measured from the fourth quarter of 1991 to the fourth quarter of 1992. With regard to M3, the Committee anticipated that the ongoing restructuring of thrift depository institutions would continue to depress the growth of this aggregate relative to spending and total credit. The behavior of the monetary aggregates will continue to be evaluated in the light of progress toward price level stability, movements in their

velocities, and developments in the economy and financial markets.

In the implementation of policy for the immediate future, the Committee seeks to maintain the existing degree of pressure on reserve positions. Depending upon progress toward price stability, trends in economic activity, the behavior of the monetary aggregates, and developments in foreign exchange and domestic financial markets, somewhat greater reserve restraint might or somewhat lesser reserve restraint would be acceptable in the intermeeting period. The contemplated reserve conditions are expected to be consistent with a resumption of growth of M2 and M3 in the weeks ahead; but in view of the declines already posted since June, the Committee anticipates that M2 would be little changed and M3 would be down at an annual rate of about 1 percent over the period from June through September.

Votes for this action: Messrs. Greenspan, Corrigan, Angell, Black, Forrestal, Kechn, Kelley, LaWare, Mullins, and Parry. Votes against this action: None.

Legal Developments

FINAL RULE—AMENDMENTS TO REGULATIONS G, T, U, AND X

The Board of Governors is amending 12 C.F.R. Parts 207, 220, 221, and 224, its Regulations G, T, U, and X (Securities Credit Transactions; List of Marginable OTC Stocks; and List of Foreign Margin Stocks). The List of Marginable OTC Stocks (OTC List) is comprised of stocks traded over-the-counter (OTC) in the United States that have been determined by the Board of Governors of the Federal Reserve System to be subject to the margin requirements under certain Federal Reserve regulations. The List of Foreign Margin Stocks (Foreign List) represents foreign equity securities that have met the Board's eligibility criteria under Regulation T. The OTC List and the Foreign List are published four times a year by the Board. This document sets forth additions to or deletions from the previous OTC List and deletions from the previous Foreign List. Both Lists were published on July 29, 1991 and effective on August 12, 1991.

Effective November 12, 1991, accordingly, pursuant to the authority of sections 7 and 23 of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78g and 78w), and in accordance with 12 C.F.R. 207.2(k) and 207.6(c) (Regulation G), 12 C.F.R. 220.2(u) and 220.17(e) (Regulation T), and 12 C.F.R. 221.2(j) and 221.7(c) (Regulation U), there is set forth below a listing of deletions from and additions to the OTC List, and the one deletion from the Foreign List.

Deletions from the List of Marginable OTC Stocks

Stocks Removed for Failing Continued Listing Requirements

Artel Communications Corporation: Rights (expire 07-25-91)

Bankeast Corporation: \$1.00 par common

Cenvest, Inc.: \$.01 par common

Checkrobot, Inc.: \$.01 par common

Cherne Medical, Inc.: No par common

Child World, Inc.: \$.10 par common

City Resources (Canada) Ltd.: No par common

Communications Transmission, Inc.: \$.01 par common

Concurrent Computer Corporation: \$.01 par common

CPC-Rexcel, Inc.: \$.01 par common

Cutco Industries, Inc.: \$.10 par common

Damon Group Inc.: \$.01 par common

Elcotel, Inc.: \$.01 par common

Farm & Home Financial Corporation: 13% Series A, cumulative exchangeable preferred

First Financial Management Corp.: 7% convertible subordinated debentures

GTE California Inc.: 5% cumulative preferred

Guaranty Bancshares Corporation: No par common

Homestead Holding Corporation: \$1.00 par common

Instituform Group Limited: Warrants (expire 09-28-91)

INVG Mortgage Securities Corp.: \$.01 par common

Invitron Corporation: \$.02 par common

Jetborne International, Inc.: \$.01 par common

Kinder-Care Learning Centers, Inc.: \$.01 par common

Landmark Bank for Savings (Massachusetts): \$.10 par common

Laser Corporation: \$.01 par common

Laurel Savings Association (Pennsylvania): \$1.00 par common

LDB Corporation: \$5.00 par common

Margo Nursery Farms, Inc.: \$.001 par common

MLX Corp.: \$.01 par common

North American Savings Bank (Missouri): \$1.00 par common

Numerica Financial Corporation: \$.10 par common

Old Fashion Foods, Inc., \$.20 par common

Perpetual Financial Corporation: \$.01 par common, Series A, cumulative convertible preferred

Personal Diagnostics, Inc.: \$.01 par common
PSH Master L.P.I.: Units of limited partnership interest

Response Technologies, Inc.: Series A, \$1.00 par convertible preferred

Robotic Vision Systems, Inc.: \$.01 par common
Ross Industries, Inc.: \$1.00 par common
Royal Gold, Inc.: \$.01 par common

SSMC, Inc. N.V.: 15% Series B cumulative preferred
Stake Technology Ltd.: No par common
Suffield Financial Corporation: \$1.00 par common

Tinsley Laboratories, Inc.: No par common

Unity Healthcare Holding Co., Inc.: \$.01 par common

Victoria Creations, Inc.: No par common
Viejo Bancorporation: No par common

Williams, A.L., Corporation: 7.25% convertible subordinated debentures

Stocks Removed For Listing On A National Securities Exchange Or Being Involved In An Acquisition

20th Century Industries: No par common

ADT Limited: American Depositary Receipts

Black Industries, Inc.: \$1.00 par common

Carrington Laboratories, Inc.: \$.01 par common
Cellular Communications, Inc.: \$.01 par common
Centurion Gold Ltd.: No par common
Courier Dispatch Group, Inc.: \$.001 par common

Del Taco Restaurants, Inc.: \$.01 par common

Fabricland, Inc.: No par common
FNW Bancorp, Inc.: No par common

Graphic Scanning Corp.: \$.01 par common

Hi-Lo Automotive, Inc.: \$.01 par common
Home and City Savings Bank (New York): \$1.00 par common

Imco Recycling Inc.: \$.10 par common
Inacomp Computer Centers, Inc.: \$.05 par common
Infotron Systems Corporation: \$.01 par common
Intermec Corporation: \$.60 par common

Nutmeg Industries, Inc.: \$.01 par common

Readicare, Inc.: \$.01 par common

Shirt Shed, Inc., The: \$.01 par common
Southern National Corporation: \$5.00 par common

U.S. Precious Metals, Inc.: No par common
United Healthcare Corporation: \$.01 par common

Vanfed Bancorp: \$1.00 par common
Vanguard Real Estate Fund I, A Sales Commission-Free Income Properties Fund: Shares of beneficial interest

Vanguard Real Estate Fund II: No par shares of beneficial interest

Ventrex Laboratories, Inc.: \$.01 par common

Weigh-Tronix, Inc.: \$.01 par common

Ziegler Company, Inc., The: \$1.00 par common

Additions to the List of Marginable OTC Stocks

AG Services of America, Inc.: No par common
Alexander Energy Corporation: \$.03 par common
Alkermes, Inc.: \$.01 par common
American Healthcorp, Inc.: \$.001 par common
Amerifed Financial Corporation: \$.01 par common
Anergen, Inc.: No par common
Aphton Corp.: No par common
Artisoft, Inc.: \$.01 par common

Biomatrix, Inc.: \$.001 par common
BMC West Corporation: \$.001 par common
Body Drama, Inc.: No par common
Bon-Ton Stores, Inc., The: \$.01 par common

Cap RX Ltd.: \$.002 par common, Class A, Warrants (expire 07-17-95)

Capital Bancorporation, Inc. (Missouri): \$.10 par common

Catherines Stores Corporation: \$.01 par common
CCC Franchising Corp.: \$.01 par common
CE Software Holdings, Inc.: \$.02 par common

Cellpro, Incorporated: \$.001 par common
Cellular Communications, Inc.: \$.01 par redeemable participating convertible preferred

Centigram Communications Corporation: \$.001 par common

Charter Golf, Inc.: \$.001 par common

Circle Financial Corporation: \$1.00 par common

Community Bancorp, Inc. (New York): \$.80 par common

Community Financial Corporation: \$.01 par common

- Community First Bankshares, Inc. (North Dakota): \$.01 par common
 Computer Network Technology Corporation: \$.01 par common
 Computer Telephone Corp.: Class I, \$.01 par common
 Cybernetics Products, Inc.: \$.01 par common
- Dianon Systems, Inc.: \$.01 par common
 DNA Plant Technology Corporation: \$.01 par convertible exchangeable preferred
- Electromedics, Inc.: \$.05 par common
 Environmental Services of America, Inc.: \$.02 par common
 Executive Telecard, Ltd. \$.001 par common
 Ezcopp, Inc.: Class A, non-voting, \$.01 par common
- Financial Industries Corporation: \$1.00 par common
 Fisher Imaging Corporation: \$.01 par common
- Genetic Therapy, Inc.: \$.01 par common
 Genetics Institute, Inc.: Warrants (expire 05-31-96)
 GMIS Inc.: \$.01 par common
 Government Technology Services, Inc.: \$.005 par common
 Grand Casinos, Inc.: \$.01 par common
 Grant Tensor Geophysical Corporation: \$.01 par convertible preferred
 Great Lakes Bancorp, A Federal Savings Bank (Michigan): No par convertible preferred
- Hauser Chemical Research, Inc.: \$.001 par common
 Holopak Technologies, Inc.: \$.01 par common
 Hycor Biomedical, Inc.: Warrants (expire 08-08-98)
- Idec Pharmaceuticals Corporation: No par common
 Infrasonics, Inc.: No par common
 Intergroup Healthcare Corporation: \$.001 par common
 Interneuron Pharmaceuticals, Inc.: \$.001 par common, Class A, Warrants (expire 03-08-95)
 Interstate Bakeries Corporation: \$.01 par common
 Irwin Financial Corporation: \$5.00 par common
- Jean Philippe Fragrances, Inc.: \$.001 par common, Warrants (expire 01-15-93)
- Koll Management Services, Inc.: \$.01 par common
 Kushner-Locke Company, The: No par common, Warrants (expire 03-20-96)
- Laser-Pacific Media Corporation: \$.0001 par common
 Lawyers Title Corporation: No par common
 Little Switzerland, Inc.: \$.01 par common
 Liuski International, Inc.: \$.01 par common
- Magic Software Enterprises Ltd.: Ordinary shares, NIS .1 par value
 Medaphis Corporation: \$.01 par common
 Medical Dynamics, Inc.: \$.001 par common
 Medicus Systems Corporation: \$.01 par common
 Mediplex Group, Inc., The: \$.10 par common
 Megacards, Inc.: \$.01 par common
 Meris Laboratories, Inc.: No par common
 Michaels Stores, Inc.: \$.10 par common
 Micronics Computers, Inc.: No par common
 Microprose, Inc.: \$.001 par common
 Mobley Environmental Services, Inc.: Class A, \$.01 par common
 Moleculon Biotech, Inc.: \$.01 par common
 Monro Muffler Brake, Inc.: \$.01 par common
 Mutual Assurance, Inc.: \$1.00 par common
- NAB Asset Corporation: \$.01 par common
 Nam Tai Electronics, Inc.: \$.02 par common
 National Beverage Corporation: \$.01 par common
 National Pizza Company: Class B, \$.01 par common
 Newpark Resources, Inc.: \$.01 par common
 NMR of America, Inc.: \$.01 par common
 Nutramax Products, Inc.: \$.001 par common
 Nview Corporation: No par common
- Ocom Corporation: \$.01 par common
 Omni Films International, Inc.: \$.01 par common
 Osteotech, Inc.: \$.01 par common
 Oxford Health Plans, Inc.: \$.01 par common
- Paging Network, Inc.: \$.01 par common
 Pharmchem Laboratories, Inc.: No par common
 Photographic Sciences Corporation: \$.01 par common
 Progress Software Corporation: \$.01 par common
- R-Tek Corporation: No par common
 Relift, Inc.: Class A, \$.01 par common
 Right Start, Inc., The: No par common
 Ringer Corporation: \$.01 par common
 Rogers Cantel Mobile Communications Inc.: Class B, no par subordinated voting shares
 Royal Appliance Mfg, Co.: No par common
- Salton/Maxim Housewares, Inc.: \$.01 par common
 Scigenics, Inc.: \$.01 par callable common
 Secom General Corporation: \$.10 par common
 Sepracor, Inc.: \$.10 par common
 Siskon Gold Corporation: Class A, \$.001 par common
 Somatogen, Inc.: \$.001 par common
 Southwest Securities Group, Inc.: \$.10 par common
 Special Devices, Incorporated: \$.01 par common
 State Bancorp, Inc.: \$5.00 par common
 Stewart Enterprises, Inc.: Class A, no par common
 Sun Television & Appliances, Inc.: \$.01 par common

Super Rite Corporation: No par common
 Sybase, Inc.: \$.001 par common
 Systemix, Inc.: \$.01 par common

Techne Corporation: \$.01 par common
 Technology Solutions Company: \$.01 par common
 Tecnol Medical Products, Inc.: \$.001 par common
 Teknekron Communications Systems, Inc.: \$.0067
 par common
 Treadco, Inc.: \$.01 par common

U.S. Robotics, Inc.: \$.01 par common

Vans, Inc.: \$.001 par common
 Vertex Pharmaceuticals Incorporated: \$.01 par com-
 mon
 Video Lottery Technologies, Inc.: \$.01 par common

Wellfleet Communications, Inc.: \$.01 par common
 Whitney Holding Corporation: No par common
 With Design in Mind: \$.0001 par common
 Work Recovery, Inc.: \$.004 par common

Zebra Technologies Corporation: Class A, \$.01
 par common
 Zoom Telephonics, Inc.: No par common

*Deletion from the List of Foreign Margin
 Stocks*

STC PLC: 25 pence par common

*FINAL GUIDELINES—AMENDMENT TO
 REGULATIONS H AND Y*

The Board of Governors is amending 12 C.F.R. Parts 208 and 225, its Regulations H and Y (Capital and Capital Adequacy Guidelines). The modifications and technical changes to the Board's risk-based capital guidelines relate to the:

- (1) treatment of certain assets sold with recourse;
- (2) redemption of perpetual preferred stock;
- (3) treatment of supervisory goodwill in the definition of capital; and
- (4) treatment of claims on non-OECD central banks.

The purpose of these modifications, clarifications, and technical changes is to make the Board's risk-based capital framework consistent with recent international interpretations of the risk-based capital accord (Basle Accord) and with the current or proposed treatment of certain items by the other federal banking agencies. In addition, some of the proposed modifications to the language of the Board's risk-based capital guidelines are intended to bring the guidelines into

closer conformity with the risks associated with certain transactions and with current Federal Reserve supervisory practices.

Effective November 8, 1991, 12 C.F.R. Parts 208 and 225 is amended as follows:

*Part 208—Membership of State Banking
 Institutions in the Federal Reserve System*

1. The authority citation for Part 208 continues to read as follows:

Authority: Sections 9, 11(a), 11(c), 19, 21, 25, and 25(a) of the Federal Reserve Act, as amended (12 U.S.C. 321-338, 248(a), 248(c), 461, 481-486, 601, and 611, respectively); sections 4 and 13(j) of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1814 and 1823(j), respectively); section 7(a) of the International Banking Act of 1978 (12 U.S.C. 3105); sections 907-910 of the International Lending Supervision Act of 1983 (12 U.S.C. 3906-3909); sections 2, 12(b), 12(g), 12(i), 15B(c)(5), 17, 17A, and 23 of the Securities Exchange Act of 1934 (15 U.S.C. 78b, 78l(b), 78l(g), 78l(i), 78o-4(c)(5), 78q, 78q-1, and 78w, respectively); section 5155 of the Revised Statutes (12 U.S.C. 36) as amended by the McFadden Act of 1927; and sections 1101-1122 of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (12 U.S.C. 3310 and 3331-3351).

2. A new sentence is added immediately following the first sentence of the first paragraph under "II. A. 1. b. Perpetual preferred stock" of Appendix A to read as follows:

* * * Consistent with these provisions, any perpetual preferred stock with a feature permitted redemption at the option of the issuer may qualify as capital *only* if the redemption is subject to prior approval of the Federal Reserve. * * *

3. In Appendix A, the footnote designator in the text is removed and footnote 14 is removed and reserved.

4. The last two sentences of footnote 30 under "III. C. 2. Category 2: 20 percent" of Appendix A are removed.

5. Two new sentences are added immediately following the second sentence of the seventh paragraph under "III. D. 1. Items with a 100 percent conversion factor" of Appendix A to read as follows:

* * * Accordingly, the entire amount of any assets transferred with recourse that are not already included

on the balance sheet, including pools of one-to-four family residential mortgages, are to be converted at 100 percent and assigned to the risk weight appropriate to the obligor, or if relevant, the nature of any collateral or guarantees. The only exception involves transfers of pools of residential mortgages that have been made with insignificant recourse for which a liability or specific non-capital reserve has been established and is maintained for the maximum amount of possible loss under the recourse provision. * * *

Part 225—Bank Holding Companies and Change in Bank Control

1. The authority citation for Part 225 continues to read as follows:

Authority: 12 U.S.C. 1817(j)(13), 1818, 1831i, 1843(c)(8), 1844(b), 3106, 3106, 3907, 3909, 3310, and 3331-3351.

2. A new sentence is added immediately following the first sentence of the first paragraph under “II. A. 1. b. Perpetual preferred stock” of Appendix A to read as follows:

* * * Consistent with these provisions, any perpetual preferred stock with a feature permitted redemption at the option of the issuer may qualify as capital *only if* the redemption is subject to prior approval of the Federal Reserve. * * *

3. In Appendix A, the footnote designator in the text is removed and footnote 15 is removed and reserved.

4. The last two sentences of footnote 33 under “III. C. 2. Category 2: 20 percent” of Appendix A are removed.

5. Two new sentences are added to the end of footnote 48 under “III. D. 1. Items with a 100 percent conversion factor” of Appendix A to read as follows:

48. * * * Accordingly, the entire amount of any assets transferred with recourse that are not already included on the balance sheet, including pools of one-to-four family residential mortgages, are to be converted at 100 percent and assigned to the risk weight appropriate to the obligor, or if relevant, the nature of any collateral or guarantees. The only exception involves transfers of pools of residential mortgages that have been made with insignificant recourse for which a liability or specific non-capital reserve has been established and is maintained for the maximum amount of possible loss under the recourse provision.

Orders Issued Under Section 3 of the Bank Holding Company Act

Appleton City Bancshares, Inc. Appleton City, Missouri

Order Denying Acquisition of a Bank

Appleton City Bancshares, Inc., Appleton City, Missouri (“Applicant”), has applied for the Board’s approval under section 3(a)(3) of the Bank Holding Company Act (“BHC Act”) (12 U.S.C. §§ 1842(a)(1)) to acquire approximately 96 percent of the voting shares of Deepwater State Bank, Deepwater, Missouri (“Deepwater Bank”).

Notice of the application, affording interested persons an opportunity to submit comments, has been published (56 *Federal Register* 42,058 (1991)). The time for filing comments 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 BHC Act.

Applicant is a one-bank holding company that controls Citizens Bank of Appleton City, Appleton City, Missouri (“Citizens Bank”). Citizens Bank is the 544th largest banking organization in Missouri, controlling deposits of \$18 million, representing less than 1 percent of the total deposits in commercial banks in the state. Deepwater Bank controls deposits of \$1.5 million, representing less than 1 percent of the total deposits in commercial banking organizations in the state.¹ Deepwater Bank does not compete in the same market with Citizens Bank or any affiliate bank of Applicant.

In reviewing applications under section 3(c) of the BHC Act, the Board must consider several factors, including the “financial and managerial resources and future prospects of the company or companies and the banks concerned.”² The Board’s regulations provide that the Board will consider the competence and character of the principals of the applicant and its subsidiary banks, including their record of compliance with laws and regulations,³ and a bank holding company’s ability to serve as a source of financial and managerial strength to its subsidiary banks.⁴ In addition, when a principal of an applicant controls another

1. State deposit data are as of June 30, 1991.

2. In interpreting the Board’s authority under section 3 of the BHC Act, the Supreme Court has stated that the Board is authorized to disapprove a formation of a bank holding company solely on the grounds of financial or managerial unsoundness, regardless of whether that unsoundness would be caused or exacerbated by the proposed transaction. *Board of Governors v. First Lincolnwood Corp.*, 439 U.S. 234 (1978).

3. 12 C.F.R. 225.13(b)(2).

4. 12 C.F.R. 225.4(a).

banking organization, the Board also considers and analyzes these factors with respect to that banking organization.⁵

In this case, a principal of Applicant ("Principal") has controlled and served as chairman of Applicant since 1990 and its subsidiary bank, Citizens Bank of Appleton City, Appleton City, Missouri ("Citizens Bank") since 1987. Principal has also controlled and served as chairman of First Bank of Butler, Butler, Missouri ("Butler Bank") since 1990.

Managerial Considerations

Principal has an active role in the lending decisions of both Citizens Bank and Butler Bank (collectively, "Banks"). In particular, he seeks and recommends to Banks loans and participations originated in New York and other areas distant from the Banks' immediate service area. Banks lack lending experience in these markets, and collection and administration of these loans has proven difficult. These lending decisions, largely instigated by Principal, have resulted in an increase in the level or severity of criticized and classified loans at Banks.

Several other lending transactions between Principal and Banks have warranted criticism in bank examination reports and raise concern about Principal's management practices. Principal has taken some steps to address these operating and compliance concerns but these changes have been in place only for a short time and their effectiveness has not been demonstrated.

Based on the facts of record, including examination reports and comments received from the Federal Deposit Insurance Corporation and the Missouri Division of Finance, who are the primary supervisory agencies for Banks, the Board believes that managerial factors in this case weigh against approval of this proposal.

Financial and Future Prospects

The Board has also cautioned against the assumption of additional debt by a bank holding company in situations in which a holding company already has a substantial level of debt, because of concerns that the bank holding company would not have the financial flexibility necessary to meet unexpected problems in its subsidiary banks and could be forced to place

substantial demands on its subsidiary banks to meet the parent's debt servicing requirements.⁶

Applicant is already significantly leveraged and proposes to assume more debt in connection with the proposed acquisition. Applicant would be dependent on the earnings of its subsidiary banks to service such debt over its term. Applicant projects that it will be able to reduce the debt in a manner consistent with Board policy. The recent performance of its subsidiary bank, however, indicates that these projections are overly optimistic and contain inadequate debt-servicing flexibility.

Although Citizens Bank's capital is above the minimum levels set in the Board's guidelines, its capital ratios have declined in the past year, in part due to dividend payments in excess of earnings. Thus, Citizens Bank's capital has been used to service Applicant's debt. The Board's analysis of Citizens Bank's earnings performance during the current year and its overall financial condition indicates that Citizens Bank may be unable to provide dividends sufficient to support Applicant's debt-servicing requirements while maintaining capital levels consistent with the Board's guidelines.

Moreover, the Board notes that Butler Bank is in a weakened financial condition and that its loan portfolio may require additional provisions for loan losses. Accordingly, a risk exists that Principal's resources might be diverted or adversely affected by the financial demands of Butler Bank.

Upon careful evaluation of more conservative projections than those of Applicant, and based on the Board's analysis of the performance and overall financial condition of Applicant and the chain banking organization, it is the Board's judgment that, at this time, Applicant would not have sufficient financial flexibility to service its debt without unduly straining the financial resources of Citizens Bank and Deepwater Bank. Moreover, based on the record, it does not appear that Applicant would have the financial resources to meet any unexpected problems that might arise at Citizens Bank, Butler Bank and Deepwater Bank. The Board's concerns regarding Applicant's financial resources and future prospects are heightened by the adverse managerial considerations discussed above.

Accordingly, based on a review of all the facts of record, including relevant examination materials and comments from federal and state regulators, the Board concludes that considerations relating to financial and managerial resources and future prospects are not

5. 12 C.F.R. 225.13(b)(2); See *Midwest Bancshares, Inc.*, 71 *Federal Reserve Bulletin* 103 (1985).

6. See *Cherokee Bancorp*, 77 *Federal Reserve Bulletin* 324 (1991); *St. Croix Valley Bancshares, Inc.*, 75 *Federal Reserve Bulletin* 575 (1989).

consistent with approval. Considerations relating to competitive factors and the convenience and needs of the community do not lend sufficient weight to warrant approval of this application.

Accordingly, it is the Board's judgment that approval of this application is not warranted and that the application should be, and hereby is, denied.

By order of the Board of Governors, effective October 31, 1991.

Voting for this action: Chairman Greenspan and Governors Angell, Kelley, LaWare, and Mullins.

JENNIFER J. JOHNSON
Associate Secretary of the Board

Firststar Corporation
Milwaukee, Wisconsin

F.W.S.F. Corporation
Milwaukee, Wisconsin

Order Approving the Acquisition of a Bank Holding Company and Subsidiary Bank

Firststar Corporation, Milwaukee, Wisconsin ("Firststar"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), and F.W.S.F. Corporation, Milwaukee, Wisconsin, a wholly owned subsidiary bank holding company of Firststar, have applied under section 3 of the BHC Act (12 U.S.C. § 1842) to acquire all of the voting shares of Cumberland Financial Services, Inc., Edina, Minnesota ("Cumberland"), and thereby indirectly acquire Cumberland's sole subsidiary bank, Northwestern State Bank, Cumberland, Wisconsin.

Notice of the applications, affording interested persons an opportunity to submit comments, has been published (56 *Federal Register* 33,034 (1991)). The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the factors set forth in section 3(c) of the BHC Act.

Firststar, with total deposits of \$9.5 billion, operates subsidiary banks in Wisconsin, Illinois, Minnesota, Arizona, and Iowa.¹ Firststar is the largest banking organization in Wisconsin, controlling approximately \$5.5 billion in deposits in Wisconsin, representing 14.5 percent of the total deposits in commercial banking organizations in the state. Cumberland is the 127th largest banking organization in Wisconsin, controlling approximately \$45.5 million in deposits in Wisconsin,

representing less than 1 percent of the total deposits in commercial banking organizations in the state. Upon consummation of the proposal, Firststar would remain the largest banking organization in Wisconsin, controlling approximately \$5.5 billion in deposits in Wisconsin, representing 14.7 percent of the total deposits in commercial banking organizations in the state. Consummation of the proposal would not result in significantly adverse effects on the concentration of banking resources in Wisconsin.

Firststar and Cumberland compete directly in the Rice Lake banking market.² Firststar is the fourth largest banking organization in the Rice Lake banking market, controlling approximately \$63.7 million in deposits in the market, representing 12.2 percent of the total deposits in commercial banking organizations in the market. Cumberland is the sixth largest banking organization in the Rice Lake banking market, controlling approximately \$45.5 million in deposits in the market, representing 8.7 percent of the total deposits in commercial banking organizations in the market. Upon consummation of the proposal, Firststar would become the largest banking organization in the market, controlling approximately \$109.2 million in deposits in the market, representing 20.9 percent of the total deposits in commercial banking organizations in the market, and the Herfindahl-Hirschman Index ("HHI") would increase by 212 points to a level of 1290.³ Based on all the facts of record, the Board concludes that consummation of this proposal would not result in a significantly adverse effect on competition in the Rice Lake banking market.

In considering the convenience and needs of the communities to be served under the BHC Act, the Board has taken into account the record of the subsidiary banks of Firststar and Cumberland under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA"). The CRA requires the federal financial supervisory agencies to encourage financial institutions to help meet the credit needs of the local communities in which they operate consistent with the safe and sound operation of such institutions. To accomplish this end, the CRA requires the appropriate fed-

2. The Rice Lake banking market is approximated by Barron County, Washburn County, and Edgewater, Sand Lake, Bass Lake, Hayward, and Lenroot townships in Sawyer County, all in Wisconsin.

3. Under the revised Department of Justice Merger Guidelines, 49 *Federal Register* 26,823 (1984), a market in which the post-merger HHI is between 1000 and 1800 is considered moderately concentrated. The Department of Justice has informed the Board that, as a general matter, a bank merger or acquisition will not be challenged, in the absence of other factors indicating anticompetitive effects, unless the post-merger HHI is at least 1800 and the merger increases the HHI by 200 points. The Justice Department has stated that the higher-than-normal HHI thresholds for screening bank mergers for anticompetitive effects implicitly recognize the competitive effect of limited-purpose lenders and other non-depository financial entities.

1. Total deposits are as of June 30, 1991. Other data are as of June 30, 1990.

eral supervisory authority to "assess an institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of the institution." 12 U.S.C. § 2901.

In this regard, the Board has considered comments filed by Impact Seven, Inc., Turtle Lake, Wisconsin ("Protestant"), a community development corporation. Protestant alleges that Firststar, and particularly two of Firststar's subsidiary banks, First Wisconsin National Bank of Eau Claire, Eau Claire, Wisconsin ("Eau Claire Bank"), and First Wisconsin National Bank of Rice Lake, Rice Lake, Wisconsin ("Rice Lake Bank"), do not adequately participate in local community development and redevelopment programs and in government insured, guaranteed, or subsidized loan programs.⁴

The Board has carefully reviewed the performance record of Firststar, Cumberland, and their bank subsidiaries, as well as Protestant's comments and Firststar's response to those comments, in light of the CRA, the Board's regulations, and the Statement of the Federal Financial Supervisory Agencies Regarding the Community Reinvestment Act ("Agency CRA Statement").⁵ Cumberland's and Firststar's subsidiary banks, including Eau Claire Bank and Rice Lake Bank, have all received outstanding or satisfactory ratings from their primary regulators in the most recent examinations of their CRA performance. The Agency CRA Statement provides that the CRA record of an institution, as reflected in its examination reports, will be accorded great weight in the applications process.

In addition, Eau Claire Bank and Rice Lake Bank have in place the types of programs outlined in the Agency CRA Statement as essential to an effective CRA program. For example, in 1990, Eau Claire Bank originated 12 Small Business Administration ("SBA")

loans and packaged 16 loans for correspondent banks in northwestern Wisconsin, primarily in rural areas. Eau Claire Bank also became one of the 9 banks in Wisconsin to obtain the SBA's designated Preferred Lender status, and one of its officers was selected by the SBA as Financial Services Advocate of the Year for the State of Wisconsin. Eau Claire Bank has participated in local community development programs sponsored by organizations including the Eau Claire County Industrial Development Corporation, the Chippewa Valley Incubation Center, and the Downtown Reinvestment Program. It also has participated in the Wisconsin Housing Economic Development Authority's loan programs for first-time homebuyers and for home improvement. In addition, Eau Claire Bank provides financial and technical assistance to groups representing minority, handicapped and elderly persons.

Rice Lake Bank also participates in governmentally-guaranteed loan programs in the small, predominately rural community where it does business. It currently has \$1 million in SBA loans outstanding, and approximately \$1.8 million in loans originated under the Stafford Student Loan Program, which targets students from low- and moderate-income families. During 1990, Rice Lake Bank extended 511 commercial loans in its delineated community, including a number of loans to small farms, community service organizations and churches. Over 90 percent of these commercial loans were for amounts less than \$100,000, indicating the extent of Rice Lake Bank's lending support to the small business community. In addition, Rice Lake Bank is a participant in programs sponsored by the Wisconsin Housing Economic Development Authority ("WHEDA") to make housing credit more widely available. In 1990, it originated 20 WHEDA-guaranteed loans.⁶

For the foregoing reasons, and based upon the overall CRA records of Firststar, Cumberland, and their subsidiary banks and other facts of record, the Board concludes that convenience and needs considerations, including the record of performance under the CRA of Firststar, Eau Claire Bank and Rice Lake Bank, are consistent with approval of these applications. The Board also concludes that the financial and managerial resources and future prospects of Firststar, F.W.S.F. Corporation and Cumberland are consistent with approval of these applications.

Based on the foregoing and other facts of record, the Board has determined that the applications should be, and hereby are, approved. The transaction shall not be

4. Protestant has described several situations that it believes supports its allegations. In the first case, the Small Business Administration rejected a proposal put forth by the Eau Claire Bank and Protestant. However, the record includes evidence that, in this case, Protestant was replaced by another community development corporation at the request of the borrower and the loan was subsequently approved. Two other instances cited by Protestant involved financial requirements for a loan and the rejection of a loan for insufficient collateral. Firststar maintains that in both transactions the loan decisions were motivated by financial considerations.

5. 54 *Federal Register* 13,742 (1989). The Agency CRA Statement provides guidance regarding the types of policies and procedures that the supervisory agencies believe financial institutions should have in place in order to fulfill their responsibilities under the CRA on an ongoing basis and the procedures that the supervisory agencies will use during the application process to review an institution's CRA compliance and performance. The Agency CRA Statement also suggests that decisions by agencies to allow financial institutions to expand will be made pursuant to an analysis of the institution's overall CRA performance and will be based on the actual record of performance of the institution.

6. In addition, an assistant vice-president of Rice Lake Bank has been designated regional coordinator of the Governor's Conference on Small Business.

consummated before the thirtieth calendar day following the effective date of this Order, or later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Chicago, acting pursuant to delegated authority.

By order of the Board of Governors, effective October 8, 1991.

Voting for this action: Chairman Greenspan and Governors Angell, Kelley, and LaWare. Absent and not voting: Governor Mullins.

JENNIFER J. JOHNSON
Associate Secretary of the Board

First Interstate BancSystem of Montana, Inc. Billings, Montana

Order Denying Merger of Bank Holding Companies

First Interstate BancSystem of Montana, Inc., Billings, Montana ("FIBM"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied for the Board's approval under section 3 of the BHC Act (12 U.S.C. § 1842), to merge with Commerce BancShares of Wyoming, Inc., Sheridan, Wyoming ("CBS"), and thereby indirectly acquire First Interstate Bank of Commerce, Sheridan, Wyoming. The proposed merger represents a corporate reorganization of two bank holding companies that are under common ownership and control by a single family.

Notice of the application, affording interested persons an opportunity to submit comments, has been published (54 *Federal Register* 51,325 (1989) and 55 *Federal Register* 6048 (1990)). The time for filing comments 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 BHC Act.¹

FIBM is the third largest commercial banking organization in Montana, controlling deposits of \$536.3

million, representing 8.8 percent of the total deposits in commercial banking organizations in the state.² CBS is the fourth largest commercial banking organization in Wyoming, controlling deposits of \$256.0 million, representing 6.2 percent of the total deposits in commercial banking organizations in the state.

Comments under the Community Reinvestment Act

In considering the convenience and needs of the community to be served, the Board has taken into account the record of the subsidiary banks of FIBM and CBS under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA"). The CRA requires the federal financial supervisory agencies to encourage financial institutions to help meet the credit needs of the local communities in which they operate consistent with the safe and sound operation of such institutions. To accomplish this end, the CRA requires the appropriate federal supervisory authority to "assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of such institution," and to take this record into account in its evaluation of bank holding company applications.³

In this regard, the Board has considered comments from Native Action, a community organization located on the Northern Cheyenne Indian Reservation ("Protestant"), critical of the CRA performance of First Interstate Bank of Colstrip, Colstrip, Montana ("Colstrip").⁴ Protestant alleges generally that, with respect to the Northern Cheyenne Indian Reservation ("Reservation"), Colstrip:

- (1) has made no effort to ascertain the credit and banking needs of this community;
- (2) has failed to offer and market credit-related services to this community; and
- (3) has unreasonably delineated its service area to exclude this community.⁵ The Reservation is an

2. All banking data are as of June 30, 1991.

3. 12 U.S.C. § 2903.

4. The Board has also considered comments submitted by the Northern Cheyenne Tribe and the Northern Cheyenne Livestock Association raising the same issues that were filed after the close of the comment period. Under the Board's rules, the Board may in its discretion take into consideration the substance of such comments. 12 C.F.R. 262.3(e).

5. Protestant also alleges that First Interstate Bank of Billings, N.A., Billings, Montana ("Billings") has discriminated against low- and moderate-income neighborhoods in providing credit services to its service community. In connection with this application, the primary regulator of Billings, the Office of the Comptroller of the Currency ("OCC"), conducted an examination of Billings's record of performance under the CRA. The OCC found no evidence of discriminatory lending practices and concluded that Billings's overall CRA performance record was satisfactory. In addition, while the data collected under the Home Mortgage Disclosure Act indicated some discrepan-

1. The Board has received comments from several insurance trade associations alleging that the leasing arrangements between the national and state banking subsidiaries of FIBM and CBS and a company that markets fixed-rate annuities violate the insurance prohibitions in section 4(c)(8) of the BHC Act. National banks are authorized to engage in this activity and the Board has determined that the insurance prohibitions of the BHC Act do not apply to activities conducted directly by a holding company's subsidiary bank pursuant to state law unless the record demonstrates evasion of the BHC Act. *Merchants National Corporation*, 75 *Federal Reserve Bulletin* 388 (1989); *aff'd sub. nom.*, *Independent Insurance Agents of America, Inc. v. Board of Governors*, 890 F.2d 1275 (2d Cir. 1989); *cert. denied*, 111 S. Ct. 44 (1990). On the basis of all the facts of record, including no evidence of evasion and the permissibility of this activity under state law, the Board concludes that these comments do not warrant denial of this application.

identified low- and moderate-income community.

The Board has carefully reviewed the CRA performance record of Colstrip, as well as Protestant's comments and the responses of FIBM to those comments, in light of the CRA, the Board's regulations, and the jointly issued Statement of the Federal Financial Supervisory Agencies Regarding the Community Reinvestment Act ("Agency CRA Statement").⁶

Colstrip has received a less than satisfactory CRA rating from its primary regulator, the Federal Deposit Insurance Corporation ("FDIC"), in the two most recent examinations of its CRA performance.⁷ The Board believes that a CRA examination is an important and often controlling factor in considering whether to approve applications, particularly where, as in this case, the specific issues raised by Protestant were reviewed in the examination. Moreover, in this case, the FDIC determined in the October examination of Colstrip that Colstrip had not addressed the deficiencies in its CRA performance regarding the Reservation that had been identified by the FDIC in its previous CRA examination.

Reasonableness of Delineated Community

After Protestant's comments were filed in this application, Colstrip revised its delineation of its community service area to exclude the Reservation. The revised delineation, and several subsequent revisions to that delineation, were determined in the examination process to be inconsistent with FDIC regulations implementing the CRA.⁸

Colstrip has recently corrected this significant deficiency in its CRA record by adopting as its community delineation an area that includes all of the Reservation.

Ascertainment of Community Credit Needs

Colstrip has had only limited contact with the Reservation community. More recently, Colstrip has dem-

onstrated increased contacts with community groups including meetings attended by Colstrip's management and board of directors with Protestant and governing officials of the Reservation. Colstrip also has adopted formal CRA policies and has undertaken surveys of Reservation residents to determine credit needs in the community.

The Board notes that Colstrip's improvements in credit ascertainment were not initiated until recently, after the application was filed and protested.⁹ In addition, Colstrip has been unable to document an overall process whereby it uses the information received from its community contacts to improve its strategy of meeting community credit needs. Colstrip has also been unable to show the effectiveness of its recent outreach efforts in developing products and services that meet the credit needs of its entire community, including the credit needs of the Reservation.¹⁰

Prior to 1990, involvement by members of Colstrip's board of directors in evaluating the bank's CRA performance was extremely limited. Board of director involvement in Colstrip's CRA process has improved recently, but only to a limited degree. For example, Colstrip's CRA director committee was formed only after the application was filed. That committee has met infrequently. In addition, there is little documentation of board of director review and evaluation of CRA performance indicators such as loan data.

Marketing and Types of Credit Offered and Extended

The October examination for CRA performance evaluated as minimal Colstrip's record of marketing its credit-related services to all segments of its delineated community. Colstrip's principal means of marketing has been to advertise general financial services through local newspapers and radio stations. These efforts, however, had not been directed toward low- and moderate-income areas like the Reservation.¹¹

Colstrip's record of making both housing-related and small business loans to residents of the Reservation was also criticized in the October examination.¹²

cies in loans to low- and moderate-income neighborhoods in 1987-89. Billings agreed in 1990 to a goal of \$15 million in home, consumer, and business loans over the next five years in three targeted low-income neighborhoods. Billings also makes home improvement and mortgage loans under government-sponsored programs such as FHA and VA. On the basis of all the facts of record, the Board concludes that the allegations against Billings do not warrant denial of this application under the convenience and needs factor.

6. 54 *Federal Register* 13,742 (1989).

7. The FDIC conducted its most recent CRA examination as of October 1990 (the "October examination") rating Colstrip's record of CRA performance overall, and in three out of five performance categories, "needs to improve." The CRA provides the following four-tiered system for rating an institution's record of meeting community credit needs: "outstanding," "satisfactory," "needs to improve," and "substantial noncompliance." 12 U.S.C. § 2906(b)(2).

8. 12 C.F.R. Part 345.3.

9. Colstrip's formal CRA program, efforts to meet with Reservation residents and groups, and participation in workshops and seminars were initiated subsequent to the filing of this application.

10. The Board notes that Colstrip entered into an agreement with Protestant in July 1990 regarding the development of a Community Reinvestment Program to be implemented by January 1, 1991. Under this agreement, a liaison committee was established and Colstrip provided technical assistance to loan applicants on the Reservation. The record does not indicate, however, that credit products or improved lending activity have resulted from these efforts.

11. Colstrip has taken steps recently to increase its marketing efforts through expanded newspaper advertising and direct mail advertising.

12. Protestant criticizes Colstrip for failing to make agricultural loans to residents of the Reservation. The October examination

Although Colstrip has been active in providing residential and home improvement loans in the immediate Colstrip area, the October examination revealed that it has made only nominal amounts of housing-related loans of any type within the area of the Reservation.

In considering Colstrip's record of housing-related lending to residents of the Reservation, the Board believes that restrictions under federal law on placing liens on real property located in the Reservation¹³ and competing government-sponsored home finance programs are mitigating factors. However, some of the Reservation's real property is held by individuals and could support lending secured by real property.¹⁴ Moreover, the restrictions do not appear to prohibit or significantly affect other forms of collateralized lending that would help address the need of residents in the full community for housing-related loans.

Colstrip also lends to businesses in the Colstrip area under guaranteed loan programs offered by the Small Business Administration ("SBA"). The October examination noted, however, that no SBA loans were made to businesses located on the Reservation. In addition, a program administered by the Bureau of Indian Affairs ("BIA") provides for government guarantees of loans to finance Indian-owned commercial, industrial, agricultural, or other business activity organized for profit.¹⁵ Colstrip recently received authorization as an eligible lender for the BIA Loan Guaranty Fund, but no loans have been made utilizing the guaranty program.¹⁶

concluded that Colstrip's small farm and agricultural lending appeared reasonable in light of Colstrip's financial resources and limited expertise in this type of lending. In addition, the record shows that Colstrip made several small agriculture loans during 1989 and 1990 including some to the Reservation. Colstrip also has recently appointed an agricultural loan officer and has committed to provide agricultural loans after its staff has received training in this area.

13. Federal law prohibits a lender from obtaining a mortgage on real property held in trust by the United States government for a Native American tribe. 25 U.S.C. § 464.

14. Real property held in trust by the United States government for individual tribal members may be mortgaged with the approval of the Secretary of the Interior. 25 U.S.C. § 483a. According to the Bureau of Indian Affairs ("BIA"), substantially all land on the Reservation is held in trust by the federal government for either the tribe or individual tribal members. Approximately 31 percent of the real property on the Reservation is held in trust for individuals, and therefore would be statutorily eligible to be mortgaged. Colstrip asserts that other factors, including lack of qualified appraisers and title insurance, restrict its ability to make housing-related loans to the Reservation. The BIA has procedures for perfecting and recording liens, employs appraisers, and issues title reports indicating recorded security interests.

15. This program provides for guarantees and, under certain circumstances, interest subsidies for loans made by private lenders to Indian tribes, individual tribal members, and Indian-owned corporations. The program provides for guarantees of up to 90 percent of the unpaid principal and interest on the loan. 25 C.F.R. Part 103 contains regulations regarding the loan guaranty fund.

16. Colstrip has approved one new loan utilizing a guarantee from the Northern Cheyenne Tribe and is processing a loan requesting a guarantee from the SBA. Colstrip also indicates that it has made

The Board has carefully reviewed Colstrip's CRA performance in light of all the facts of record in this application. The CRA requires the agencies to assess an institution's record of meeting the credit needs of its entire community, including low- and moderate-income areas, and to take that record of performance into account in reviewing applications such as this. In this case, the deficiencies in Colstrip's CRA performance have continued through consecutive CRA examinations, and the steps taken so far over a significant period of time have not been sufficient to address the deficiencies identified in the examinations. For these reasons, and based on all of the facts of record in this case, including reports of examination, the Board believes that the CRA performance of Colstrip is not consistent with approval of this application. The Board notes that, during the application process, Colstrip has made certain commitments to address deficiencies with its CRA performance. The Board has previously stated that applicants should address their CRA responsibilities and have the necessary policies in place and working well before they file an application.¹⁷ The Board has found commitments for future action to address CRA concerns to be appropriate considerations only where the applicant otherwise has a satisfactory CRA record, where the problems identified at the bank do not indicate chronic institutional deficiencies or a pattern of CRA deficiencies, and where the applicant takes immediate and effective action to address identified deficiencies in the CRA performance of its banks. For the reasons discussed above, the Board does not believe that reliance on commitments for future action is appropriate in this case without a stronger showing of CRA performance.

The record does not indicate that the proposal, which represents a reorganization of existing interests, would result in any other benefits to the convenience and needs of the communities served by the companies involved that would outweigh the adverse CRA performance record of Colstrip. For these reasons, the Board concludes that the convenience and needs factor is not consistent with approval of this application at this time.¹⁸

several commercial loans to the Reservation since the filing of this application.

17. *Continental Bank Corporation*, 75 *Federal Reserve Bulletin* 304 (1989); Agency CRA Statement, 54 *Federal Register* 13,743 (1989).

18. Protestant also has requested that the Board hold a public hearing or meeting to further assess the facts surrounding Colstrip's CRA performance. Generally under the Board's rules, the Board may, in its discretion, hold a public hearing or meeting on an application to clarify factual issues related to the application and to provide an opportunity for testimony, if appropriate. 12 U.S.C. §§ 262.3(e) and 262.25(d).

The Board has carefully considered Protestant's request for a public meeting or hearing in this case. In the Board's view, the parties have had ample opportunity to present submissions, and have submitted

Based on the foregoing and other facts of record, the Board believes that adverse considerations relating to the convenience and needs factor and other facts of record warrant a decision that the proposed merger should not be approved at this time. Considerations relating to competitive, financial, managerial, and future prospects factors do not lend sufficient weight to warrant approval of this application. Accordingly, the Board has determined that this application should be, and hereby is, denied. The Board notes that this denial is without prejudice to future applications at such time as Colstrip's CRA record of performance is in place and working well.

By order of the Board of Governors, effective October 7, 1991.

Voting for this action: Chairman Greenspan and Governors Mullins and LaWare. Voting against this action: Governors Angell and Kelley.

JENNIFER J. JOHNSON
Associate Secretary of the Board

M&F Bancorp, Inc.
Holly Springs, Mississippi

Order Approving Formation of a Bank Holding Company

M&F Bancorp, Inc., Holly Springs, Mississippi ("Applicant"), has applied for the Board's approval, pursuant to section 3(a)(1) of the Bank Holding Company Act ("BHC Act") (12 U.S.C. § 1841 *et seq.*), to become a bank holding company by acquiring all of the voting shares of Merchants & Farmers Bank, Holly Springs, Mississippi ("Bank").¹

Notice of the application, affording interested persons an opportunity to submit comments, has been published (56 *Federal Register* 10,903 (1991)). The time for filing comments 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 BHC Act.

Applicant is a non-operating company formed for the purpose of acquiring Bank in order to restructure

substantial written comments that have been considered by the Board. In light of these facts, the Board has determined that a public meeting or hearing is not necessary to clarify the factual record in this application, or is otherwise warranted in this case. Accordingly, Protestant's request for a public meeting or hearing on this application is hereby denied.

1. Bank will be merged with the Merchants & Farmers Interim Bank, a newly chartered Mississippi state bank and a wholly owned subsidiary of Applicant.

Bank's existing ownership into corporate form.² Bank is the 89th largest banking organization in Mississippi, controlling approximately \$30.7 million in deposits, representing less than one percent of total deposits in commercial banks in the state.³ Based on all the facts of record, the Board believes that consummation of the proposal would not have any significantly adverse effects on the concentration of banking resources in the state of Mississippi.

Bank is the third largest banking organization in the Holly Springs banking market with approximately 17 percent of the total deposits in commercial banking organizations in the market.⁴ Based on the facts of record, the Board believes that consummation of this proposal would not result in any significantly adverse effects upon existing or potential competition or increase the concentration of commercial banking resources in any relevant banking market. Accordingly, the Board concludes that competitive considerations under the BHC Act are consistent with approval.

In connection with the proposal, the Board has received comments from a shareholder of Bank ("Protestant") requesting denial of this application on several grounds, including the impact of forming a holding company on Bank's financial condition.⁵ The Board has carefully considered the proposal in light of Protestant's comments. Bank is currently in satisfactory financial condition. Applicant proposes to assume debt of \$461,000 and issue debentures in the amount of \$446,000. Debt service projections appear reasonable and indicate that the debt-to-equity ratio would decline in a manner consistent with the Board's guidelines.⁶ In addition, the Board does not believe that the record establishes that Bank's mutual fund investments are inappropriately large or that the growth in Bank's loan portfolio has been unusually rapid.⁷ In light of the

2. This proposal represents primarily a restructuring of existing ownership interests.

3. All state and market banking data are as of June 30, 1990.

4. The Holly Springs banking market includes Benton and Marshall counties in Mississippi.

5. Protestant states that the additional debt and state franchise taxes that would be incurred as a result of the proposal are not in the best interest of the shareholders or depositors in light of Bank's inability to pay a dividend to shareholders in 1988. Protestant also has questioned Bank's investment in mutual funds and the growth in its loan portfolio in 1990.

6. There is adequate flexibility in the debt service projections to allow for the potential holding company franchise tax, which is estimated by Applicant to be \$2,000 annually.

7. The mutual funds are marked to market on a quarterly basis and a special reserve has been established to reflect any difference between the book value and the market value of the funds in accordance with Federal Deposit Insurance Corporation guidelines. For the period 1988 to 1990, Bank's loan portfolio has increased 8.8 percent and its loan to deposit ratio has increased from 54 percent to 61 percent. Bank's loan-to-deposit ratio is consistent with its peer group. Furthermore, the Board believes that Bank's financial condition supports this growth.

record of this application, the Board concludes that the financial and managerial resources and future prospects of Applicant and Bank are consistent with approval.⁸

The Board also has carefully considered the Bank's record of performance under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA") in light of the CRA, the Board's regulations and the jointly issued Statement of the Federal Financial Supervisory Agencies Regarding the Community Reinvestment Act ("Agency CRA Statement").⁹ Initially, the Board notes that Bank has received a satisfactory rating from its primary regulator in the most recent examination of its CRA performance.¹⁰ In addition, Bank has in place the types of programs outlined in the Agency CRA Statement as essential to an effective CRA program. Bank has a CRA and Compliance Officer who monitors Bank's compliance with CRA and other consumer laws. The record indicates that Bank's officers, directors and employees are involved in various community service groups in an effort to remain in contact with a broad spectrum of the community. Information gathered through these contacts, as well as survey information gathered through contact with government agencies and community leaders, is discussed at directors' and employees' meetings. Bank participates in community development and redevelopment activities by investing in various local and rural development bonds and has provided funding for various local municipalities and industries, churches and minority businesses. In addition, Bank extends smaller consumer loans totalling \$500 and less on a regular basis as an accommodating service to its low-income customers. Bank also advertises its products and services in local newspapers on a monthly basis and on a local radio station on a daily basis. On the basis of this record of performance under the CRA and other facts of record, the Board concludes that considerations relating to the

convenience and needs of the community to be served are consistent with approval.

Based on the foregoing and other facts of record, the Board has determined that the application should be, and hereby is, approved. The proposal shall not be consummated before the thirtieth calendar day following the effective date of this Order, or later than three months after the effective date of this Order unless such period is extended for good cause by the Board or by the Federal Reserve Bank of St. Louis, acting pursuant to delegated authority.

By order of the Board of Governors, effective October 28, 1991.

Voting for this action: Vice Chairman Mullins and Governors Angell, Kelley, and LaWare. Absent and not voting: Chairman Greenspan.

JENNIFER J. JOHNSON
Associate Secretary of the Board

Orders Issued Under Sections 3 and 4 of the Bank Holding Company Act

Wachovia Corporation
Winston-Salem, North Carolina

Order Approving Acquisition of a Bank Holding Company

Wachovia Corporation, Winston-Salem, North Carolina ("Wachovia"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied for the Board's approval under section 3(a)(3) of the BHC Act (12 U.S.C. § 1842(a)(3)) to acquire South Carolina National Corporation, Columbia, South Carolina ("SCNC"), and thereby indirectly acquire SCNC's subsidiary bank, South Carolina National Bank, Charleston, South Carolina.¹ Wachovia also has applied for the Board's approval under section 4(c)(8) of the BHC Act to acquire the nonbanking subsidiaries of SCNC listed in the Appendix. Each of these activities has been previously approved by the Board.

Notice of the applications, affording interested persons an opportunity to submit comments, has been duly published (56 *Federal Register* 37,100 (1991)). The time for filing comments has expired, and the Board has considered the applications and all com-

8. The Board also has considered Protestant's comments concerning the fairness of the proposal to Bank's shareholders. Protestant has questioned the selectiveness and the price of the purchase offer, the notice requirements associated with the proposal, and the rights of shareholders to dissent from the proposal. Protestant does not allege that the purchase offer violates applicable law, and Applicant has stated its intent to comply with all applicable state law, including notification to Bank's shareholders in order to obtain shareholder approval of the proposal as required under Mississippi law. Under these circumstances and all the facts of the case, the Board concludes that Protestant's comments on this matter do not reflect adversely on the factors that the Board is required to consider under section 3 of the BHC Act. See *Western Bancshares, Inc., v. Board of Governors*, 480 F.2d 749 (10th Cir. 1973).

9. 54 *Federal Register* 13,742 (1989).

10. The Agency CRA Statement provides that, although CRA examination reports do not provide conclusive evidence of an institution's CRA record, these reports will be given great weight in the applications process. 54 *Federal Register* 13,745 (1989). The Federal Deposit Insurance Corporation conducted an examination of Bank's performance under the CRA as of June 14, 1991.

1. Wachovia proposes to effect the acquisition by forming a wholly owned subsidiary which will merge with and into SCNC. In connection with the proposed merger, Wachovia also has applied to acquire an option to purchase, under certain circumstances, up to 16.7 percent of the shares of SCNC common stock.

ments received in light of the factors set forth in sections 3(c) and 4(c)(8) of the BHC Act.

Section 3(d) of the BHC Act, the Douglas Amendment, prohibits the Board from approving an application by a bank holding company to acquire control of any bank located outside of the bank holding company's home state, unless such acquisition is "specifically authorized by the statute laws of the State in which [the] bank is located, by language to that effect and not merely by implication."² Wachovia's home state is North Carolina, and SCNC's home state is South Carolina.³

Based on its review of the relevant South Carolina and North Carolina statutes, the Board previously has determined that South Carolina has expressly authorized, by statute, a North Carolina bank holding company to acquire a South Carolina bank.⁴ Accordingly, the Board concludes that approval of Wachovia's proposal to acquire SCNC is not barred by the Douglas Amendment.

Wachovia, with deposits of \$16.9 billion, controls two banking institutions in North Carolina and Georgia. Wachovia is the second largest commercial banking organization in North Carolina, controlling deposits of \$10.9 billion, representing approximately 20.6 percent of the total deposits in commercial banking organizations in the state. SCNC is the largest commercial banking organization in South Carolina, controlling deposits of \$5.3 billion, representing approximately 28.2 percent of the total deposits in commercial banking organizations in the state. Wachovia's and SCNC's banking subsidiaries are not located in any of the same banking markets in either North Carolina or South Carolina.⁵ Consequently, consummation of the proposal would not result in significantly adverse effects on the concentration of banking resources in North Carolina or South Carolina.

Wachovia and SCNC compete in the Augusta, Georgia banking market.⁶ In the Augusta market, Wachovia is the fifth largest of 13 commercial banking

organizations, controlling deposits of \$87.8 million, representing approximately 5 percent of the total deposits in commercial banking organizations in the market. SCNC is the sixth largest commercial banking organization in the market, controlling deposits of \$57.3 million, representing approximately 3.3 percent of the total deposits in commercial banking organizations in the market. Upon consummation of this proposal, Wachovia would remain the fifth largest commercial banking organization in the market, controlling deposits of \$145.1 million, representing approximately 8.3 percent of the total deposits in commercial banking organizations in the market. The Augusta banking market is considered to be concentrated. The Herfindahl-Hirschman Index ("HHI") would increase by 33 points to 1962 upon consummation of the proposal.⁷ In light of the small increase in concentration and other facts of record, the Board concludes that consummation of the proposal is not likely to result in a significantly adverse effect on competition in the Augusta banking market.⁸

In evaluating these applications, the Board has considered the financial and managerial resources of Wachovia, SCNC and their bank subsidiaries, and the effect of the proposed acquisition on the resources and future prospects of these companies. Wachovia proposes to accomplish the proposed acquisition through an exchange of shares. Wachovia will remain well-capitalized following consummation of the proposal, with capital ratios above the minimum levels specified in the Board's Risk-Based Capital Guidelines.⁹ Based on these and all of the other facts of record, the Board concludes that financial and managerial considerations are consistent with approval of this application. Considerations relating to the convenience and needs of the communities to be served are also consistent with approval.

Wachovia also has applied, pursuant to section 4(c)(8) of the BHC Act, to acquire certain nonbanking subsidiaries of SCNC.¹⁰ Wachovia and SCNC operate

2. 12 U.S.C. § 1842(d).

3. A bank holding company's home state is that state in which the operations of the bank holding company's banking subsidiaries were principally conducted, that is, the state in which the deposits controlled by the bank subsidiaries of the holding company were largest, on July 1, 1966, or the date on which the company became a bank holding company, whichever is later.

4. See *First Union Corporation*, 72 *Federal Reserve Bulletin* 263 (1986); *NCNB Corporation*, 72 *Federal Reserve Bulletin* 57 (1986). See also S.C. Code Ann. § 34-24-30 (Law. Co-op. Supp. 1990).

5. SCNC's thrift affiliate, Atlantic Savings Bank, Hilton Head Island, South Carolina, does not compete in any local banking market where Wachovia is represented. SCNC's thrift affiliate, Old Republic Savings Bank, Raleigh, North Carolina, is nonoperating.

6. The Augusta, Georgia banking market is approximated by Richmond and Columbia Counties, Georgia, and Aiken County, South Carolina.

7. Under the revised Department of Justice Merger Guidelines, 49 *Federal Register* 26,823 (1984), a market in which the post-merger HHI is above 1800 is considered highly concentrated. In such markets, the Department of Justice is likely to challenge a merger that increases the HHI by more than 50 points. The Department of Justice has informed the Board that a bank merger or acquisition generally

8. The Board previously has indicated that thrift institutions have become or have the potential to become important competitors of banks. If 50 percent of the deposits held by thrift institutions were included in the calculation of market concentration, Wachovia's *pro forma* market share would be 6.3 percent, and the HHI would increase by 19 points to 1288.

9. Risk-Based Capital Guidelines, 54 *Federal Register* 4186 (1989).

10. Wachovia has applied to engage in the sale of credit-related property and casualty insurance through its acquisition of Provident Financial Corporation, Columbia, South Carolina. Provident Financial Corporation currently engages in these activities through offices in North Carolina, South Carolina, and Georgia. Under Title VI of the

subsidiaries that engage in permissible mortgage and consumer finance activities in numerous markets in North Carolina and South Carolina.¹¹ SCNC also operates subsidiaries that compete with Wachovia in providing securities brokerage and data processing and transmission services. The market share controlled by each of these subsidiaries is small, and there are numerous competitors for these services. Consequently, consummation of this proposal would have no significantly adverse effect on competition in the markets for these activities. Accordingly, the Board concludes that consummation of this proposal would not have any significantly adverse effect on competition in the provision of these services in any relevant market. Consummation of the proposal would provide added convenience to SCNC's customers in the form of expanded and improved consumer and corporate services. Furthermore, the record does not indicate that consummation of this proposal is likely to result in any significant undue concentration of resources, decreased or unfair competition, conflicts of interest, unsound banking practices, or other adverse effects. Accordingly, the Board has determined that the balance of public interest factors it must consider under section 4(c)(8) of the BHC Act is favorable and consistent with approval of Wachovia's application to acquire the nonbanking subsidiaries of SCNC.

Based on the foregoing and other facts of record, the Board has determined that consummation of the proposed transaction would be consistent with the public interest. Accordingly, the Board has determined that the applications under sections 3 and 4 of the BHC Act should be, and hereby are, approved. The acquisition of South Carolina National Bank shall not be consummated before the thirtieth calendar day following the effective date of this Order, and the proposed bank and nonbank acquisitions shall not be consummated later than three months after the effective date of this Order,

Garn-St Germain Depository Institutions Act of 1982 (now codified as section 4(c)(8) of the BHC Act), Provident Financial Corporation may continue to engage in its credit-related property and casualty insurance agency activities in those states in which it is now located because SCNC obtained the Board's approval for such activities under the BHC Act before May 1, 1982. Wachovia does not seek approval for Provident Financial Corporation or its present subsidiaries to expand in any manner or merge the existing previously-approved insurance activities of Wachovia or SCNC. The Board concludes that, under section 4(c)(8)(D) of the BHC Act (12 U.S.C. § 1843(c)(8)(D)), Provident Financial Corporation may continue to engage in its existing credit-related property and casualty insurance activities after consummation of this proposal.

11. The Board has determined previously that the markets for one-to-four family residential mortgage loan originations and consumer lending are local markets. See, e.g., *Mellon National Corporation*, 69 *Federal Reserve Bulletin* 296, (1983); *F & M National Corporation*, 59 *Federal Reserve Bulletin* 905, 906 (1973). The other nonbanking activities in which Wachovia and SCNC compete are conducted in geographic markets that are regional or national in scope.

unless such period is extended for good cause by the Board or the Federal Reserve Bank of Richmond, acting pursuant to delegated authority. The determinations as to the nonbanking activities are subject to all of the conditions contained in the Board's Regulation Y, including those in sections 225.4(d) and 225.23(b)(3) (12 C.F.R. 225.4(d) and 225.23(b)(3)), 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, or prevent evasions of, the provisions and purposes of the BHC Act and the Board's regulations and orders issued thereunder.

By order of the Board of Governors, effective October 30, 1991.

Voting for this action: Chairman Greenspan and Governors Mullins, Angell, Kelley, and LaWare.

JENNIFER J. JOHNSON
Associate Secretary of the Board

Appendix

Nonbanking Subsidiaries to be Acquired

1. Provident Financial Corporation, Columbia, South Carolina, and thereby engage in making, acquiring, or servicing loans or other extensions of credit for its own account or the account of others pursuant to section 225.25(b)(1); acting as agent for the sale of credit life, credit accident and health insurance, and property and casualty insurance, directly related to extensions of credit by it or its affiliate pursuant to section 225.25(b)(8)(i), (ii), and (iv); and reinsuring credit life and credit accident and health insurance sold as agent by itself or affiliates pursuant to section 225.25(b)(8)(i);
2. South Carolina National Mortgage Corporation, Columbia, South Carolina, and thereby engage in making, acquiring, or servicing loans or other extensions of credit for its loans or other extensions of credit for its own account or the account of others pursuant to section 225.25(b)(1);
3. Southern Provident Life Insurance Company, Phoenix, Arizona, and thereby engage in reinsuring credit life and credit accident and health insurance sold by subsidiaries of South Carolina National Corporation pursuant to section 225.25(b)(8)(i);
4. SCN Capital Management Corporation, Columbia, South Carolina, and thereby engage in serving as investment adviser; providing portfolio investment advice to any other persons, including South Carolina National Bank; furnishing general economic information and advice, general economic statistical forecasting services and industry studies; and providing finan-

cial advice to state and local governments, such as with respect to the issuance of their securities, pursuant to section 225.25(b)(4);

5. SCN Discount Brokerage Services, Inc., Columbia, South Carolina, and thereby engage in securities brokerage services pursuant to section 225.25(b)(15);

6. Southeast Switch, Inc., Maitland, Florida, and thereby engage in providing data processing and transmission services to federally insured depository institutions who participate in Southeast Switch's neutral shared electronic funds transfer ("EFT") network, providing related services, including the administration and promotion of the network, providing data processing, transmission and related services to other EFT networks pursuant to section 225.25(b)(7); and providing bank management consulting advice to depository institutions pursuant to section 225.25(b)(11);

7. Atlantic Savings Bank, Hilton Head Island, South Carolina, and thereby engage in owning, controlling and operating a savings association that engages only in deposit-taking activities and lending and other activities that are permissible for bank holding compa-

nies pursuant to section 225.25(b)(9); and making first mortgage loans, selling such loans in the secondary market, and such other mortgage banking activities pursuant to section 225.25(b)(1);

8. South Carolina Low and Moderate Income Rural Housing Partners Limited Partnership, Boston, Massachusetts, and thereby engage in making equity and debt investments in corporations or projects designed primarily to promote community welfare pursuant to section 225.25(b)(6);

9. Bay Side, A Limited Partnership, Columbia, South Carolina, and thereby engage in making equity and debt investments in corporations or projects designed primarily to promote community welfare pursuant to section 225.25(b)(6);

10. Old Republic Bancorp, Inc. and Old Republic Savings Bank, both of Raleigh, North Carolina, and thereby engage in owning, controlling, and operating a savings association that engages only in deposit-taking activities and lending and other activities that are permissible for bank holding companies pursuant to section 225.25(b)(9) of the Board's Regulation Y.

ORDERS ISSUED UNDER THE FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT ("FIRREA ORDERS")

Recent orders have been issued by the Staff Director of the Division of Banking Supervision and Regulation and the General Counsel of the Board as listed below. Copies are available upon request to the Freedom of Information Office, Office of the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Bank Holding Company	Acquired Thrift	Surviving Bank(s)	Approval Date
National Penn Bancshares, Inc., Boyertown, Pennsylvania	Sellersville Savings and Loan Association, Perkasie, Pennsylvania	National Bank of Boyertown, Boyertown, Pennsylvania	October 8, 1991
Southern National Corporation, Lumberton, North Carolina	Preferred Savings Bank, F.S.B., High Point, North Carolina	Southern National Bank of North Carolina, Lumberton, North Carolina	September 27, 1991
U.S. Bancorp, Portland, Oregon	Heart Federal Savings Association, Auburn, California	U.S. Bank of California, Eureka, California	October 29, 1991

APPLICATIONS APPROVED UNDER BANK HOLDING COMPANY ACT

BY THE SECRETARY OF THE BOARD

Recent applications have been approved by the Secretary of the Board as listed below. Copies are available upon request to the Freedom of Information Office, Office of the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Section 4

Applicant(s)	Bank(s)	Effective Date
Provident Bancorp, Inc., Cincinnati, Ohio	Merit Savings Association, Cincinnati, Ohio Peoples Federal Savings and Loan Association of Bellevue, Bellevue, Kentucky Thrift Savings and Loan Company, Cincinnati, Ohio	October 4, 1991

APPLICATIONS APPROVED UNDER BANK HOLDING COMPANY ACT

BY FEDERAL RESERVE BANKS

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

Section 3

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
1st Premier Bancorp, Golden, Colorado	Denver West Bank and Trust, Golden, Colorado	Kansas City	October 10, 1991
Associated Banc-Corp, Green Bay, Wisconsin	Farmers State Bank, Pound, Wisconsin	Chicago	September 23, 1991
Beulah Bancorporation, Inc., Beulah, Minnesota	D & B Holding Company, Inc., Beulah, North Dakota	Minneapolis	October 4, 1991
Central Banccompany, Inc., Jefferson City, Missouri	Nixa Bank, Nixa, Missouri	St. Louis	September 19, 1991
Commercial Bancorp, Salem, Oregon	Farmers and Merchants Bank, Forest Grove, Oregon	San Francisco	September 27, 1991
First Laurel Security Company, Laurel, Nebraska	First Osmond Corporation, Osmond, Nebraska	Kansas City	September 25, 1991

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
First National of Nebraska, Inc., Omaha, Nebraska	Pathfinder Bancshares, Inc., Fremont, Nebraska	Kansas City	September 20, 1991
Fremont Bank Corporation, Canon City, Colorado	The First National Bank of Arvada, Arvada, Colorado	Kansas City	September 30, 1991
Great River Bancshares Corporation, Burlington, Iowa	Burlington Bank and Trust, Burlington, Iowa	Chicago	October 9, 1991
Lake Elmo Bank Profit Sharing Plan and the Lake Elmo Bank Profit Sharing Trust, Lake Elmo, Minnesota	Lake Elmo Bancorp, Inc., Lake Elmo, Minnesota	Minneapolis	October 9, 1991
Midland Financial Corporation, Newton, Kansas	Midland National Bank, Newton, Kansas	Kansas City	October 11, 1991
Monroe Agency, Inc., Monroe, Nebraska	Nebraskaland Insurance Agency, Genoa, Nebraska	Kansas City	September 25, 1991
Parkway Bancorp, Inc., Fort Myers, Florida	Parkway Bank, Fort Myers, Florida	Atlanta	September 23, 1991
Peoples Independent Bancshares, Inc., Boaz, Alabama	Peoples Independent Bank of Boaz, Boaz, Alabama	Atlanta	October 1, 1991
Senath Bancshares, Inc., Senath, Missouri	Senath State Bank, Senath, Missouri	St. Louis	October 7, 1991
Tri-County Bancorp, Inc., Brown City, Michigan	Tri-County Bank, Brown City, Michigan	Chicago	October 8, 1991
United Missouri Bancshares, Inc., Kansas City, Missouri	National Bank of the West, Colorado Springs, Colorado	Kansas City	October 11, 1991
Western Bancorporation, Inc., Duluth, Minnesota	Western National Bank of Duluth, Duluth, Minnesota	Minneapolis	September 20, 1991

Section 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Carolina First BancShares, Inc., Lincolnton, North Carolina	Cabarrus Savings Bank, Inc., Concord, North Carolina	Richmond	October 17, 1991
Carolina First Corporation, Greenville, South Carolina	The First Savings Bank, F.S.B., Greenville, South Carolina	Richmond	October 16, 1991

Section 4—Continued

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Evergreen Bancshares, Inc., Tallahassee, Florida	Evergreen Interim Savings Bank, Tallahassee, Florida	Atlanta	October 16, 1991
Fidelity BancShares (N.C.), Inc., Fuquay-Varina, North Carolina	Fidelity Interim Savings and Loan Association, Inc., Fuquay-Varina, North Carolina	Richmond	October 11, 1991
First State Corporation, Albany, Georgia	Randolph County Savings and Loan Association of Cuthbert, Cuthbert, Georgia	Atlanta	October 15, 1991
Honor Bancorp, Inc., Honor, Michigan	Honor Consultive Services, Inc., Lake Orion, Michigan	Chicago	September 20, 1991
Montana Bancsystem, Inc., Billings, Montana	Tillit Insurance Agency, Inc., Forsyth, Montana	Minneapolis	October 16, 1991
Signet Banking Corporation, Richmond, Virginia	Credit Systems Incorporated, St. Louis, Missouri	Richmond	September 26, 1991

Sections 3 and 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Banc One Corporation, Columbus, Ohio	Marine Corporation, Springfield, Illinois	Cleveland	September 26, 1991

APPLICATIONS APPROVED UNDER BANK MERGER ACT

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
The C & D Bank Company, Marietta, Ohio	The Dime Bank, Marietta, Ohio	Cleveland	September 19, 1991
First of America Bank-West Michigan, Grand Rapids, Michigan	First of America Bank-Muskegon, Muskegon, Michigan	Chicago	September 30, 1991
Ireland Bank, Malad City, Idaho	Security State Bank, Soda Springs, Idaho	San Francisco	October 4, 1991
Old Kent Bank of Kalamazoo, Kalamazoo, Michigan	Old Kent Bank - Southwest, Niles, Michigan	Chicago	September 30, 1991

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Signet Bank/Maryland, Baltimore, Maryland	Signet Bank, National Association, Washington, D.C.	Richmond	October 3, 1991

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.

- Board of Governors v. Kemal Shoab*, No. CV 91-5152 (C.D. California, filed September 24, 1991). Action to freeze assets of individual pending administrative adjudication of civil money penalty assessment by the Board. On October 15, the court issued a preliminary injunction restraining the transfer or disposition of the individual's assets.
- Board of Governors v. Ghaith R. Pharaon*, No. 91-CIV-6250 (S.D. New York, filed September 17, 1991). Action to freeze assets of individual pending administrative adjudication of civil money penalty assessment by the Board. On September 17, the court issued an order temporarily restraining the transfer or disposition of the individual's assets.
- In re Smouha*, No. 91-B-13569 (Bkr. S.D. New York, filed August 2, 1991). Ancillary proceeding under the U.S. Bankruptcy Code brought by provisional liquidators of BCCI Holdings (Luxembourg) S.A. and affiliated companies. On August 15, 1991, the bankruptcy court issued a temporary restraining order staying certain judicial and administrative actions, which has been continued by consent.
- Hanson v. Greenspan*, No. 91-1599 (D.D.C., filed June 28, 1991). Suit for return of funds and financial instruments allegedly owned by plaintiffs.
- Fields v. Board of Governors*, No. 3:91CV069 (N.D. Ohio, filed February 5, 1991). Appeal of denial of request for information under the Freedom of Information Act.
- Citicorp v. Board of Governors*, No. 90-4124 (2d Circuit, filed October 4, 1990). Petition for review of Board order requiring Citicorp to terminate certain insurance activities conducted pursuant to Delaware law by an indirect nonbank subsidiary. On June 10, 1991, the court of appeals granted the petition and vacated the Board's order. The Independent Insurance Agents of America and others filed a petition for *certiorari* on October 8, 1991.
- Kaimowitz v. Board of Governors*, No. 90-3067 (11th Circuit, filed January 23, 1990). Petition for review of Board order dated December 22, 1989, approving application by First Union Corporation to acquire Florida National Banks. On August 27, 1991, the court of appeals ruled that the petitioner lacked standing to bring the action.
- Consumers Union of U.S., Inc. v. Board of Governors*, No. 90-5186 (D.C. Circuit, filed June 29, 1990). Appeal of District Court decision upholding amendments to Regulation Z implementing the Home Equity Loan Consumer Protection Act. On July 12, 1991, the court of appeals affirmed the majority of district court decision upholding the Board's regulations, but remanded two issues to the Board for further action.
- Synovus Financial Corp. v. Board of Governors*, No. 89-1394 (D.C. Circuit, filed June 21, 1989). Petition for review of Board order permitting relocation of a bank holding company's national bank subsidiary from Alabama to Georgia. Awaiting decision.
- MCorp v. Board of Governors*, No. 89-2816 (5th Circuit, filed May 2, 1989). Appeal of preliminary injunction against the Board enjoining pending and future enforcement actions against a bank holding company now in bankruptcy. On May 15, 1990, the Fifth Circuit vacated the district court's order enjoining the Board from proceeding with enforcement actions based on section 23A of the Federal Reserve Act, but upheld the district court's order enjoining such actions based on the Board's source-of-strength doctrine. 900 F.2d 852 (5th Cir. 1990). On March 4, 1991, the Supreme Court granted the parties' cross-petitions for *certiorari*, Nos. 90-913, 90-914. On October 2, 1991, the Supreme Court heard argument in the case.
- MCorp v. Board of Governors*, No. CA3-88-2693 (N.D. Texas, filed October 10, 1988). Application for injunction to set aside temporary cease and desist orders. Stayed pending outcome of *MCorp v. Board of Governors*, 900 F.2d 852 (5th Cir. 1990).
- White v. Board of Governors*, No. CU-S-88-623-RDF (D. Nevada, filed July 29, 1988). Age discrimination complaint. The case was dismissed on August 30, 1991.

FINAL ENFORCEMENT ORDERS ISSUED BY THE BOARD OF GOVERNORS

Donald J. Coleman
Washington, D.C.

The Federal Reserve Board announced on October 9, 1991, the issuance of Cease and Desist Orders against Donald J. Coleman, the former Executive Vice President and Chief Financial Officer of Washington Bancorporation, Washington, D.C., the parent bank holding company of the now defunct National Bank of Washington, Washington, D.C. The Board's enforcement action against Coleman was coordinated with the Securities and Exchange Commission, which today filed a consent action against Coleman in the U.S. District Court for the District of Columbia.

Rudell Oppegard
Dilworth, Minnesota

The Federal Reserve Board announced on October 22, 1991, the issuance of Orders of Assessment of a Civil Money Penalty and Removal and Prohibition against

Rudell Oppegard, principal shareholder, Chairman and former President of the Oppegard Agency Inc., Dilworth, Minnesota.

WRITTEN AGREEMENTS APPROVED BY FEDERAL RESERVE BANKS

FWB Bancorporation
Rockville, Maryland

The Federal Reserve Board announced on October 18, 1991, the execution of a Written Agreement among the Federal Reserve Bank of Richmond, the Bank Commissioner of the State of Maryland, and FWB Bancorporation, Rockville, Maryland.

Pioneer Bank
Fullerton, California

The Federal Reserve Board announced on October 16, 1991, the execution of a Written Agreement between the Federal Reserve Bank of San Francisco and the Pioneer Bank, Fullerton, California.

Financial and Business Statistics

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1.10 RESERVES, MONEY STOCK, LIQUID ASSETS, AND DEBT MEASURES

Percent annual rate of change, seasonally adjusted¹

Monetary and credit aggregate	1990	1991			1991				
	Q4	Q1	Q2	Q3	May	June	July	Aug.	Sept.
<i>Reserves of depository institutions²</i>									
1 Total.....	3.9	9.2	3.4	7.7	16.4	8.6	1.9	11.7	6.6
2 Required.....	1.7	4.7	9.3	8.3	16.7	9.4	4.5	7.5	10.5
3 Nonborrowed.....	7.8	9.1	3.8	4.7	14.7	7.8	-4.4	8.0	9.5
4 Monetary base ³	9.9	14.5	3.9	5.9	3.4	3.8	5.5	9.2	6.5
<i>Concepts of money, liquid assets, and debt⁴</i>									
5 M1.....	3.4	5.9	7.3	6.9	13.5	9.6	1.7	9.4	5.5
6 M2.....	2.0	3.4	4.8	-3	4.6	1.7	-3.6	.2	-1
7 M3.....	.9	4.0	1.9	-2.5	.7	2.0	-5.0	-.8	-2.2
8 L.....	1.8	3.2	-2.4	n.a.	-5.1	5.8	1.0	-1.7	n.a.
9 Debt.....	5.7	4.5	3.7	5.3	4.9	5.1	4.7	6.0	n.a.
<i>Nontransaction components</i>									
10 In M2 ⁵	1.6	2.7	3.9	-2.7	1.6	-.8	5.4	-2.8	-2.0
11 In M3 only ⁶	-3.6	6.5	-10.5	-12.0	-15.7	-18.4	11.5	-5.4	-11.6
<i>Time and savings deposits</i>									
<i>Commercial banks</i>									
12 Savings, including MMDAs.....	4.1	7.5	16.7	12.9	17.3	16.3	11.6	10.4	9.3
13 Small time ⁷	11.5	8.8	-1.7	.8	-5.8	1.0	-1.6	7.8	.0
14 Large time ^{8,9}	-8.5	12.0	.2	-8.8	2.4	-4.2	-13.6	-8.5	-15.7
<i>Thrift institutions</i>									
15 Savings, including MMDAs.....	-7.3	-.7	18.4	9.7	22.9	11.7	10.0	2.6	5.3
16 Small time ⁷	-8.6	-9.8	-13.7	-22.8	-14.9	-26.5	-22.1	-28.3	-19.0
17 Large time ^{8,9}	-26.3	-31.9	-35.1	-41.4	-46.3	-42.4	-38.1	-47.9	-44.8
<i>Money market mutual funds</i>									
18 General purpose and broker-dealer.....	9.8	18.2	6.7	-11.8	3.0	-2.6	-16.1	-22.0	-12.2
19 Institution-only.....	30.4	49.9	23.0	.7	4.9	-23.8	12.6	25.4	37.3
<i>Debt components⁴</i>									
20 Federal.....	11.6	12.0	5.7	13.8	10.5	14.9	11.8	16.1	n.a.
21 Nonfederal.....	3.8	2.1	3.0	2.5	3.1	2.0	2.3	2.6	n.a.

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

2. Figures incorporate adjustments for discontinuities associated with regulatory changes in reserve requirements. (See also table 1.20.)

3. Seasonally adjusted, break-adjusted monetary base consists of (1) seasonally adjusted, break-adjusted total reserves (line 1), plus (2) the seasonally adjusted currency component of the money stock, plus (3) (for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all weekly reporters whose vault cash exceeds their required reserves) the seasonally adjusted, break-adjusted difference between current vault cash and the amount applied to satisfy current reserve requirements.

4. Composition of the money stock measures and debt is as follows:
M1: (1) currency outside the Treasury, Federal Reserve Banks, and the vaults of depository institutions; (2) travelers checks of nonbank issuers; (3) demand deposits at all commercial banks other than those due to depository institutions, the U.S. government, and foreign banks and official institutions, less cash items in the process of collection and Federal Reserve float; and (4) other checkable deposits (OCDs), consisting of negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at depository institutions, credit union share draft accounts, and demand deposits at thrift institutions. Seasonally adjusted M1 is computed by summing currency, travelers checks, demand deposits, and OCDs, each seasonally adjusted separately.

M2: M1 plus (1) overnight (and continuing-contract) repurchase agreements (RPs) issued by all depository institutions and overnight Eurodollars issued to U.S. residents by foreign branches of U.S. banks worldwide, (2) savings and small time deposits (time deposits—including retail repurchase agreements (RPs)—in amounts of less than \$100,000), and (3) balances in both taxable and tax-exempt general-purpose and broker-dealer money market funds. Excludes individual retirement accounts (IRAs) and Keogh balances at depository institutions and money market funds. Also excludes all balances held by U.S. commercial banks, money market funds (general purpose and broker-dealer), foreign governments and commercial banks, and the U.S. government. Seasonally adjusted M2 is computed by adjusting its non-M1 component as a whole and then adding this result to seasonally adjusted M1.

M3: M2 plus (1) large time deposits and term RP liabilities (in amounts of \$100,000 or more) issued by all depository institutions, (2) term Eurodollars held by U.S. residents at foreign branches of U.S. banks worldwide and at all banking

offices in the United Kingdom and Canada, and (3) balances in both taxable and tax-exempt, institution-only money market funds. Excludes amounts held by depository institutions, the U.S. government, money market funds, and foreign banks and official institutions. Also excluded is the estimated amount of overnight RPs and Eurodollars held by institution-only money market funds. Seasonally adjusted M3 is computed by adjusting its non-M2 component as a whole and then adding this result to seasonally adjusted M2.

L: M3 plus the nonbank public holdings of U.S. savings bonds, short-term Treasury securities, commercial paper, and bankers acceptances, net of money market fund holdings of these assets. Seasonally adjusted L is computed by summing U.S. savings bonds, short-term Treasury securities, commercial paper, and bankers acceptances, each seasonally adjusted separately, and then adding this result to M3.

Debt: Debt of domestic nonfinancial sectors consists of outstanding credit-market debt of the U.S. government, state and local governments, and private nonfinancial sectors. Private debt consists of corporate bonds, mortgages, consumer credit (including bank loans), other bank loans, commercial paper, bankers acceptances, and other debt instruments. Data are derived from the Federal Reserve Board's flow of funds accounts. Data on debt of domestic nonfinancial sectors are monthly averages, derived by averaging adjacent month-end levels. Growth rates for debt reflect adjustments for discontinuities over time in the levels of debt presented in other tables.

5. Sum of (1) overnight RPs and Eurodollars, (2) money market fund balances (general purpose and broker-dealer), (3) MMDAs, and (4) savings and small time deposits.

6. Sum of (1) large time deposits, (2) term RPs, (3) term Eurodollars of U.S. residents, and (4) money market fund balances (institution-only), less (5) a consolidation adjustment that represents the estimated amount of overnight RPs and Eurodollars held by institution-only money market funds. This sum is seasonally adjusted as a whole.

7. Small time deposits—including retail RPs—are those issued in amounts of less than \$100,000. All IRA and Keogh account balances at commercial banks and thrift institutions are subtracted from small time deposits.

8. Large time deposits are those issued in amounts of \$100,000 or more, excluding those booked at international banking facilities.

9. Large time deposits at commercial banks less those held by money market funds, depository institutions, and foreign banks and official institutions.

A4 Domestic Financial Statistics □ December 1991

1.11 RESERVES OF DEPOSITORY INSTITUTIONS AND RESERVE BANK CREDIT ¹

Millions of dollars

Factor	Monthly averages of daily figures			Weekly averages of daily figures for week ending																																																																																																																																																																																																																																																																																																																																					
	1991			1991																																																																																																																																																																																																																																																																																																																																					
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SUPPLYING RESERVE FUNDS																																																																																																																																																																																																																																																																																																																																									
1 Reserve Bank credit outstanding	294,061	292,833	297,531	293,465	292,201	291,775	296,317	296,828	299,868	296,018																																																																																																																																																																																																																																																																																																																															
U.S. government securities ²																																																																																																																																																																																																																																																																																																																																									
2 Bought outright-system account	249,075	251,794	256,689	251,684	251,495	252,922	255,055	255,689	257,119	256,812																																																																																																																																																																																																																																																																																																																															
3 Held under repurchase agreements	2,766	543	2,099	0	628	577	2,610	1,953	3,561	873																																																																																																																																																																																																																																																																																																																															
Federal agency obligations																																																																																																																																																																																																																																																																																																																																									
4 Bought outright	6,196	6,159	6,155	6,159	6,159	6,159	6,159	6,157	6,154	6,154																																																																																																																																																																																																																																																																																																																															
5 Held under repurchase agreements	241	17	203	0	29	28	132	427	216	95																																																																																																																																																																																																																																																																																																																															
6 Acceptances	0	0	0	0	0	0	0	0	0	0																																																																																																																																																																																																																																																																																																																															
Loans to depository institutions																																																																																																																																																																																																																																																																																																																																									
7 Adjustment credit	88	205	57	11	127	53	84	84	42	39																																																																																																																																																																																																																																																																																																																															
8 Seasonal credit	320	332	285	322	337	337	303	268	270	301																																																																																																																																																																																																																																																																																																																															
9 Extended credit	45	297	309	269	293	369	442	441	550	81																																																																																																																																																																																																																																																																																																																															
10 Float	474	335	523	425	579	278	178	726	605	544																																																																																																																																																																																																																																																																																																																															
11 Other Federal Reserve assets	34,856	33,151	31,212	34,595	32,555	31,051	31,355	31,083	31,351	31,119																																																																																																																																																																																																																																																																																																																															
12 Gold stock	11,062	11,062	11,062	11,062	11,062	11,062	11,062	11,062	11,062	11,062																																																																																																																																																																																																																																																																																																																															
13 Special drawing rights certificate account	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018																																																																																																																																																																																																																																																																																																																															
14 Treasury currency outstanding	20,769	20,810	20,866	20,803	20,813	20,823	20,841	20,853	20,865	20,877																																																																																																																																																																																																																																																																																																																															
ABSORBING RESERVE FUNDS																																																																																																																																																																																																																																																																																																																																									
15 Currency in circulation	293,560	293,864	294,675	294,248	294,004	293,428	295,147	295,863	294,984	293,697																																																																																																																																																																																																																																																																																																																															
16 Treasury cash holdings	615	610	607	611	612	608	605	606	611	607																																																																																																																																																																																																																																																																																																																															
Deposits, other than reserve balances, with Federal Reserve Banks																																																																																																																																																																																																																																																																																																																																									
17 Treasury	6614	5,644	7,855	6,028	5,138	5,196	6,260	5,809	8,321	9,908																																																																																																																																																																																																																																																																																																																															
18 Foreign	242	233	254	218	265	245	283	244	268	217																																																																																																																																																																																																																																																																																																																															
19 Service-related balances and adjustments	3,239	3,307	3,328	3,301	3,278	3,294	3,412	3,280	3,249	3,372																																																																																																																																																																																																																																																																																																																															
20 Other	219	202	245	185	212	221	222	231	249	245																																																																																																																																																																																																																																																																																																																															
21 Other Federal Reserve liabilities and capital	7,812	8,282	8,656	8,230	8,100	8,154	8,685	8,681	8,637	8,534																																																																																																																																																																																																																																																																																																																															
22 Reserve balances with Federal Reserve Banks ³	23,609	22,580	23,855	22,527	22,487	22,533	23,625	24,047	25,495	21,395																																																																																																																																																																																																																																																																																																																															
End-of-month figures				Wednesday figures																																																																																																																																																																																																																																																																																																																																					
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<table border="1"> <thead> <tr> <th>Factor</th> <th>July</th> <th>Aug.</th> <th>Sept.</th> <th>Aug. 14</th> <th>Aug. 21</th> <th>Aug. 28</th> <th>Sept. 4</th> <th>Sept. 11</th> <th>Sept. 18</th> <th>Sept. 25</th> </tr> </thead> <tbody> <tr> <td colspan="11">SUPPLYING RESERVE FUNDS</td> </tr> <tr> <td>1 Reserve Bank credit outstanding</td> <td>293,653</td> <td>293,306</td> <td>296,876</td> <td>292,206</td> <td>295,215</td> <td>291,775</td> <td>307,145</td> <td>294,745</td> <td>311,757</td> <td>294,757</td> </tr> <tr> <td> U.S. government securities²</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2 Bought outright-system account</td> <td>250,978</td> <td>254,959</td> <td>258,554</td> <td>249,630</td> <td>254,317</td> <td>252,922</td> <td>255,447</td> <td>254,881</td> <td>256,149</td> <td>256,361</td> </tr> <tr> <td>3 Held under repurchase agreements</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>577</td> <td>11,383</td> <td>1,013</td> <td>15,116</td> <td>0</td> </tr> <tr> <td> Federal agency obligations</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>4 Bought outright</td> <td>6,159</td> <td>6,159</td> <td>6,154</td> <td>6,159</td> <td>6,159</td> <td>6,159</td> <td>6,159</td> <td>6,154</td> <td>6,154</td> <td>6,154</td> </tr> <tr> <td>5 Held under repurchase agreements</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>28</td> <td>608</td> <td>242</td> <td>816</td> <td>0</td> </tr> <tr> <td>6 Acceptances</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td> Loans to depository institutions</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>7 Adjustment credit</td> <td>85</td> <td>97</td> <td>38</td> <td>7</td> <td>797</td> <td>53</td> <td>51</td> <td>124</td> <td>177</td> <td>52</td> </tr> <tr> <td>8 Seasonal credit</td> <td>359</td> <td>305</td> <td>276</td> <td>328</td> <td>348</td> <td>337</td> <td>287</td> <td>253</td> <td>292</td> <td>302</td> </tr> <tr> <td>9 Extended credit</td> <td>130</td> <td>443</td> <td>0</td> <td>236</td> <td>226</td> <td>369</td> <td>349</td> <td>405</td> <td>548</td> <td>0</td> </tr> <tr> <td>10 Float</td> <td>900</td> <td>48</td> <td>232</td> <td>1,230</td> <td>849</td> <td>278</td> <td>1,072</td> <td>536</td> <td>1,021</td> <td>745</td> </tr> <tr> <td>11 Other Federal Reserve assets</td> <td>35,043</td> <td>31,296</td> <td>31,621</td> <td>34,617</td> <td>32,520</td> <td>31,051</td> <td>31,789</td> <td>31,136</td> <td>31,484</td> <td>31,142</td> </tr> <tr> <td>12 Gold stock</td> <td>11,062</td> <td>11,062</td> <td>11,062</td> <td>11,062</td> <td>11,062</td> <td>11,062</td> <td>11,062</td> <td>11,062</td> <td>11,062</td> <td>11,062</td> </tr> <tr> <td>13 Special drawing rights certificate account</td> <td>10,018</td> <td>10,018</td> <td>10,018</td> <td>10,018</td> <td>10,018</td> <td>10,018</td> <td>10,018</td> <td>10,018</td> <td>10,018</td> <td>10,018</td> </tr> <tr> <td>14 Treasury currency outstanding</td> <td>20,783</td> <td>20,833</td> <td>20,889</td> <td>20,803</td> <td>20,813</td> <td>20,823</td> <td>20,841</td> <td>20,853</td> <td>20,865</td> <td>20,877</td> </tr> <tr> <td colspan="11">ABSORBING RESERVE FUNDS</td> </tr> <tr> <td>15 Currency in circulation</td> <td>292,596</td> <td>294,884</td> <td>293,512</td> <td>294,305</td> <td>293,864</td> <td>293,428</td> <td>295,990</td> <td>295,504</td> <td>294,516</td> <td>293,422</td> </tr> <tr> <td>16 Treasury cash holdings</td> <td>605</td> <td>605</td> <td>607</td> <td>612</td> <td>608</td> <td>608</td> <td>605</td> <td>611</td> <td>607</td> <td>607</td> </tr> <tr> <td> Deposits, other than reserve balances, with Federal Reserve Banks</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>17 Treasury</td> <td>5,831</td> <td>6,745</td> <td>7,928</td> <td>4,964</td> <td>5,164</td> <td>5,196</td> <td>6,390</td> <td>5,056</td> <td>12,774</td> <td>5,324</td> </tr> <tr> <td>18 Foreign</td> <td>314</td> <td>256</td> <td>385</td> <td>282</td> <td>266</td> <td>245</td> <td>207</td> <td>231</td> <td>229</td> <td>243</td> </tr> <tr> <td>19 Service-related balances and adjustments</td> <td>3,260</td> <td>3,412</td> <td>3,380</td> <td>3,301</td> <td>3,278</td> <td>3,294</td> <td>3,412</td> <td>3,280</td> <td>3,249</td> <td>3,372</td> </tr> <tr> <td>20 Other</td> <td>212</td> <td>219</td> <td>283</td> <td>190</td> <td>199</td> <td>221</td> <td>239</td> <td>224</td> <td>259</td> <td>285</td> </tr> <tr> <td>21 Other Federal Reserve liabilities and capital</td> <td>8165</td> <td>8,729</td> <td>9,522</td> <td>8,072</td> <td>7,900</td> <td>8,154</td> <td>8,588</td> <td>8,439</td> <td>8,379</td> <td>8,289</td> </tr> <tr> <td>22 Reserve balances with Federal Reserve Banks³</td> <td>24,533</td> <td>20,370</td> <td>23,229</td> <td>22,363</td> <td>25,829</td> <td>22,533</td> <td>33,636</td> <td>23,332</td> <td>33,689</td> <td>25,172</td> </tr> </tbody> </table>											Factor	July	Aug.	Sept.	Aug. 14	Aug. 21	Aug. 28	Sept. 4	Sept. 11	Sept. 18	Sept. 25	SUPPLYING RESERVE FUNDS											1 Reserve Bank credit outstanding	293,653	293,306	296,876	292,206	295,215	291,775	307,145	294,745	311,757	294,757	U.S. government securities ²											2 Bought outright-system account	250,978	254,959	258,554	249,630	254,317	252,922	255,447	254,881	256,149	256,361	3 Held under repurchase agreements	0	0	0	0	0	577	11,383	1,013	15,116	0	Federal agency obligations											4 Bought outright	6,159	6,159	6,154	6,159	6,159	6,159	6,159	6,154	6,154	6,154	5 Held under repurchase agreements	0	0	0	0	0	28	608	242	816	0	6 Acceptances	0	0	0	0	0	0	0	0	0	0	Loans to depository institutions											7 Adjustment credit	85	97	38	7	797	53	51	124	177	52	8 Seasonal credit	359	305	276	328	348	337	287	253	292	302	9 Extended credit	130	443	0	236	226	369	349	405	548	0	10 Float	900	48	232	1,230	849	278	1,072	536	1,021	745	11 Other Federal Reserve assets	35,043	31,296	31,621	34,617	32,520	31,051	31,789	31,136	31,484	31,142	12 Gold stock	11,062	11,062	11,062	11,062	11,062	11,062	11,062	11,062	11,062	11,062	13 Special drawing rights certificate account	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018	14 Treasury currency outstanding	20,783	20,833	20,889	20,803	20,813	20,823	20,841	20,853	20,865	20,877	ABSORBING RESERVE FUNDS											15 Currency in circulation	292,596	294,884	293,512	294,305	293,864	293,428	295,990	295,504	294,516	293,422	16 Treasury cash holdings	605	605	607	612	608	608	605	611	607	607	Deposits, other than reserve balances, with Federal Reserve Banks											17 Treasury	5,831	6,745	7,928	4,964	5,164	5,196	6,390	5,056	12,774	5,324	18 Foreign	314	256	385	282	266	245	207	231	229	243	19 Service-related balances and adjustments	3,260	3,412	3,380	3,301	3,278	3,294	3,412	3,280	3,249	3,372	20 Other	212	219	283	190	199	221	239	224	259	285	21 Other Federal Reserve liabilities and capital	8165	8,729	9,522	8,072	7,900	8,154	8,588	8,439	8,379	8,289	22 Reserve balances with Federal Reserve Banks ³	24,533	20,370	23,229	22,363	25,829	22,533	33,636	23,332	33,689	25,172
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1. For amounts of cash held as reserves, see table 1.12. Components may not sum to totals because of rounding.

2. Includes securities loaned—fully guaranteed by U.S. government securities pledged with Federal Reserve Banks—and excludes any securities sold and

scheduled to be bought back under matched sale-purchase transactions.

3. Excludes required clearing balances and adjustments to compensate for float.

1.12 RESERVES AND BORROWINGS Depository Institutions¹

Millions of dollars

Reserve classification	Prorated monthly averages of biweekly averages										
	1988	1989	1990	1991							
	Dec.	Dec.	Dec.	Mar.	Apr.	May	June	July	Aug.	Sept.	
1 Reserve balances with Reserve Banks ²	37,837	35,436	30,237	21,734	23,508	22,287	23,685	23,271	22,810 ^f	23,447	
2 Total vault cash ³	28,204	29,822	31,777	30,895	30,556	30,720	30,524	31,322	31,779	31,549	
3 Applied vault cash ⁴	25,909	27,374	28,884	26,853	26,793	26,776	26,722	27,389	27,798	27,680	
4 Surplus vault cash ⁵	2,295	2,448	2,893	4,043	3,764	3,944	3,801	3,933	3,981	3,869	
5 Total reserves ⁶	63,746	62,810	59,120	48,586	50,301	49,063	50,407	50,660	50,607	51,127	
6 Required reserves	62,699	61,887	57,456	47,407	49,270	48,033	49,399	49,754	49,521 ^f	50,198	
7 Excess reserve balances at Reserve Banks ⁷	1,047	923	1,664	1,179	1,031	1,030	1,008	906	1,086 ^f	929	
8 Total borrowings at Reserve Banks ⁸	1,716	265	326	241	231	303	340	607	764	645	
9 Seasonal borrowings	130	84	76	55	79	151	222	317	331	287	
10 Extended credit ⁹	1,244	20	23	53	86	88	8	46	300	302	

Reserve classification	Biweekly averages of daily figures for weeks ending									
	1991									
	May 29	June 12	June 26	July 10	July 24	Aug 7	Aug. 21	Sept. 4	Sept. 18	Oct. 2
1 Reserve balances with Reserve Banks ²	21,363	24,027	23,344	23,853	22,977	23,029	22,508	23,077 ^f	24,771	22,025
2 Total vault cash ³	31,234	29,787	30,926	31,327	31,351	31,257	32,499	31,137	31,015	32,310
3 Applied vault cash ⁴	27,114	26,115	27,048	27,404	27,456	27,234	28,469	27,254	27,408	28,140
4 Surplus vault cash ⁵	4,120	3,672	3,878	3,923	3,895	4,023	4,030	3,883	3,608	4,170
5 Total reserves ⁶	48,477	50,142	50,392	51,256	50,433	50,262	50,977	50,311 ^f	52,179	50,163
6 Required reserves	47,357	49,411	49,110	50,375	49,492	49,393	49,917	49,058 ^f	51,447	49,121
7 Excess reserve balances at Reserve Banks ⁷	1,121	731	1,282	882	941	870	1,061	1,273 ^f	732	1,045
8 Total borrowings at Reserve Banks ⁸	299	283	314	601	469	892	679	795	828	383
9 Seasonal borrowings	165	176	242	290	320	351	330	320	269	296
10 Extended credit ⁹	59	9	8	5	4	188	281	406	496	41

1. Data in this table also appear in the Board's H.3 (502) weekly statistical release. For ordering address, see inside front cover. Components may not sum to totals because of rounding.

2. Excludes required clearing balances and adjustments to compensate for float and includes other off-balance-sheet "as-of" adjustments.

3. Total "lagged" vault cash held by depository institutions subject to reserve requirements. Dates refer to the maintenance periods during which the vault cash can be used to satisfy reserve requirements. Under contemporaneous reserve requirements, maintenance periods end thirty days after the lagged computation periods during which the balances are held.

4. All vault cash held during the lagged computation period by "bound" institutions (that is, those whose required reserves exceed their vault cash) plus the amount of vault cash applied during the maintenance period by "nonbound"

institutions (that is, those whose vault cash exceeds their required reserves) to satisfy current reserve requirements.

5. Total vault cash (line 2) less applied vault cash (line 3).

6. Reserve balances with Federal Reserve Banks (line 1) plus applied vault cash (line 3).

7. Total reserves (line 5) less required reserves (line 6).

8. Also includes adjustment credit.

9. Extended credit consists of borrowing at the discount window under the terms and conditions established for the extended credit program to help depository institutions deal with sustained liquidity pressures. Because there is not the same need to repay such borrowing promptly as there is with traditional short-term adjustment credit, the money market impact of extended credit is similar to that of nonborrowed reserves.

A6 Domestic Financial Statistics □ December 1991

1.13 SELECTED BORROWINGS IN IMMEDIATELY AVAILABLE FUNDS Large Banks¹

Millions of dollars, averages of daily figures

Source and maturity	1991, week ending Monday								
	Mar. 25	Apr. 1	Apr. 8	Apr. 15	Apr. 22	Apr. 29	May 6	May 13	May 20
<i>Federal funds purchased, repurchase agreements, and other selected borrowings</i>									
<i>From commercial banks in the United States</i>									
1 For one day or under continuing contract	68,931	71,048	81,372	80,513	73,405	67,102	75,412	74,532	74,706
2 For all other maturities	17,530	17,436	16,378	15,935	15,363	15,092	15,405	15,510	15,345
<i>From other depository institutions, foreign banks and official institutions, and U.S. government agencies</i>									
3 For one day or under continuing contract	31,312	29,035	31,718	28,875	28,319	30,267	30,603	31,584	33,895
4 For all other maturities	21,386	20,783	20,730	21,869	20,716	20,308	19,680	20,518	22,243
<i>Repurchase agreements on U.S. government and federal agency securities</i>									
<i>Brokers and nonbank dealers in securities</i>									
5 For one day or under continuing contract	11,007	8,015	12,995	10,730	10,097	9,754	10,683	10,530	12,709
6 For all other maturities	17,847	18,183	18,620	19,320	18,400	18,149	17,824	17,484	16,970
<i>All other customers</i>									
7 For one day or under continuing contract	24,147	22,908	25,150	24,029	23,555	23,289	23,560	22,794	24,457
8 For all other maturities	11,983	12,587	10,903	11,167	10,924	11,846	11,698	11,481	10,868
MEMO: Federal funds loans and resale agreements in immediately available funds in maturities of one day or under continuing contract									
9 To commercial banks in the United States	39,240	41,515	44,681	43,902	40,273	36,352	44,445	39,324	40,629
10 To all other specified customers	17,401	15,289	17,841	20,559	17,148	15,832	16,094	14,803	15,617

1. Banks with assets of \$4 billion or more as of Dec. 31, 1988.
Data in this table also appear in the Board's H.5 (507) weekly statistical release.
For ordering address, see inside front cover.

2. Brokers and nonbank dealers in securities, other depository institutions, foreign banks and official institutions, and U.S. government agencies.

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per year

Federal Reserve Bank	Current and previous levels									
	Adjustment credit and seasonal credit ¹			Extended credit ²						
				First 30 days of borrowing			After 30 days of borrowing ³			
	On 11/1/91	Effective date	Previous rate	On 11/1/91	Effective date	Previous rate	On 11/1/91	Effective date	Previous rate	Effective date
Boston.....	5	9/13/91	5.5	5	9/13/91	5.5	5.75	10/31/91	5.80	10/17/91
New York.....		9/13/91			9/13/91			10/31/91		10/17/91
Philadelphia.....		9/13/91			9/13/91			10/31/91		10/17/91
Cleveland.....		9/13/91			9/13/91			10/31/91		10/17/91
Richmond.....		9/13/91			9/13/91			10/31/91		10/17/91
Atlanta.....		9/13/91			9/13/91			10/31/91		10/17/91
Chicago.....		9/13/91			9/13/91			10/31/91		10/17/91
St. Louis.....		9/17/91			9/17/91			10/31/91		10/17/91
Minneapolis.....		9/13/91			9/13/91			10/31/91		10/17/91
Kansas City.....		9/13/91			9/13/91			10/31/91		10/17/91
Dallas.....		9/13/91			9/13/91			10/31/91		10/17/91
San Francisco.....	5	9/13/91	5.5	5	9/13/91	5.5	5.75	10/31/91	5.80	10/17/91

Range of rates for adjustment credit 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, 1977.....	6	6	1981—May 5.....	13-14	14	1985—May 20.....	7.5-8	7.5
1978—Jan. 9.....	6-6.5	6.5	8.....	14	14	24.....	7.5	7.5
20.....	6.5	6.5	Nov. 2.....	13-14	13	1986—Mar. 7.....	7-7.5	7
May 11.....	6.5-7	7	6.....	13	13	10.....	7	7
12.....	7	7	Dec. 4.....	12	12	Apr. 21.....	6.5-7	6.5
July 3.....	7-7.25	7.25	1982—July 20.....	11.5-12	11.5	July 11.....	6	6
10.....	7.25	7.25	23.....	11.5	11.5	Aug. 21.....	5.5-6	5.5
Aug. 21.....	7.75	7.75	Aug. 2.....	11-11.5	11	22.....	5.5	5.5
Sept. 22.....	8	8	3.....	11	11	1987—Sept. 4.....	5.5-6	6
Oct. 16.....	8-8.5	8.5	16.....	10.5	10.5	11.....	6	6
20.....	8.5	8.5	27.....	10-10.5	10	1988—Aug. 9.....	6-6.5	6.5
Nov. 1.....	8.5-9.5	9.5	30.....	10	10	11.....	6.5	6.5
3.....	9.5	9.5	Oct. 12.....	9.5-10	9.5	1989—Feb. 24.....	6.5-7	7
1979—July 20.....	10	10	13.....	9.5	9.5	27.....	7	7
Aug. 17.....	10-10.5	10.5	Nov. 22.....	9-9.5	9	1990—Dec. 19.....	6.5	6.5
20.....	10.5	10.5	26.....	9	9	1991—Feb. 1.....	6-6.5	6
Sept. 19.....	10.5-11	11	Dec. 14.....	8.5-9	8.5	4.....	6	6
21.....	11	11	15.....	8.5-9	8.5	Apr. 30.....	5.5-6	5.5
Oct. 8.....	11-12	12	17.....	8.5	8.5	May 2.....	5.5	5.5
10.....	12	12	1984—Apr. 9.....	8.5-9	9	Sept. 13.....	5-5.5	5
1980—Feb. 15.....	12-13	13	13.....	9	9	Sept. 17.....	5	5
19.....	13	13	Nov. 21.....	8.5-9	8.5	In effect Nov. 1, 1991.....	5	5
May 29.....	12-13	13	Dec. 26.....	8.5	8.5			
30.....	12	12	Dec. 24.....	8	8			
June 13.....	11-12	11						
16.....	11	11						
July 28.....	10-11	10						
29.....	10	10						
Sept. 26.....	11	11						
Nov. 17.....	12	12						
Dec. 5.....	12-13	13						

1. Adjustment credit is available on a short-term basis to help depository institutions meet temporary needs for funds that cannot be met through reasonable alternative sources. The highest rate established for loans to depository institutions may be charged on adjustment-credit loans of unusual size that result from a major operating problem at the borrower's facility.

Seasonal credit is available to help smaller depository institutions meet regular, seasonal needs for funds that cannot be met through special industry lenders and that arise from a combination of expected patterns of movement in their deposits and loans.

2. Extended credit is available to depository institutions when similar assistance is not reasonably available from other sources, when exceptional circumstances or practices involve only a particular institution, or when an institution is experiencing difficulties adjusting to changing market conditions over a longer period of time.

3. For extended-credit loans outstanding more than thirty days, a flexible rate somewhat above rates on market sources of funds ordinarily is charged, but in no case is the rate charged less than the basic discount rate plus 50 basis points. The

flexible rate is reestablished on the first business day of each two-week reserve maintenance period. At the discretion of the Federal Reserve Bank, the time period for which the basic discount rate is applied may be shortened.

4. For earlier data, see the following publications of the Board of Governors: *Banking and Monetary Statistics, 1914-1941*, and *1941-1970*; and the *Annual Statistical Digest, 1970-1979*.

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 four weeks in a calendar quarter. A 3 percent surcharge was in effect from Mar. 17, 1980, through May 7, 1980. There was no surcharge until Nov. 17, 1980, when a 2 percent surcharge was adopted; the surcharge was subsequently raised to 3 percent on Dec. 5, 1980, and to 4 percent on May 5, 1981. The surcharge was reduced to 3 percent effective Sept. 22, 1981, and to 2 percent effective Oct. 12, 1981. As of Oct. 1, 1981, the formula for applying the surcharge was changed from a calendar quarter to a moving thirteen week period. The surcharge was eliminated on Nov. 17, 1981.

1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS¹

Type of deposit ²	Requirements	
	Percent of deposits	Effective date
<i>Net transaction accounts</i> ³		
1 \$0 million-\$41.1 million.....	3	12/18/90
2 More than \$41.1 million.....	12	12/18/90
3 Nonpersonal time deposits ⁴	0	12/27/90
4 Eurocurrency liabilities ⁵	0	12/27/90

1. Required reserves must be held in the form of deposits with Federal Reserve Banks or vault cash. Nonmember institutions may maintain reserve balances with a Federal Reserve Bank indirectly on a pass-through basis with certain approved institutions. For previous reserve requirements, see earlier editions of the *Annual Report* or the *Federal Reserve Bulletin*. 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 corporations.

2. The Garn-St Germain Depository Institutions Act of 1982 (Public Law 97-320) requires that \$2 million of reservable liabilities of each depository institution be subject to a zero percent reserve requirement. The Board is to adjust the amount of reservable liabilities subject to this zero percent reserve requirement each year for the succeeding calendar year by 80 percent of the percentage increase in the total reservable liabilities of all depository institutions, measured on an annual basis as of June 30. No corresponding adjustment is to be made in the event of a decrease. On Dec. 20, 1988, the exemption was raised from \$3.2 million to \$3.4 million. In determining the reserve requirements of depository institutions, the exemption applies in the following order: (1) net negotiable order of withdrawal (NOW) accounts (NOW accounts less allowable deductions); and (2) net other transaction accounts. The exemption applies only to accounts that would be subject to a 3 percent reserve requirement.

3. Transaction accounts include all deposits against 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. However, money market deposit accounts (MMDAs) and similar accounts subject to the rules that permit no more than six preauthorized, automatic, or other transfers per month, of which no more than three can be checks, are not transaction accounts (such accounts are savings deposits).

The Monetary Control Act of 1980 requires that the amount of transaction accounts against which the 3 percent reserve requirement applies be modified annually by 80 percent of the percentage change in transaction accounts held by all depository institutions, determined as of June 30 each year. Effective Dec. 18, 1990, for institutions reporting quarterly, and Dec. 25, 1990, for institutions reporting weekly, the amount was increased from \$40.4 million to \$41.1 million.

4. For institutions that report weekly, the reserve requirement on nonpersonal time deposits with an original maturity of less than 1½ years was reduced from 3 percent to 1½ percent for the maintenance period that began Dec. 13, 1990, and to zero for the maintenance period that began Dec. 27, 1990. The reserve requirement on nonpersonal time deposits with an original maturity of 1½ years or more has been zero since Oct. 6, 1983.

For institutions that report quarterly, the reserve requirement on nonpersonal time deposits with an original maturity of less than 1½ years was reduced from 3 percent to zero on Jan. 17, 1991.

5. The reserve requirement on Eurocurrency liabilities was reduced from 3 percent to zero in the same manner and on the same dates as were the reserve requirement on nonpersonal time deposits with an original maturity of less than 1½ years (see note 4).

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS¹

Millions of dollars

Type of transaction	1988	1989	1990	1991						
				Feb.	Mar.	Apr.	May	June	July	Aug.
U.S. TREASURY SECURITIES										
<i>Outright transactions (excluding matched transactions)</i>										
<i>Treasury bills</i>										
1 Gross purchases	8,223	14,284	24,739	1,967	313	908	3,411	37	1,359	5,776
2 Gross sales	587	12,818	7,291	0	0	0	0	0	0	0
3 Exchanges	241,876	231,211	241,086	21,381	18,808	21,981	27,548	19,680	22,280	28,009
4 Redemptions	2,200	12,730	4,400	0	0	0	0	0	0	0
<i>Others within one year</i>										
5 Gross purchases	2,176	327	425	100	700	700	200	0	625	340
6 Gross sales	0	0	0	0	0	0	0	0	0	0
7 Maturity shifts	23,854	28,848	25,638	2,292	413	4,324	5,175	0	1,478	3,425
8 Exchanges	-24,588	-25,783	-27,424	-3,045	-1,877	-993	-4,887	0	-3,136	-2,443
9 Redemptions	0	500	0	0	0	0	0	0	0	0
<i>One to five years</i>										
10 Gross purchases	5,485	1,436	250	0	2,950	550	0	0	0	0
11 Gross sales	800	490	200	0	0	0	0	0	0	0
12 Maturity shifts	-17,720	-25,534	-21,770	-1,909	-213	-4,214	-3,410	0	-1,192	-3,425
13 Exchanges	22,515	23,250	25,410	2,545	1,877	777	4,287	0	2,601	1,993
<i>Five to ten years</i>										
14 Gross purchases	1,579	287	0	350	50	0	0	0	0	0
15 Gross sales	175	29	100	0	0	0	0	0	0	0
16 Maturity shifts	-5,946	-2,231	-2,186	-23	-200	-110	-1,605	0	-286	688
17 Exchanges	1,797	1,934	789	400	0	216	400	0	534	300
<i>More than ten years</i>										
18 Gross purchases	1,398	284	0	0	0	0	0	0	0	0
19 Gross sales	0	0	0	0	0	0	0	0	0	0
20 Maturity shifts	-188	-1,086	-1,681	-361	0	0	-160	0	0	-688
21 Exchanges	275	600	1,226	100	0	0	200	0	0	150
<i>All maturities</i>										
22 Gross purchases	18,863	16,617	25,414	2,417	4,013	2,158	3,611	37	1,984	6,116
23 Gross sales	1,562	13,337	7,591	0	0	0	0	0	0	0
24 Redemptions	2,200	13,230	4,400	0	0	0	0	0	0	0
<i>Matched transactions</i>										
25 Gross sales	1,168,484	1,323,480	1,369,052	127,589	151,096	185,662	147,796	118,903	120,292	112,414
26 Gross purchases	1,168,142	1,326,542	1,363,434	127,502	151,412	187,032	147,803	118,239	121,803	110,280
<i>Repurchase agreements²</i>										
27 Gross purchases	152,613	129,518	219,632	44,688	23,821	16,173	9,241	9,440	35,149	16,847
28 Gross sales	151,497	132,688	202,551	44,809	38,589	16,173	9,241	8,478	36,111	16,847
29 Net change in U.S. government securities	15,872	-10,055	24,886	2,209	-10,439	3,528	3,618	335	2,532	3,981
FEDERAL AGENCY OBLIGATIONS										
<i>Outright transactions</i>										
30 Gross purchases	0	0	0	0	0	0	0	0	0	0
31 Gross sales	0	0	0	0	0	0	0	0	0	0
32 Redemptions	587	442	183	0	0	91	0	0	55	0
<i>Repurchase agreements²</i>										
33 Gross purchases	57,259	38,835	41,836	3,546	2,518	640	885	1,225	3,245	537
34 Gross sales	56,471	40,411	40,461	4,466	3,784	640	885	748	3,722	537
35 Net change in federal agency obligations	198	-2,018	1,192	-920	-1,266	-91	0	477	-532	0
36 Total net change in System Open Market Account	16,070	-12,073	26,078	1,290	-11,705	3,437	3,618	812	2,000	3,981

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

2. In July 1984 the Open Market Trading Desk discontinued accepting bankers acceptances in repurchase agreements.

A10 Domestic Financial Statistics □ December 1991

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements¹

Millions of dollars

Account	Wednesday					End of month		
	1991					1991		
	Aug. 28	Sept. 4	Sept. 11	Sept. 18	Sept. 25	July 31	Aug. 30	Sept. 30
Consolidated condition statement								
ASSETS								
1 Gold certificate account	11,062	11,062	11,062	11,062	11,062	11,062	11,062	11,062
2 Special drawing rights certificate account	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018
3 Coin	559	544	552	564	573	575	544	579
<i>Loans</i>								
4 To depository institutions	727	688	782	1,017	355	1,479	574	315
5 Other	0	0	0	0	0	0	0	0
6 Acceptances held under repurchase agreements	0	0	0	0	0	0	0	0
<i>Federal agency obligations</i>								
7 Bought outright	6,159	6,159	6,154	6,154	6,154	6,213	6,159	6,154
8 Held under repurchase agreements	0	608	242	816	0	477	0	0
9 Total U.S. Treasury securities	253,044	266,830	255,894	271,265	256,361	248,446	250,978	258,554
10 Bought outright ²	253,044	255,447	254,881	256,149	256,361	247,484	250,978	258,554
11 Bills	123,909	126,312	125,572	126,189	126,377	119,314	122,183	128,569
12 Notes	97,522	97,522	97,697	98,347	98,372	96,707	97,332	98,372
13 Bonds	31,613	31,613	31,613	31,613	31,613	31,463	31,463	31,613
14 Held under repurchase agreements	0	11,383	1,013	15,116	0	962	0	0
15 Total loans and securities	259,930	274,285	263,072	279,252	262,870	256,615	257,710	265,022
16 Items in process of collection	4,723	8,594	5,178	6,225	4,993	4,859	5,547	2,591
17 Bank premises	950	950	951	954	954	931	940	953
<i>Other assets</i>								
18 Denominated in foreign currencies ³	25,376	25,665	25,695	25,301	25,387	28,682	28,497	25,939
19 All other ⁴	4,636	5,249	5,026	5,778	5,357	5,379	5,577	5,473
20 Total assets	317,255	336,367	321,555	339,155	321,214	318,121	319,896	321,636
LIABILITIES								
21 Federal Reserve notes	274,237	276,297	275,815	274,823	273,726	272,000	272,962	273,809
22 Total deposits	30,686	44,374	32,614	51,029	34,851	34,460	34,228	36,000
23 Depository institutions	25,394	37,537	27,103	37,766	28,999	22,202	27,871	27,404
24 U.S. Treasury—General account	4,758	6,390	5,056	12,774	5,324	11,822	5,831	7,928
25 Foreign—Official accounts	302	207	231	229	243	224	314	385
26 Other	233	239	224	259	285	213	212	283
27 Deferred credit items	4,325	7,108	4,687	4,924	4,348	4,579	4,541	2,306
28 Other liabilities and accrued dividends ⁵	2,468	3,008	2,886	2,764	2,740	2,392	2,370	2,902
29 Total liabilities	311,716	330,786	316,001	333,539	315,665	313,431	314,102	315,016
CAPITAL ACCOUNTS								
30 Capital paid in	2,569	2,570	2,574	2,580	2,565	2,546	2,556	2,565
31 Surplus	2,423	2,423	2,423	2,423	2,423	2,114	2,423	2,423
32 Other capital accounts	547	587	557	612	561	31	815	1,632
33 Total liabilities and capital accounts	317,255	336,367	321,555	339,155	321,214	318,121	319,896	321,636
34 MEMO: Marketable U.S. Treasury securities held in custody for foreign and international accounts	247,031	246,414	247,949	249,835	247,273	243,233	244,682	250,232
Federal Reserve note statement								
35 Federal Reserve notes outstanding (issued to Bank)	342,614	354,331	357,440	361,158	364,214	342,614	353,213	366,144
36 Less: Held by Federal Reserve Bank	69,652	78,034	81,625	86,336	90,488	69,652	78,003	92,335
37 Federal Reserve notes, net	272,962	276,297	275,815	274,823	273,726	272,962	275,210	273,809
<i>Collateral held against notes, net:</i>								
38 Gold certificate account	11,062	11,062	11,062	11,062	11,062	11,062	11,062	11,062
39 Special drawing rights certificate account	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018
40 Other eligible assets	0	0	0	0	0	0	0	0
41 U.S. Treasury and agency securities	251,882	255,217	254,734	253,743	252,645	251,882	254,130	252,729
42 Total collateral	272,962	276,297	275,815	274,823	273,726	272,962	275,210	273,809

1. Some of the data in this table also appear in the Board's H.4.1 (503) weekly statistical release. For ordering address, see inside front cover. Components may not sum to totals because of rounding.

2. Includes securities loaned—fully guaranteed by U.S. Treasury securities pledged with Federal Reserve Banks—and excludes securities sold and scheduled to be bought back under matched sale-purchase transactions.

3. Valued monthly at market exchange rates.

4. Includes special investment account at the Federal Reserve Bank of Chicago in Treasury bills maturing within ninety days.

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

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holding ¹

Millions of dollars

Type and maturity grouping	Wednesday					End of month		
	1991					1991		
	Aug. 28	Sept. 4	Sept. 11	Sept. 18	Sept. 25	July 31	Aug. 30	Sept. 30
1 Total loans	727	688	782	1,017	355	574	844	315
2 Within fifteen days	645	475	620	975	288	393	659	163
3 Sixteen days to ninety days	82	213	162	42	67	181	185	152
4 Ninety-one days to one year	0	0	0	0	0	0	0	0
5 Total acceptances	0	0	0	0	0	0	0	0
6 Within fifteen days	0	0	0	0	0	0	0	0
7 Sixteen days to ninety days	0	0	0	0	0	0	0	0
8 Ninety-one days to one year	0	0	0	0	0	0	0	0
9 Total U.S. Treasury securities	253,044	266,830	255,894	271,265	256,361	250,978	254,959	258,554
10 Within fifteen days ²	13,230	18,491	8,767	24,699	9,850	15,726	3,393	5,257
11 Sixteen days to ninety days	59,121	62,112	61,011	59,797	62,531	54,238	59,957	65,857
12 Ninety-one days to one year	81,846	87,621	87,335	87,537	84,725	81,426	92,762	88,778
13 One year to five years	60,848	60,609	60,784	61,234	61,259	62,040	60,848	60,664
14 Five years to ten years	13,820	13,820	13,820	13,820	13,820	12,832	13,820	13,820
15 More than ten years	24,178	24,178	24,178	24,178	24,178	24,716	24,178	24,178
16 Total Federal agency obligations	6,159	6,767	6,154	6,970	6,154	6,159	6,159	6,154
17 Within fifteen days ²	328	656	61	1,057	283	170	328	283
18 Sixteen days to ninety days	660	938	907	727	624	956	660	669
19 Ninety-one days to one year	1,401	1,428	1,478	1,478	1,524	1,384	1,401	1,479
20 One year to five years	2,553	2,528	2,468	2,468	2,485	2,487	2,553	2,485
21 Five years to ten years	1,029	1,029	1,052	1,052	1,050	974	1,029	1,050
22 More than ten years	188	188	188	188	188	188	188	188

1. Components may not sum to totals because of rounding.

2. Holdings under repurchase agreements are classified as maturing within

fifteen days in accordance with the maximum possible maturity of the agreements.

A12 Domestic Financial Statistics □ December 1991

1.20 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE¹

Billions of dollars, averages of daily figures

Item	1987 Dec.	1988 Dec.	1989 Dec.	1990 Dec.	1991							
					Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ²												
Seasonally adjusted												
1 Total reserves ³	45.81	47.60	47.73	49.10	49.61	49.57	49.39	50.07	50.43	50.51	51.00	51.28
2 Nonborrowed reserves ⁴	45.03	45.88	47.46	48.78	49.36	49.32	49.16	49.77	50.09	49.90	50.24	50.64
3 Nonborrowed reserves plus extended credit ⁵	45.52	47.12	47.48	48.80	49.39	49.38	49.25	49.85	50.10	49.95	50.54	50.94
4 Required reserves ⁶	44.77	46.55	46.81	47.44	47.80	48.39	48.36	49.04	49.42	49.60	49.92	50.35
5 Monetary base ⁹	246.28	263.46	274.17	299.78	309.44	310.98	310.60	311.48	312.47	313.91	316.31 ¹	318.02
Not seasonally adjusted												
6 Total reserves ⁷	47.04	49.00	49.18	50.58	48.55	48.59	50.30	49.06	50.41	50.66	50.61	51.13
7 Nonborrowed reserves	46.26	47.29	48.91	50.25	48.30	48.34	50.07	48.76	50.07	50.05	49.84	50.48
8 Nonborrowed reserves plus extended credit ⁸	46.75	48.53	48.93	50.28	48.33	48.40	50.16	48.85	50.07	50.10	50.14	50.78
9 Required reserves ⁸	46.00	47.96	48.26	48.91	46.74	47.41	49.27	48.03	49.40	49.75	49.52	50.20
10 Monetary base ⁹	249.93	267.46	278.30	304.04	305.74	308.19	310.86	311.02	314.06	316.21	316.76 ¹	317.37
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ¹⁰												
11 Total reserves ¹¹	62.14	63.75	62.81	59.12	48.55	48.59	50.30	49.06	50.41	50.66	50.61	51.13
12 Nonborrowed reserves	61.36	62.03	62.54	58.79	48.30	48.35	50.07	48.76	50.07	50.05	49.84	50.48
13 Nonborrowed reserves plus extended credit ¹²	61.85	63.27	62.56	58.82	48.33	48.40	50.16	48.85	50.08	50.10	50.14	50.78
14 Required reserves	61.09	62.70	61.89	57.46	46.74	47.41	49.27	48.03	49.40	49.75	49.52	50.20
15 Monetary base ¹²	266.06	283.00	292.55	313.70	308.53	311.04	313.95	314.25	317.25	319.46	320.07 ¹	320.69
16 Excess reserves ¹³	1.05	1.05	.92	1.66	1.81	1.18	1.03	1.03	1.01	.91	1.09 ¹	.93
17 Borrowings from the Federal Reserve	.78	1.72	.27	.33	.25	.24	.23	.30	.34	.61	.76	.65

1. Latest monthly and biweekly figures are available from the Board's H.3 (502) weekly statistical release. Historical data and estimates of the impact on required reserves of changes in reserve requirements are available from the Monetary and Reserves Projections Section, Division of Monetary Affairs, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

2. Figures reflect adjustments for discontinuities, or "breaks," associated with regulatory changes in reserve requirements.

3. Seasonally adjusted, break-adjusted total reserves equal seasonally adjusted, break-adjusted required reserves (line 4) plus excess reserves (line 16).

4. Seasonally adjusted, break-adjusted nonborrowed reserves equal seasonally adjusted, break-adjusted total reserves (line 1) less total borrowings of depository institutions from the Federal Reserve (line 17).

5. Extended credit consists of borrowing at the discount window under the terms and conditions established for the extended credit program to help depository institutions deal with sustained liquidity pressures. Because there is not the same need to repay such borrowing promptly as there is with traditional short-term adjustment credit, the money market impact of extended credit is similar to that of nonborrowed reserves.

6. The seasonally adjusted, break-adjusted monetary base consists of (1) seasonally adjusted, break-adjusted total reserves (line 1), plus (2) the seasonally adjusted currency component of the money stock, plus (3) (for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all those weekly reporters whose vault cash exceeds their required reserves) the seasonally adjusted, break-adjusted difference between current vault cash and the amount applied to satisfy current reserve requirements.

7. Break-adjusted total reserves equal break-adjusted required reserves (line 9) plus excess reserves (line 16).

8. To adjust required reserves for discontinuities that are due to regulatory

changes in reserve requirements, a multiplicative procedure is used to estimate what required reserves would have been in past periods had current reserve requirements been in effect. Break-adjusted required reserves include required reserves against transactions deposits and nonpersonal time and savings deposits (but not reservable nondeposit liabilities).

9. The break-adjusted monetary base equals (1) break-adjusted total reserves (line 6), plus (2) the (unadjusted) currency component of the money stock, plus (3) (for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all weekly reporters whose vault cash exceeds their required reserves) the break-adjusted difference between current vault cash and the amount applied to satisfy current reserve requirements.

10. Reflects actual reserve requirements, including those on nondeposit liabilities, with no adjustments to eliminate the effects of discontinuities associated with changes in reserve requirements.

11. Reserve balances with Federal Reserve Banks plus vault cash used to satisfy reserve requirements.

12. The monetary base, not break-adjusted and not seasonally adjusted, consists of (1) total reserves (line 11), plus (2) required clearing balances and adjustments to compensate for float at Federal Reserve Banks, plus (3) the currency component of the money stock, plus (4) (for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all those weekly reporters whose vault cash exceeds their required reserves) the difference between current vault cash and the amount applied to satisfy current reserve requirements. Since the introduction of changes in reserve requirements (CRR), currency and vault cash figures have been measured over the computation periods ending on Mondays.

13. Unadjusted total reserves (line 11) less unadjusted required reserves (line 14).

1.21 MONEY STOCK, LIQUID ASSETS, AND DEBT MEASURES¹

Billions of dollars, averages of daily figures

Item	1987 Dec.	1988 Dec.	1989 Dec.	1990 Dec.	1991			
					June	July	Aug.	Sept.
Seasonally adjusted								
<i>Measures²</i>								
1 M1	749.7	786.4	793.6	825.4	858.4	859.6	866.3	870.3
2 M2	2,910.1	3,069.9	3,223.1	3,328.2	3,402.1	3,391.8	3,392.5	3,392.3
3 M3	3,677.4	3,919.1	4,055.2	4,111.8	4,166.8	4,149.4	4,146.6	4,139.1
4 L	4,337.0	4,676.0	4,889.9	4,967.2	4,980.3	4,984.4	4,977.2	n.a.
5 Debt	8,345.1	9,107.6	9,790.4	10,434.0	10,648.6	10,690.2	10,743.5	n.a.
<i>M1 components</i>								
6 Currency	196.8	212.0	222.2	246.4	257.6	258.9	260.8	262.4
7 Travelers checks	7.0	7.5	7.4	8.4	7.8	7.7	7.7	7.8
8 Demand deposits	286.5	286.3	278.7	276.9	281.0	278.9	279.9	279.4
9 Other checkable deposits ⁶	259.3	280.7	285.2	293.8	311.9	314.1	318.0	320.8
<i>Nontransaction components</i>								
10 In M2	2,160.4	2,283.5	2,429.5	2,502.8	2,543.7	2,532.2	2,526.2	2,522.0
11 In M3 ⁸	767.3	849.3	832.1	783.5	764.8	757.5	754.1	746.8
<i>Commercial banks</i>								
12 Savings deposits, including MMDAs	534.8	542.2	540.7	577.7	619.6	625.6	631.0	635.9
13 Small time deposits ⁹	388.0	447.5	531.4	598.1	601.7	600.9	604.8	604.8
14 Large time deposits ^{10, 11}	326.6	368.0	401.9	386.1	397.9	393.4	390.6	385.5
<i>Thrift institutions</i>								
15 Savings deposits, including MMDAs	402.3	383.5	349.5	339.0	361.4	364.4	365.2	366.8
16 Small time deposits ⁹	529.7	584.3	614.5	566.1	527.4	517.7	505.5	497.5
17 Large time deposits ¹⁰	162.6	174.3	161.6	121.0	100.9	97.7	93.8	90.3
<i>Money market mutual funds</i>								
18 General purpose and broker-dealer	221.7	241.1	313.6	345.4	364.3	359.4	352.8	349.2
19 Institution-only	88.9	86.9	101.9	125.7	143.3	141.8	144.8	149.3
<i>Debt components</i>								
20 Federal debt	1,957.9	2,114.2	2,268.1	2,534.3	2,646.1	2,672.1	2,707.9	n.a.
21 Nonfederal debt	6,387.2	6,993.4	7,522.3	7,899.7	8,002.6	8,018.1	8,035.6	n.a.
Not seasonally adjusted								
<i>Measures²</i>								
22 M1	766.2	804.2	811.9	844.3	857.6	861.9	864.2	867.2
23 M2	2,923.0	3,083.3	3,236.6	3,342.3	3,395.0	3,395.1	3,393.3	3,387.3
24 M3	3,690.3	3,931.5	4,067.0	4,123.8	4,161.4	4,152.2	4,151.8	4,136.8
25 L	4,352.8	4,691.8	4,907.4	4,985.8	4,970.7	4,977.3	4,975.7	n.a.
26 Debt	8,329.1	9,093.2	9,775.9	10,421.2	10,605.1	10,648.8	10,696.1	n.a.
<i>M1 components</i>								
27 Currency	199.3	214.8	225.3	249.6	259.1	260.8	262.0	261.8
28 Travelers checks	6.5	6.9	6.9	7.8	8.1	8.5	8.6	8.3
29 Demand deposits	298.6	298.9	291.5	289.9	279.6	280.6	278.7	278.5
30 Other checkable deposits ⁶	261.8	283.5	288.2	297.0	310.8	311.9	314.9	318.6
<i>Nontransaction components</i>								
31 In M2	2,156.8	2,279.1	2,424.7	2,498.0	2,537.4	2,533.3	2,529.1	2,520.1
32 In M3 ⁸	767.3	848.2	830.4	781.6	766.3	757.1	758.5	749.5
<i>Commercial banks</i>								
33 Savings deposits, including MMDAs	535.8	543.8	542.9	579.3	618.3	624.5	630.2	634.3
34 Small time deposits ⁹	387.2	446.0	529.2	596.1	602.1	602.8	606.0	604.6
35 Large time deposits ^{10, 11}	325.8	366.8	400.4	386.1	397.4	392.2	391.6	387.3
<i>Thrift institutions</i>								
36 Savings deposits, including MMDAs	399.9	381.5	347.9	338.3	362.0	365.5	365.3	366.0
37 Small time deposits ⁹	529.5	583.8	613.8	564.1	527.7	519.3	506.4	497.4
38 Large time deposits ¹⁰	163.3	175.2	162.6	121.1	100.8	97.4	94.1	90.7
<i>Money market mutual funds</i>								
39 General purpose and broker-dealer	221.1	240.7	313.5	345.5	358.0	354.5	351.6	349.1
40 Institution-only	89.6	87.6	102.8	127.0	141.0	139.7	143.9	145.9
<i>Repurchase agreements and eurodollars</i>								
41 Overnight	83.2	83.4	77.3	74.7	69.3	66.6	69.6	68.5
42 Term	197.1	227.7	179.8	160.9	142.1	143.5	143.9	140.7
<i>Debt components</i>								
43 Federal debt	1,955.6	2,111.8	2,265.9	2,532.1	2,635.3	2,657.9	2,691.4	n.a.
44 Nonfederal debt	6,373.5	6,981.4	7,509.9	7,889.1	7,969.8	7,990.9	8,004.7	n.a.

For notes see following page.

NOTES TO TABLE 1.21

1. Latest monthly and weekly figures are available from the Board's H.6 (508) weekly statistical release. Historical data are available from the Money and Reserves Projection Section, Division of Monetary Affairs, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

2. Composition of the money stock measures and debt is as follows:

M1: (1) currency outside the Treasury, Federal Reserve Banks, and the vaults of depository institutions; (2) travelers checks of nonbank issuers; (3) demand deposits at all commercial banks other than those due to depository institutions, the U.S. government, and foreign banks and official institutions, less cash items in the process of collection and Federal Reserve float; and (4), other checkable deposits (OCDs), consisting of negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at depository institutions, credit union share draft accounts, and demand deposits at thrift institutions. Seasonally adjusted M1 is computed by summing currency, travelers checks, demand deposits, and OCDs, each seasonally adjusted separately.

M2: M1 plus (1) overnight (and continuing-contract) repurchase agreements (RPs) issued by all depository institutions and overnight Eurodollars issued to U.S. residents by foreign branches of U.S. banks worldwide, (2) money market deposit accounts (MMDAs), (3) savings and small time deposits (time deposits—including retail RPs—in amounts of less than \$100,000), and (4) balances in both taxable and tax-exempt general purpose and broker-dealer money market funds. Excludes individual retirement accounts (IRAs) and Keogh balances at depository institutions and money market funds. Also excludes all balances held by U.S. commercial banks, money market funds (general purpose and broker-dealer), foreign governments and commercial banks, and the U.S. government. Seasonally adjusted M2 is computed by adjusting its non-M1 component as a whole and then adding this result to seasonally adjusted M1.

M3: M2 plus (1) large time deposits and term RP liabilities (in amounts of \$100,000 or more) issued by all depository institutions, (2) term Eurodollars held by U.S. residents at foreign branches of U.S. banks worldwide and at all banking offices in the United Kingdom and Canada, and (3) balances in both taxable and tax-exempt, institution-only money market funds. Excludes amounts held by depository institutions, the U.S. government, money market funds, and foreign banks and official institutions. Also excluded is the estimated amount of overnight RPs and Eurodollars held by institution-only money market funds. Seasonally adjusted M3 is computed by adjusting its non-M2 component as a whole and then adding this result to seasonally adjusted M2.

L: M3 plus the nonbank public holdings of U.S. savings bonds, short-term

Treasury securities, commercial paper, and bankers acceptances, net of money market fund holdings of these assets. Seasonally adjusted L is computed by summing U.S. savings bonds, short-term Treasury securities, commercial paper, and bankers acceptances, each seasonally adjusted separately, and then adding this result to M3.

Debt: Debt of domestic nonfinancial sectors consists of outstanding credit market debt of the U.S. government, state and local governments, and private nonfinancial sectors. Private debt consists of corporate bonds, mortgages, consumer credit (including bank loans), other bank loans, commercial paper, bankers acceptances, and other debt instruments. Data are derived from the Federal Reserve Board's flow of funds accounts. Debt data are based on monthly averages. This sum is seasonally adjusted as a whole.

3. Currency outside the U.S. Treasury, Federal Reserve Banks, and vaults of depository institutions.

4. Outstanding amount of U.S. dollar-denominated travelers checks of non-bank issuers. Travelers checks issued by depository institutions are included in demand deposits.

5. Demand deposits at commercial banks and foreign-related institutions other than those due to depository institutions, the U.S. government, and foreign banks and official institutions, less cash items in the process of collection and Federal Reserve float.

6. Consists of NOW and ATS account balances at all depository institutions, credit union share draft account balances, and demand deposits at thrift institutions.

7. Sum of (1) overnight RPs and overnight Eurodollars, (2) money market fund balances (general purpose and broker-dealer), (3) MMDAs, and (4) savings and small time deposits.

8. Sum of (1) large time deposits, (2) term RPs, (3) term Eurodollars of U.S. residents, and (4) money market fund balances (institution-only), less a consolidation adjustment that represents the estimated amount of overnight RPs and Eurodollars held by institution-only money market funds.

9. Small time deposits—including retail RPs—are those issued in amounts of less than \$100,000. All IRAs and Keogh accounts at commercial banks and thrift institutions are subtracted from small time deposits.

10. Large time deposits are those issued in amounts of \$100,000 or more, excluding those booked at international banking facilities.

11. Large time deposits at commercial banks less those held by money market funds, depository institutions, and foreign banks and official institutions.

1.22 BANK DEBITS AND DEPOSIT TURNOVER¹

Debits are in billions of dollars; turnover is ratio of debits to deposits; monthly data are at annual rates

Bank group, or type of customer	1988 ²	1989 ²	1990 ²	1991					
				Feb.	Mar.	Apr.	May	June ^f	July
DEBITS TO									
<i>Seasonally adjusted</i>									
<i>Demand deposits</i> ³									
1 All insured banks	219,795.7	256,150.4	277,916.3	280,494.1	269,834.9	294,433.5	295,559.0	266,704.2	284,872.2
2 Major New York City banks	115,475.6	129,319.9	131,784.0	138,037.7	133,302.7	146,499.3	148,074.9	133,761.4	139,089.0
3 Other banks	104,320.2	126,830.5	146,132.3	142,456.4	136,532.2	147,934.2	147,484.1	132,942.8	145,783.2
4 ATS-NOW accounts ⁴	2,478.1	2,910.5	3,349.6	3,533.7	3,240.3	3,820.3	3,620.2	3,460.1	3,822.8
5 Savings deposits ⁵	537.0	547.5	558.8	551.4	523.7	577.1	548.6	519.9	552.6
DEPOSIT TURNOVER									
<i>Demand deposits</i> ³									
6 All insured banks	622.9	735.1	800.6	817.8	792.0	870.3	867.0	768.4	833.4
7 Major New York City banks	2,897.2	3,421.5	3,804.1	4,125.7	4,101.4	4,533.4	4,702.8	4,141.9	4,413.3
8 Other banks	333.3	408.3	467.7	460.2	443.0	483.4	476.6	422.3	469.8
9 ATS-NOW accounts ⁴	13.2	15.2	16.5	16.7	15.1	17.8	16.4	15.5	16.9
10 Savings deposits ⁵	2.9	3.0	2.9	2.7	2.6	2.8	2.6	2.4	2.5
DEBITS TO									
<i>Not seasonally adjusted</i>									
<i>Demand deposits</i> ³									
11 All insured banks	219,790.4	256,133.2	277,400.0	259,372.9	275,015.8	294,492.4	292,012.3	270,144.7	286,068.7
12 Major New York City banks	115,460.7	129,400.1	131,784.7	127,287.3	134,974.7	145,700.2	145,073.9	133,851.7	139,527.4
13 Other banks	104,329.7	126,733.0	145,615.3	132,085.5	140,041.0	148,792.2	146,938.4	136,293.0	146,541.3
14 ATS-NOW accounts ⁴	2,477.3	2,910.7	3,342.2	3,237.8	3,317.4	3,967.1	3,549.9	3,446.1	3,729.0
15 MMDAs ⁶	2,342.7	2,677.1	2,923.8	2,512.7	2,767.2	2,994.5	2,978.6	2,714.5	2,868.0
16 Savings deposits ⁵	536.3	546.9	557.9	494.9	520.4	623.9	545.5	516.4	558.2
DEPOSIT TURNOVER									
<i>Demand deposits</i> ³									
17 All insured banks	622.8	735.4	799.6	778.7	831.9	864.8	875.5	781.7	831.4
18 Major New York City banks	2,896.7	3,426.2	3,810.0	3,899.0	4,378.4	4,565.4	4,742.5	4,154.4	4,334.6
19 Other banks	333.2	408.0	466.3	439.7	467.2	482.1	485.0	434.9	469.8
20 ATS-NOW accounts ⁴	13.2	15.2	16.4	15.3	15.4	17.8	16.3	15.5	16.7
21 MMDAs ⁶	6.6	7.9	8.0	6.6	7.1	7.7	7.6	6.8	7.2
22 Savings deposits ⁵	2.9	2.9	2.9	2.5	2.5	3.0	2.6	2.4	2.5

1. Historical tables containing revised data for earlier periods can be obtained from the Banking and Money Market Statistics Section, Division of Monetary Affairs, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Data in this table also appear on the Board's G.6 (406) monthly statistical release. For ordering address, see inside front cover.

2. Annual averages of monthly figures.

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

4. Accounts authorized for negotiable orders of withdrawal (NOWs) and accounts authorized for automatic transfer to demand deposits (ATs).

5. Excludes MMDA, ATS, and NOW accounts.

6. Money market deposit accounts.

A16 Domestic Financial Statistics □ December 1991

1.23 LOANS AND SECURITIES All Commercial Banks¹

Billions of dollars, averages of Wednesday figures

Item	1990			1991								
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
Seasonally adjusted												
1 Total loans and securities²	2,713.6	2,716.6	2,723.6	2,721.2	2,735.1	2,751.0	2,751.8	2,750.5	2,763.2	2,763.3	2,761.6	2,768.9
2 U.S. government securities	453.1	454.0	454.2	454.1	458.0	471.4	479.2	485.1	495.2	505.3	512.6	522.1
3 Other securities	177.8	175.9	175.6	177.7	177.6	177.6	177.6	173.9	173.1	172.0	169.9	170.8
4 Total loans and leases²	2,082.7	2,086.7	2,093.8	2,089.4	2,099.5	2,102.0	2,096.9	2,091.5	2,094.8	2,086.0	2,079.1	2,076.0
5 Commercial and industrial	643.7	646.5	648.1	644.3	643.9	646.0	640.0	633.2	630.4	626.7	620.5	623.8
6 Bankers acceptances held ³	7.3	7.4	7.5	7.7	6.9	6.7	6.8	6.9	6.6	6.6	7.1	7.0
7 Other commercial and industrial	636.4	639.1	640.5	636.6	637.0	639.3	633.2	626.4	623.8	620.0	613.4	616.8
8 U.S. addressees ⁴	631.7	634.0	635.3	631.1	631.5	633.6	627.7	620.6	617.9	614.3	607.7	611.0
9 Non-U.S. addressees ⁴	4.7	5.1	5.3	5.5	5.5	5.7	5.5	5.8	5.9	5.7	5.7	5.8
10 Real estate	827.7	832.0	836.5	837.3	842.6	846.3	850.9	855.1	859.5	857.0	853.9	853.4
11 Individual	379.7	378.7	378.9	375.9	377.7	375.5	374.1	373.5	372.0	369.6	368.9	365.3
12 Security	40.5	39.6	40.6	43.1	43.2	38.9	39.8	39.8	38.3	41.6	42.6	43.9
13 Nonbank financial institutions	34.8	34.6	34.8	34.8	35.9	36.7	35.9	36.9	37.1	37.1 ^f	36.3 ^f	36.0
14 Agricultural	32.2	32.5	33.0	33.5	33.5	34.0	33.9	33.6	33.0	32.5	32.3	32.2
15 State and political subdivisions	35.1	34.8	34.3	33.3	33.2	32.8	32.2	31.8	31.1	30.6	30.1	29.5
16 Foreign banks	9.0	8.1	7.2	6.0	6.1	7.2	6.8	6.4	6.0	6.2	6.2	6.5
17 Foreign official institutions	3.2	3.2	3.2	3.0	3.1	3.2	3.0	3.0	3.0	3.1	3.1	3.2
18 Lease-financing receivables	33.3	32.9	32.7	32.4	32.8	33.0	32.7	32.7	32.8	32.0	31.4	31.2
19 All other loans	43.6	43.7	44.6	45.8	47.5	48.5	47.6	45.6	51.7	49.6 ^f	53.8 ^f	50.9
Not seasonally adjusted												
20 Total loans and securities²	2,715.5	2,720.1	2,730.5	2,721.0	2,737.3	2,748.4	2,751.5	2,749.7	2,763.8	2,757.2	2,756.6	2,767.3
21 U.S. government securities	450.8	454.1	451.5	455.8	463.9	475.8	480.5	485.2	493.7	501.8	510.4	519.6
22 Other securities	178.0	176.6	176.3	177.9	177.3	176.9	175.1	173.8	173.2	171.3	170.1	171.0
23 Total loans and leases²	2,086.7	2,089.3	2,102.7	2,087.3	2,096.1	2,095.7	2,095.9	2,090.6	2,096.9	2,084.1	2,076.0	2,076.7
24 Commercial and industrial	641.2	644.5	648.0	641.1	643.0	648.3	644.7	637.1	632.7	627.0	619.2	620.3
25 Bankers acceptances held ³	7.4	7.6	7.7	7.6	7.0	6.7	6.7	6.8	6.7	6.4	6.9	6.9
26 Other commercial and industrial	633.8	636.9	640.3	633.4	636.0	641.6	638.1	630.3	626.0	620.6	612.3	613.4
27 U.S. addressees ⁴	629.1	631.9	635.1	628.2	630.5	636.1	632.2	624.5	620.0	614.8	606.4	607.4
28 Non-U.S. addressees ⁴	4.7	5.0	5.2	5.3	5.5	5.4	5.9	5.9	6.0	5.8	5.9	6.0
29 Real estate	830.3	834.0	837.9	837.1	839.5	842.6	848.3	854.2	859.6	857.5	855.9	855.2
30 Individual	380.6	379.8	383.8	380.1	377.1	372.8	371.5	371.8	369.9	367.4	368.1	367.0
31 Security	39.5	38.5	40.0	41.0	44.7	40.2	41.3	39.0	40.5	41.3	42.0	42.9
32 Nonbank financial institutions	34.7	35.0	36.2	35.3	35.5	36.0 ^f	35.5	36.5 ^f	37.2	36.9 ^f	36.2 ^f	35.7
33 Agricultural	33.1	32.9	32.9	32.8	32.6	32.6	32.8	33.1	33.3	33.4	33.3	33.3
34 State and political subdivisions	35.1	34.7	34.0	33.9	33.3	32.8	32.1	31.8	31.0	30.4	30.0	29.5
35 Foreign banks	9.3	8.3	7.4	6.0	6.0	6.8	6.7	6.3	6.1	6.2	6.2	6.5
36 Foreign official institutions	3.2	3.2	3.2	3.0	3.1	3.2	3.0	3.0	3.0	3.1	3.1	3.2
37 Lease-financing receivables	33.3	33.1	32.8	32.8	32.9	32.9	32.7	32.6	32.6	31.8	31.3	31.2
38 All other loans	46.3	45.4	46.5 ^f	44.0	48.3	47.7	47.3	45.3	51.0	49.2	50.9 ^f	51.9

1. Components may not sum to totals because of rounding.

2. Adjusted to exclude loans to commercial banks in the United States.

3. Includes nonfinancial commercial paper held.

4. United States includes the fifty states and the District of Columbia.

1.24 MAJOR NONDEPOSIT FUNDS OF COMMERCIAL BANKS¹

Billions of dollars, monthly averages

Source of funds	1990			1991								
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
<i>Seasonally adjusted</i>												
1 Total nondeposit funds ²	292.7	293.4	289.2	278.9 ^f	267.0 ^f	266.4 ^f	266.5 ^f	264.4 ^f	255.5 ^f	255.7 ^f	250.6 ^f	256.3
2 Net balances due to related foreign offices ³	29.9	30.1	34.6	33.5	24.9	30.2	30.8	26.1	19.2	19.2	16.6	19.8
3 Borrowings from other than commercial banks in United States ⁴	262.8	263.3	254.6	245.4 ^f	242.1 ^f	236.3 ^f	235.7 ^f	238.3 ^f	236.4 ^f	236.5 ^f	233.9 ^f	236.6
4 Domestically chartered banks	197.7	196.0	188.4	183.7	178.8	173.4	173.4	172.9	171.8	171.1	165.8	167.6
5 Foreign-related banks	65.0	67.3	66.2	61.7 ^f	63.3 ^f	62.9 ^f	62.2 ^f	65.5 ^f	64.6 ^f	65.4 ^f	68.2 ^f	69.0
<i>Not seasonally adjusted</i>												
6 Total nondeposit funds ²	289.5	294.6	283.6	274.2 ^f	270.0 ^f	271.7 ^f	267.2 ^f	272.4 ^f	258.6 ^f	252.4 ^f	249.0 ^f	252.3
7 Net balances due to related foreign offices ³	29.6	30.8	37.2	33.2	24.8	29.6	28.9	28.6	19.5	16.8	16.0	19.9
8 Domestically chartered banks	-1.0	.6	-4.1	-15.2	-15.2	-6.0	-3.5	-7	-3.5	-7.2	-7.4	-9.0
9 Foreign-related banks	30.6	30.2	41.3	48.4	40.0	35.6	32.5	29.2	23.0	24.0	23.4	28.9
10 Borrowings from other than commercial banks in United States ⁴	260.0	263.8	246.4	241.1 ^f	245.2 ^f	242.1 ^f	238.3 ^f	243.9 ^f	239.1 ^f	235.6 ^f	233.0 ^f	232.4
11 Domestically chartered banks	195.8	198.6	184.1	179.2	181.1	177.8	174.2	177.7	172.7	169.0	165.3	164.7
12 Federal funds and security RP borrowings ⁵	192.5	195.7	181.3	175.9	178.3	174.5	171.3	174.9	169.9	165.8	161.6	161.3
13 Other ⁶	3.2	2.9	2.8	3.2	2.8	3.2	2.9	2.8	2.8	3.2	3.7	3.5
14 Foreign-related banks ⁶	64.2	65.1	62.3	61.9 ^f	64.1 ^f	64.3 ^f	64.1 ^f	66.2 ^f	66.4 ^f	66.6 ^f	67.7 ^f	67.6
MEMO												
<i>Gross large time deposits⁷</i>												
15 Seasonally adjusted	438.0	435.2	431.8	441.0	450.6	451.0	451.3	453.0	451.9	447.5	447.0	443.6
16 Not seasonally adjusted	440.4	437.8	431.8	439.3	449.2	450.5	449.0	452.6	451.4	446.3	448.0	445.4
<i>U.S. Treasury demand balances at commercial banks⁸</i>												
17 Seasonally adjusted	22.3	25.2	24.4	25.7	33.4	33.8	21.7	15.1	23.2	20.5	23.8	21.9
18 Not seasonally adjusted	20.9	19.2	23.0	29.4	39.3	28.4	20.4	19.8	23.6	20.7	17.2	26.9

1. Commercial banks are nationally and state-chartered banks in the fifty states and the District of Columbia, 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.

Data in this table also appear in the Board's G.10 (411) release. For ordering address, see inside front cover.

2. Includes federal funds, repurchase agreements (RPs), and other borrowing from nonbanks and net balances due to related foreign offices.

3. Reflects net positions of U.S. chartered banks, Edge act corporations, and U.S. branches and agencies of foreign banks with related foreign offices plus net positions with own International Banking Facilities (IBFs).

4. Borrowings through 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, loan RPs, and sales of participations in pooled loans.

5. Figures are based on averages of daily data reported weekly by approximately 120 large banks and quarterly or annual data reported by other banks.

6. Figures are partly averages of daily data and partly averages of Wednesday data.

7. Time deposits in denominations of \$100,000 or more. Estimated averages of daily data.

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

A18 Domestic Financial Statistics □ December 1991

1.25 ASSETS AND LIABILITIES OF COMMERCIAL BANKS Last-Wednesday-of-Month Series¹

Billions of dollars

Account	1990		1991								
	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
ALL COMMERCIAL BANKING INSTITUTIONS²											
<i>Assets</i>											
1 Loans and securities	2,925.1	2,936.9	2,908.7	2,924.9	2,910.9	2,907.3	2,921.8	2,936.3	2,937.7	2,921.0	2,939.3
2 Investment securities	603.3	605.6	612.8	614.0	628.3	628.5	634.1	640.8	648.7	650.9	657.6
3 U.S. government securities	437.6	439.6	447.6	449.5	463.3	465.1	471.8	480.1	489.9	492.8	498.8
4 Other	165.7	166.0	165.2	164.5	165.1	163.4	162.2	160.7	158.8	158.1	158.8
5 Trading account assets	25.0	22.0	24.1	26.9	23.5	24.9	24.3	27.5	30.2	28.5	29.9
6 Total loans	2,296.9	2,309.3	2,271.8	2,283.9	2,259.1	2,253.8	2,263.4	2,268.0	2,258.8	2,241.5	2,251.8
7 Interbank loans	207.0	204.0	193.3	185.0	171.8	160.7	172.5	166.8	175.9	167.5	172.4
8 Loans excluding interbank	2,089.8	2,105.3	2,078.6	2,099.0	2,087.3	2,093.1	2,090.9	2,101.3	2,082.9	2,074.1	2,079.4
9 Commercial and industrial	644.4	650.8	637.2	645.1	648.5	643.6	635.1	632.4	624.2	617.8	620.0
10 Real estate	833.7	838.3	836.9	840.1	842.5	849.2	855.4	859.3	856.0	854.8	854.7
11 Individual	380.5	384.7	378.6	376.4	371.5	372.0	370.7	369.8	368.3	368.2	366.7
12 All other	231.2	231.5	225.9	237.4	224.8	228.3	229.6	239.8	234.3	233.3	238.0
13 Total cash assets	216.7	217.9	199.2	204.5	206.1	201.0	224.3	212.3	214.1	200.1	207.1
14 Reserves with Federal Reserve Banks	33.0	23.4	16.5	18.1	25.0	23.1	26.2	29.1	24.8	23.0	25.7
15 Cash in vault	32.8	32.0	30.4	29.8	28.9	29.1	31.1	29.8	29.7	31.1	30.1
16 Cash items in process of collection	78.4	86.0	74.7	79.9	76.9	74.3	87.2	78.3	87.8	71.7	75.3
17 Demand balances at U.S. depository	28.4	29.6	28.1	27.7	27.6	26.4	30.8	28.3	26.9	27.7	26.9
18 institutions	44.2	46.8	49.6	49.0	47.7	48.1	49.0	46.8	45.0	46.5	49.2
19 Other cash assets	226.6	245.1	249.9	259.6	263.1	260.1	264.2	260.6	286.7	276.2	276.5
20 Total assets	3,368.5	3,399.9	3,357.8	3,388.9	3,380.1	3,368.5	3,410.3	3,409.2	3,438.5	3,397.3	3,423.0
<i>Liabilities</i>											
21 Total deposits	2,319.9	2,363.4	2,334.6	2,365.0	2,382.5	2,381.9	2,413.3	2,406.1	2,448.8	2,430.9	2,430.3
22 Transaction accounts	598.1	637.1	587.9	594.1	602.8	601.3	617.6	611.2	639.4	612.0	613.7
23 Savings deposits (excluding	573.1	573.3	573.9	583.5	594.1	595.4	606.2	610.7	619.9	624.1	628.2
24 checkable)	1,148.8	1,152.9	1,172.8	1,187.3	1,185.6	1,187.3	1,189.5	1,184.2	1,189.5	1,194.7	1,188.4
25 Time deposits	570.6	548.7	529.8	515.4	492.3	494.6	499.8	510.4	503.5	480.9	498.5
26 Borrowings	255.3	264.4	268.8	282.3	278.2	263.9	267.6	263.8	258.4	257.1	265.2
27 Other liabilities	222.7	223.5	224.6	226.2	227.0	228.1	229.6	228.9	227.9	228.4	229.0
27 Residual (assets less liabilities) ³											
DOMESTICALLY CHARTERED COMMERCIAL BANKS⁴											
<i>Assets</i>											
28 Loans and securities	2,645.1	2,654.2	2,628.0	2,642.3	2,635.6	2,629.1	2,638.0	2,645.8	2,653.4	2,637.8	2,645.4
29 Investment securities	569.8	570.5	575.3	577.4	588.6	592.3	595.7	602.7	611.0	612.1	618.1
30 U.S. government securities	420.8	421.7	426.5	429.3	440.2	445.5	449.2	457.8	467.9	470.2	475.6
31 Other	149.1	148.8	148.7	148.2	148.5	146.8	146.5	144.9	143.0	141.9	142.5
32 Trading account assets	25.0	22.0	24.1	26.9	23.5	24.9	24.3	27.5	30.2	28.5	29.9
33 Total loans	2,050.3	2,061.7	2,028.6	2,038.0	2,023.5	2,011.9	2,018.0	2,015.6	2,012.3	1,997.1	1,997.4
34 Interbank loans	157.4	160.0	151.7	150.9	148.3	134.2	144.5	139.0	150.4	146.4	148.0
35 Loans excluding interbank	1,892.9	1,901.7	1,876.9	1,887.0	1,875.2	1,877.7	1,873.5	1,876.6	1,861.8	1,850.7	1,849.3
36 Commercial and industrial	513.4	512.7	504.2	508.4	506.3	502.4	495.0	491.2	482.6	475.3	472.6
37 Real estate	791.6	796.4	794.0	797.1	799.7	804.9	808.9	812.1	808.2	806.9	806.9
38 Revolving home equity	61.1	61.7	62.9	63.3	63.6	64.4	65.7	66.6	67.0	67.6	68.7
39 Other real estate	730.5	734.7	731.1	733.8	736.1	740.3	743.0	743.7	741.2	739.4	738.2
40 Individual	187.7	188.3	166.6	172.7	177.0	171.6	193.6	184.3	187.6	172.3	177.0
41 All other	31.5	23.0	15.3	17.0	24.0	21.9	25.8	28.3	23.9	22.1	24.9
42 Total cash assets	32.8	32.0	30.3	29.8	28.8	29.1	31.1	29.8	29.7	31.0	30.1
43 Reserves with Federal Reserve Banks	76.4	83.9	72.9	78.2	74.9	72.6	85.5	76.2	86.1	70.1	73.8
44 Cash in vault	26.2	27.6	26.2	25.8	25.8	24.8	28.8	26.5	25.2	25.9	24.9
45 Cash items in process of collection	20.9	21.8	22.0	21.9	23.4	23.2	22.4	23.6	22.8	23.2	23.4
46 Demand balances at U.S. depository	155.0	167.8	166.9	171.3	167.9	161.6	162.1	159.3	168.9	163.4	162.9
47 institutions	2,987.8	3,010.3	2,961.4	2,986.3	2,980.4	2,962.4	2,993.7	2,989.4	3,009.9	2,973.4	2,985.2
48 Other cash assets	2,243.3	2,283.5	2,236.2	2,255.2	2,266.2	2,258.8	2,280.8	2,271.3	2,308.6	2,284.9	2,282.0
49 Total assets	587.7	626.1	577.4	583.8	592.2	591.4	607.5	600.9	629.3	602.1	604.0
<i>Liabilities</i>											
50 Deposits	569.8	570.0	570.6	580.2	590.6	591.9	602.5	607.1	616.2	620.4	624.5
51 Transaction accounts	1,085.8	1,087.4	1,088.1	1,091.2	1,083.4	1,075.6	1,070.8	1,063.4	1,063.1	1,062.5	1,053.5
52 Savings deposits (excluding	394.1	375.6	380.1	371.8	354.9	346.5	355.1	364.4	352.2	338.8	355.6
53 checkable)	131.5	131.4	124.2	136.8	136.0	132.6	131.9	128.4	124.9	125.0	122.3
54 Time deposits	219.0	219.8	220.9	222.6	223.4	224.5	226.0	225.3	224.2	224.8	225.4
55 Borrowings											
56 Other liabilities											
56 Residual (assets less liabilities) ³											

1. Back data are available from the Banking and Monetary Statistics Section, Board of Governors of the Federal Reserve System, Washington, D.C., 20551. Data in this table also appear in the Board's H.8 (510) weekly statistical release.

2. Includes insured domestically chartered commercial banks, agencies and branches of foreign banks, Edge act and agreement corporations, and New York

State foreign investment corporations. Data are estimates for the last Wednesday of the month based on a sample of weekly-reporting foreign-related institutions and quarter-end condition reports.

3. This balancing item is not intended as a measure of equity capital for use in capital adequacy analysis.

4. Includes all member banks and insured nonmember banks. Loans and securities data are estimates for the last Wednesday of the month based on a sample of weekly-reporting banks and quarter-end condition reports.

1.26 ASSETS AND LIABILITIES OF LARGE WEEKLY-REPORTING COMMERCIAL BANKS¹

Millions of dollars, Wednesday figures

Account	1991								
	July 31	Aug. 7	Aug. 14	Aug. 21	Aug. 28 ^f	Sept. 4	Sept. 11	Sept. 18	Sept. 25
ASSETS									
1 Cash and balances due from depository institutions	106,079	101,762	98,373	99,885	96,709	125,484	97,077	110,526	102,134
2 U.S. Treasury and government securities	202,843 ^f	201,411 ^f	202,427 ^f	204,942 ^f	203,627	210,166	211,063	210,837	207,913
3 Trading account	18,231 ^f	16,698 ^f	18,101 ^f	19,303 ^f	16,675	19,724	20,717	20,920	18,006
4 Investment account	184,611	184,713	184,325	185,639	186,951	190,442	190,347	189,917	189,907
5 Mortgage-backed securities ²	78,568 ^f	78,395 ^f	78,412 ^f	77,554 ^f	78,409	78,318	78,165	77,978	78,014
All others, by maturity									
6 One year or less	22,790 ^f	23,903 ^f	23,246 ^f	23,592 ^f	23,628	25,245	25,154	25,615	25,152
7 One year through five years	44,806 ^f	43,999 ^f	44,210 ^f	46,178 ^f	46,309	46,602	46,447	46,790	46,939
8 More than five years	38,446 ^f	38,416 ^f	38,457 ^f	38,314 ^f	38,605	40,277	40,580	39,533	39,801
9 Other securities	56,160 ^f	55,982 ^f	55,650 ^f	55,682 ^f	56,121	56,694	56,776	56,845	56,430
10 Trading account	1,456 ^f	1,415 ^f	1,371 ^f	1,454 ^f	1,453	1,439	1,528	1,586	1,659
11 Investment account	54,704	54,567	54,278	54,228	54,669	55,255	55,248	55,258	54,771
12 State and political subdivisions, by maturity	25,179	25,033	25,000	24,797	24,940	24,808	24,781	24,769	24,455
13 One year or less	3,109	3,091	3,099	3,048	3,052	3,040	3,045	3,025	2,979
14 More than one year	22,070	21,942	21,901	21,749	21,887	21,768	21,736	21,744	21,476
15 Other bonds, corporate stocks, and securities	29,525	29,535	29,278	29,431	29,729	30,447	30,468	30,489	30,316
16 Other trading account assets	10,531	10,763	10,187	10,021	10,418	11,082	9,951	10,222	10,228
17 Federal funds sold ³	83,262	82,073	81,525	80,673	76,323	83,194	81,164	84,646	84,123
18 To commercial banks in the United States	57,748	56,463	56,380	54,776	51,512	59,642	55,127	57,729	54,892
19 To nonbank brokers and dealers	21,799	20,843	19,863	20,597	20,013	18,832	20,354	21,612	23,633
20 To others ⁴	3,715	4,766	5,282	5,300	4,798	4,720	5,683	5,305	5,598
21 Other loans and leases, gross	1,020,791	1,017,077	1,015,653	1,016,181	1,011,789	1,013,642	1,008,703	1,011,150	1,006,484
22 Commercial and industrial	303,444 ^f	301,822 ^f	299,734 ^f	299,576 ^f	298,808	299,848	298,267	300,254	297,257
23 Bankers acceptances and commercial paper	1,884	2,014	1,977	1,950	1,813	1,850	1,854	1,760	1,638
24 All other	301,560 ^f	299,808 ^f	297,757 ^f	297,626 ^f	296,995	297,998	296,413	298,494	295,619
25 U.S. addressees	299,936 ^f	298,260 ^f	296,283 ^f	296,128 ^f	295,535	296,406	294,906	296,858	294,081
26 Non-U.S. addressees	1,623	1,548	1,474	1,499 ^f	1,460	1,592	1,507	1,636	1,537
27 Real estate loans	399,371 ^f	400,033 ^f	400,708 ^f	399,285 ^f	398,005	398,315	398,874	397,571	396,504
28 Revolving, home equity	38,236 ^f	38,282 ^f	38,394 ^f	38,516 ^f	38,638	38,726	38,911	39,024	39,134
29 All other	361,135 ^f	361,751 ^f	362,314 ^f	360,768 ^f	359,367	359,589	359,964	358,547	357,370
30 To individuals for personal expenditures	185,004 ^f	184,106 ^f	184,790 ^f	185,365 ^f	183,824	183,935	184,034	183,123	183,452
31 To financial institutions	46,071 ^f	45,165 ^f	44,998 ^f	44,606 ^f	44,421	44,583	44,225	44,006	44,083
32 Commercial banks in the United States	20,563	19,917	20,217	20,489	20,684	19,928	20,380	20,283	20,179
33 Banks in foreign countries	2,109	1,800	1,836	1,973	1,739	2,220	1,612	1,712	2,150
34 Nonbank financial institutions	23,400 ^f	23,448 ^f	22,944 ^f	22,145 ^f	21,997	22,434	22,233	22,011	21,754
35 For purchasing and carrying securities	13,700 ^f	12,929 ^f	12,762 ^f	13,958 ^f	14,325	13,262	11,768	13,263	12,677
36 To finance agricultural production	6,267 ^f	6,255 ^f	6,293 ^f	6,234 ^f	6,215	6,176	6,173	6,195	6,208
37 To states and political subdivisions	18,848	18,697	18,691	18,639	18,558	18,429	18,380	18,352	18,343
38 To foreign governments and official institutions	988	1,004	1,000	990	1,019	1,036	969	1,070	989
39 All other loans ⁵	21,359 ^f	21,427 ^f	21,098 ^f	21,972 ^f	21,053	22,514	20,526	21,836	21,556
40 Lease-financing receivables	25,740 ^f	25,640 ^f	25,578 ^f	25,556 ^f	25,561	25,544	25,486	25,480	25,416
41 LESS: Unearned income	3,820	3,811	3,805	3,796	3,718	3,682	3,680	3,672	3,645
42 Loan and lease reserve ⁶	37,079	37,254	37,223	37,203	37,184	37,705	37,768	37,676	37,070
43 Other loans and leases, net	979,891 ^f	976,012	974,626	975,183	970,887	972,255	967,254	969,802	965,769
44 Other assets	155,309	154,557	152,302 ^f	147,464 ^f	151,598	152,146	150,607	150,236	150,122
45 Total assets	1,594,076	1,582,560	1,575,089 ^f	1,573,850 ^f	1,565,682	1,611,022	1,573,893	1,593,114	1,576,719

Footnotes appear on the following page.

A20 Domestic Financial Statistics □ December 1991

1.26 ASSETS AND LIABILITIES OF LARGE WEEKLY REPORTING COMMERCIAL BANKS—Continued

Millions of dollars, Wednesday figures

Account	1991								
	July 31	Aug. 7	Aug. 14	Aug. 21	Aug. 28 ^r	Sept. 4	Sept. 11	Sept. 18	Sept. 25
LIABILITIES									
46 Deposits	1,113,759	1,108,583	1,110,554	1,099,568 ^r	1,097,309	1,130,680	1,105,823	1,102,444	1,092,612
47 Demand deposits	232,019	218,513	222,316	215,001 ^r	215,903	240,578	218,338	222,648	218,222
48 Individuals, partnerships, and corporations	185,966	177,627	181,620	173,013 ^r	174,684	191,159	178,160	177,613	173,949
49 Other holders	46,054	40,886	40,696	41,988	41,219	49,419	40,178	45,034	44,273
50 States and political subdivisions	7,384	6,633	6,270	6,774	6,597	7,103	6,066	7,592	7,304
51 U.S. government	3,189	1,331	1,657	1,091	1,253	1,788	2,134	3,524	1,611
52 Depository institutions in the United States	19,843	18,044	18,160	18,589	18,890	24,383	19,183	19,871	19,243
53 Banks in foreign countries	5,085	5,347	5,125	4,904	4,792	5,361	4,797	5,044	5,209
54 Foreign governments and official institutions	591	593	602	644	567	641	516	590	573
55 Certified and officers' checks	9,962	8,937	8,883	9,986	9,121	10,143	7,481	8,414	10,332
56 Transaction balances other than demand deposits ⁵	90,489	92,740	91,048	90,661	89,985	96,723	94,425	93,067	89,739
57 Nontransaction balances	791,250	797,331	797,191	793,906	791,421	793,379	793,060	786,729	784,651
58 Individuals, partnerships, and corporations	755,663 ^r	762,279 ^r	762,387 ^r	759,011 ^r	756,725	759,149	758,782	752,979	751,091
59 Other holders	35,587 ^r	35,052 ^r	34,804 ^r	34,895 ^r	34,696	34,230	34,279	33,749	33,560
60 States and political subdivisions	29,187 ^r	28,681 ^r	28,485 ^r	28,697 ^r	28,425	27,974	27,946	27,412	27,238
61 U.S. government	1,112	1,094	1,114	1,095	1,089	1,079	1,123	1,156	1,153
62 Depository institutions in the United States	4,856 ^r	4,854 ^r	4,785 ^r	4,687 ^r	4,740	4,740	4,761	4,733	4,754
63 Foreign governments, official institutions, and banks	431	423	420	417	441	437	448	449	416
64 Liabilities for borrowed money ⁶	269,687 ^r	265,642 ^r	255,360 ^r	265,354 ^r	258,761	272,893	258,565	283,002	275,404
65 Borrowings from Federal Reserve Banks	125	4,215	230	1,010	392	388	520	548	0
66 Treasury tax and loan notes	25,776 ^r	9,792 ^r	10,384 ^r	10,501 ^r	10,972	8,069	8,713	26,492	29,097
67 Other liabilities for borrowed money ⁷	243,786 ^r	251,635 ^r	244,746 ^r	253,843 ^r	247,397	264,436	249,332	255,962	246,306
68 Other liabilities (including subordinated notes and debentures)	96,996 ^r	94,380 ^r	94,764 ^r	94,499 ^r	95,671	93,426	95,418	93,239	94,590
69 Total liabilities	1,480,442	1,468,605	1,460,678	1,459,422	1,451,741	1,496,999	1,459,806	1,478,685	1,462,605
70 Residual (total assets less total liabilities) ⁸	113,634	113,955	114,411 ^r	114,428 ^r	113,941	114,022	114,087	114,429	114,114
MEMO									
71 Total loans and leases, gross, adjusted, plus securities ⁹	1,295,276	1,290,926	1,288,844	1,292,234	1,286,081	1,295,209	1,292,150	1,295,688	1,290,107
72 Time deposits in amounts of \$100,000 or more	187,873 ^r	188,435	187,072	186,509	185,230	184,186	183,043	180,724	178,725
73 Loans sold outright to affiliates ¹⁰	1,296	1,286	1,271	1,254	1,263	1,271	1,237	1,233	1,232
74 Commercial and industrial	693	686	677	667	678	685	671	672	672
75 Other	603	600	594	587	585	586	567	561	561
76 Foreign branch credit extended to U.S. residents ¹¹	23,246	23,352	23,489	23,278	23,326	23,501	23,469	23,704	23,799
77 Net due to related institutions abroad	-6,153	-7,840	-9,735	-4,952	-6,263	-8,762	-6,278	-7,973	-9,052

1. Components may not sum to totals because of rounding.
2. Includes certificates of participation, issued or guaranteed by agencies of the U.S. government, in pools of residential mortgages.
3. Includes securities purchased under agreements to resell.
4. Includes allocated transfer risk reserve.
5. Includes negotiable order of withdrawal (NOW), automatic transfer service (ATS), and telephone and preauthorized transfer savings deposits.
6. Includes borrowings only from other-than-directly-related institutions.
7. Includes federal funds purchased and securities sold under agreements to repurchase.
8. This balancing item is not intended as a measure of equity capital for use in capital-adequacy analysis.
9. Excludes loans to and federal funds transactions with commercial banks in

- the United States.
 10. Affiliates include a bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company.
 11. Credit extended by foreign branches of domestically chartered weekly-reporting banks to nonbank U.S. residents. Consists mainly of commercial and industrial loans, but includes an unknown amount of credit extended to other than nonfinancial businesses.
- NOTE: Data that formerly appeared in table 1.28, Assets and Liabilities of Large Weekly Reporting Commercial Banks in New York City, can be obtained from the Board's H.4.2 (504) weekly statistical release. For ordering address see inside front cover.

1.30 LARGE WEEKLY-REPORTING U.S. BRANCHES AND AGENCIES OF FOREIGN BANKS Assets and Liabilities¹

Millions of dollars, Wednesday figures

Account	1991								
	July 31	Aug. 7	Aug. 14	Aug. 21	Aug. 28	Sept. 4	Sept. 11	Sept. 18	Sept. 25
1 Cash and balances due from depository institutions	14,878	14,859	14,987	15,547	15,659	16,039	16,054	16,125	16,792
2 U.S. Treasury and government agency securities	14,327	15,252	15,895	15,349	14,702	15,108	15,099	14,720	14,959
3 Other securities	7,304	7,348	7,371	7,442	7,517	7,526	7,545	7,445	7,544
4 Federal funds sold ¹	9,545	7,251	6,730	9,881	9,143	7,466	8,667	9,475	9,417
5 To commercial banks in the United States	4,797	3,546	1,690	5,188	3,405	3,051	3,840	5,274	3,638
6 To others ²	4,748	3,705	5,040	4,693	5,737	4,416	4,827	4,201	5,779
7 Other loans and leases, gross	138,835	138,217	138,709	137,471	138,839	139,078	140,208	142,573	143,957
8 Commercial and industrial	83,641	83,563	83,787	83,209 ^f	84,295 ^f	84,999	85,109	86,129	87,188
9 Bankers acceptances and commercial paper	1,741	2,028	2,132	1,918	1,970	2,226	2,299	2,106	2,122
10 All other	81,899	81,535	81,655	81,291 ^f	82,325 ^f	82,773	82,810	84,023	85,066
11 U.S. addressees	79,758	79,365	79,503	79,155 ^f	80,140 ^f	80,562	80,602	81,800	82,901
12 Non-U.S. addressees	2,141	2,170	2,152	2,135	2,185	2,211	2,208	2,223	2,165
13 Loans secured by real estate	32,527	32,612	32,722	32,710 ^f	32,741 ^f	32,727	32,756	32,779	32,809
14 To financial institutions	17,356	17,253	17,272	16,620	17,196	16,431	17,366	17,190	18,051
15 Commercial banks in the United States	8,284	7,913	7,975	8,028	8,105	7,766	8,027	7,990	9,016
16 Banks in foreign countries	1,742	1,910	1,723	1,751	2,214	2,059	2,219	2,303	2,000
17 Nonbank financial institutions	7,330	7,429	7,575	6,841	6,876	6,606	7,120	6,897	7,035
18 For purchasing and carrying securities	3,213	2,614	2,846	2,766	2,500	2,675	2,742	4,329	3,688
19 To foreign governments and official institutions	325	330	343	343	354	357	356	370	395
20 All other	1,773	1,845	1,739	1,823	1,753	1,889	1,879	1,775	1,826
21 Other assets (claims on nonrelated parties)	28,901	28,419	28,384	28,839	28,234	28,638	28,351	27,934	29,030
22 Total assets ³	254,828	252,069	251,639	250,262	252,418	257,676	257,310	260,436	260,902
23 Deposits or credit balances due to other than directly related institutions	91,904	90,573	89,818	92,497	95,382	93,788	93,481	95,797	98,151
24 Demand deposits ⁴	4,001	3,508	3,573	3,438	3,546	3,756	3,681	3,992	3,714
25 Individuals, partnerships, and corporations	2,379	2,063	2,112	1,958	2,089	2,308	2,342	2,428	2,365
26 Other	1,622	1,445	1,461	1,480	1,456	1,448	1,339	1,564	1,349
27 Nontransaction accounts	87,903	87,066	86,245	89,059	91,836	90,032	89,799	91,805	94,437
28 Individuals, partnerships, and corporations	65,247	63,996	63,209	65,869	66,976	65,358	65,556	66,259	68,436
29 Other	22,656	23,070	23,036	23,190	24,860	24,675	24,243	25,546	26,001
30 Borrowings from other than directly related institutions	93,268	92,355	94,987	90,455	86,969	93,590	95,538	89,843	87,664
31 Federal funds purchased ⁵	47,707	46,688	49,236	48,029	42,183	50,832	51,030	47,680	42,081
32 From commercial banks in the United States	21,485	19,346	20,586	20,211	18,775	23,323	22,260	19,792	16,372
33 From others	26,222	27,342	28,650	27,818	23,408	27,509	28,770	27,888	25,709
34 Other liabilities for borrowed money	45,561	45,668	45,751	42,426	44,785	42,758	44,508	42,163	45,583
35 To commercial banks in the United States	14,824	14,355	14,693	14,134	14,368 ^f	13,455	14,262	13,940	14,580
36 To others	30,737	31,312	31,058	28,291	30,417 ^f	29,303	30,245	28,223	31,003
37 Other liabilities to nonrelated parties	27,023	26,358	26,874	26,523	26,569	27,191	26,623	26,575	27,791
38 Total liabilities ⁶	254,828	252,069	251,639	250,262	252,418	257,676	257,310	260,436	260,902
MEMO									
39 Total loans (gross) and securities, adjusted ⁷	156,931	156,608	159,040	156,927	158,691	158,362	159,651	160,949	163,222
40 Net due to related institutions abroad	1,595	2,060	396	5,055	5,174	-712	283	6,058	8,092

1. Includes securities purchased under agreements to resell.
 2. Includes transactions with nonbank brokers and dealers in securities.
 3. Includes net due from related institutions abroad for U.S. branches and agencies of foreign banks having a net "due from" position.
 4. Includes other transaction deposits.

5. Includes securities sold under agreements to repurchase.
 6. Includes net to related institutions abroad for U.S. branches and agencies of foreign banks having a net "due to" position.
 7. Excludes loans to and federal funds transactions with commercial banks in the United States.

A22 Domestic Financial Statistics □ December 1991

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING¹

Millions of dollars, end of period

Item	1986 Dec.	1987 Dec.	1988 Dec.	1989 Dec.	1990 Dec.	1991					
						Mar.	Apr.	May	June	July	Aug.
Commercial paper (seasonally adjusted unless noted otherwise)											
1 All issuers	331,316	358,997	458,464	530,123	566,688	565,734	541,648	533,091	533,659	543,043	535,688
Financial companies ²											
Total	101,707	102,742	159,777	186,343	218,953	224,865	212,337	206,507	203,229	205,032	207,907
Dealer-placed paper ³											
Bank-related (not seasonally adjusted) ⁴	2,265	1,428	1,248	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Directly placed paper ⁵											
Total	151,897	174,332	194,931	212,640	201,862	190,285	184,703	183,383	189,512	193,699	190,659
Bank-related (not seasonally adjusted) ⁵	40,860	43,173	43,155	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
6 Nonfinancial companies ⁶	77,712	81,923	103,756	131,140	145,873	150,584	144,608	143,201	140,918	144,312	137,122
Bankers dollar acceptances (not seasonally adjusted) ⁷											
7 Total	64,974	70,565	66,631	62,972	54,771	48,795	47,086	46,438	45,539	44,756 ^f	44,228
Holder											
Accepting banks	13,423	10,943	9,086	9,433	9,017	9,237	8,593	10,138	10,028	9,081 ^f	9,622
Own bills	11,707	9,464	8,022	8,510	7,930	7,569	7,599	8,179	8,414	7,906 ^f	7,826
Bills bought	1,716	1,479	1,064	924	1,087	1,668	994	1,959	1,613	1,175	1,795
Federal Reserve Banks											
Own account	0	0	0	0	0	0	0	0	0	0	0
Foreign correspondents	1,317	965	1,493	1,066	918	872	934	1,053	1,203	1,274	1,665
Others	50,234	58,658	56,052	52,473	44,836	38,686	37,559	35,247	34,308	34,401 ^f	32,941
Basis											
Imports into United States	14,670	16,483	14,984	15,651	13,096	12,509	12,511	12,821	13,431	12,728 ^f	12,968
Exports from United States	12,960	15,227	14,410	13,683	12,703	11,500	11,219	11,511	11,416	11,468 ^f	11,044
All other	37,344	38,855	37,237	33,638	28,973	24,786	23,356	22,106	20,691	20,561 ^f	20,215

1. Components may not sum to totals because of rounding.
2. Institutions engaged primarily in 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. Bank-related series were discontinued in January 1989.
5. As reported by financial companies that place their paper directly with investors.

6. Includes public utilities and firms engaged primarily in such activities as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services.
7. Data on bankers acceptances are gathered from institutions whose acceptances total \$100 million or more annually. The reporting group is revised every January. In January 1988, the group was reduced from 155 to 111 institutions. The current group, totaling approximately 100 institutions, accounts for more than 90 percent of total acceptances activity.

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

Percent per year

Date of change	Rate	Period	Average rate	Period	Average rate	Period	Average rate
1988— Jan. 1	8.75	1988	9.32	1989— Jan.	10.50	1990— May	10.00
Feb. 2	8.50	1989	10.87	Feb.	10.93	June	10.00
May 11	9.00	1990	10.01	Mar.	11.50	July	10.00
July 14	9.50			Apr.	11.50	Aug.	10.00
Aug. 11	10.00	1988— Jan.	8.75	May	11.50	Sept.	10.00
Nov. 28	10.50	Feb.	8.51	June	11.07	Oct.	10.00
		Mar.	8.50	July	10.98	Nov.	10.00
1989— Feb. 10	11.00	Apr.	8.50	Aug.	10.50	Dec.	10.00
24	11.50	May	8.84	Sept.	10.50		
June 5	11.00	June	9.00	Oct.	10.50	1991— Jan.	9.52
July 31	10.50	July	9.29	Nov.	10.50	Feb.	9.05
		Aug.	9.84	Dec.	10.50	Mar.	9.00
1990— Jan. 8	10.00	Sept.	10.00			Apr.	9.00
		Oct.	10.00	1990— Jan.	10.11	May	8.50
1991— Jan. 2	9.50	Nov.	10.05	Feb.	10.00	June	8.50
Feb. 4	9.00	Dec.	10.50	Mar.	10.00	July	8.50
May 1	8.50			Apr.	10.00	Aug.	8.50
Sept. 13	8.00					Sept.	8.20
Nov. 6	7.50					Oct.	8.00

1. Data in this table also appear in the Board's H.15 (519) weekly and G.13 (415) monthly statistical releases. For ordering address, see inside front cover.

1.35 INTEREST RATES Money and Capital Markets

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

Item	1988	1989	1990	1991				1991, week ending				
				June	July	Aug.	Sept.	Aug. 30	Sept. 6	Sept. 13	Sept. 20	Sept. 27
MONEY MARKET INSTRUMENTS												
1 Federal funds ^{1,2,3}	7.57	9.21	8.10	5.90	5.82	5.66	5.45	5.58	5.60	5.56	5.44	5.29
2 Discount window borrowing ^{2,4}	6.20	6.93	6.98	5.50	5.50	5.50	5.20	5.50	5.50	5.50	5.07	5.00
<i>Commercial paper^{3,5,6}</i>												
3 1-month	7.58	9.11	8.15	6.06	5.98	5.72	5.57	5.72	5.72	5.58	5.50	5.51
4 3-month	7.66	8.99	8.06	6.11	6.05	5.72	5.57	5.72	5.72	5.58	5.51	5.52
5 6-month	7.68	8.80	7.95	6.16	6.14	5.76	5.59	5.76	5.74	5.58	5.53	5.55
<i>Finance paper, directly placed^{3,5,7}</i>												
6 1-month	7.44	8.99	8.00	5.93	5.86	5.58	5.43	5.56	5.58	5.44	5.37	5.37
7 3-month	7.38	8.72	7.87	5.96	5.89	5.56	5.33	5.54	5.47	5.37	5.26	5.26
8 6-month	7.14	8.16	7.53	5.75	5.81	5.50	5.34	5.44	5.45	5.41	5.28	5.26
<i>Bankers acceptances^{3,5,8}</i>												
9 3-month	7.56	8.87	7.93	5.94	5.89	5.54	5.38	5.54	5.49	5.40	5.34	5.32
10 6-month	7.60	8.67	7.80	6.00	5.97	5.55	5.42	5.54	5.51	5.42	5.39	5.39
<i>Certificates of deposit, secondary market⁹</i>												
11 1-month	7.59	9.11	8.15	6.00	5.92	5.64	5.47	5.63	5.61	5.51	5.41	5.40
12 3-month	7.73	9.09	8.15	6.07	5.98	5.65	5.47	5.63	5.60	5.50	5.41	5.41
13 6-month	7.91	9.08	8.17	6.26	6.25	5.79	5.60	5.72	5.70	5.59	5.58	5.57
14 Eurodollar deposits, 3-month ^{3,10}	7.85	9.16	8.16	6.08	6.01	5.65	5.50	5.63	5.61	5.58	5.44	5.43
<i>U.S. Treasury bills</i>												
<i>Secondary market^{3,5}</i>												
15 3-month	6.67	8.11	7.50	5.57	5.58	5.33	5.22	5.34	5.32	5.23	5.19	5.16
16 6-month	6.91	8.03	7.46	5.75	5.70	5.39	5.25	5.37	5.36	5.25	5.23	5.20
17 1-year	7.13	7.92	7.35	5.96	5.91	5.45	5.26	5.41	5.37	5.27	5.25	5.20
<i>Auction average^{3,5,11}</i>												
18 3-month	6.68	8.12	7.51	5.60	5.58	5.39	5.25	5.40	5.34	5.29	5.19	5.18
19 6-month	6.92	8.04	7.47	5.76	5.71	5.47	5.29	5.47	5.39	5.30	5.22	5.23
20 1-year	7.17	7.91	7.36	5.73	6.00	5.62	5.26	5.36	n.a.	n.a.	n.a.	5.26
U.S. TREASURY NOTES AND BONDS												
<i>Constant maturities¹²</i>												
21 1-year	7.65	8.53	7.89	6.36	6.31	5.78	5.57	5.74	5.70	5.58	5.56	5.50
22 2-year	8.10	8.57	8.16	6.96	6.92	6.43	6.18	6.36	6.30	6.21	6.18	6.09
23 3-year	8.26	8.55	8.26	7.39	7.38	6.80	6.50	6.70	6.66	6.56	6.48	6.38
24 5-year	8.47	8.50	8.37	7.94	7.91	7.43	7.14	7.35	7.30	7.18	7.10	7.04
25 7-year	8.71	8.52	8.52	8.17	8.15	7.74	7.48	7.68	7.65	7.53	7.43	7.37
26 10-year	8.85	8.49	8.55	8.28	8.27	7.90	7.65	7.84	7.80	7.71	7.61	7.55
27 30-year	8.96	8.45	8.61	8.47	8.45	8.14	7.95	8.08	8.06	7.99	7.92	7.88
28 Composite ¹³ Over 10 years (long-term)	8.98	8.58	8.74	8.54	8.50	8.17	7.96	8.11	8.08	8.00	7.93	7.88
STATE AND LOCAL NOTES AND BONDS												
<i>Moody's series¹⁴</i>												
29 Aaa	7.36	7.00	6.96	6.83	6.82	6.62	6.51	6.63	6.63	6.47	6.49	6.43
30 Baa	7.83	7.40	7.29	7.21	7.18	6.95 ^r	6.87	6.97	6.97	6.97	6.83	6.86
31 Bond Buyer series ¹⁵	7.68	7.23	7.27	7.13	7.05	6.90	6.80	6.85	6.86	6.81	6.78	6.73
CORPORATE BONDS												
32 Seasoned issues, all industries ¹⁶	10.18	9.66	9.77	9.45	9.42	9.16	9.03	9.11	9.09	9.05	9.01	8.98
<i>Rating group</i>												
33 Aaa	9.71	9.26	9.32	9.01	9.00	8.75	8.61	8.70	8.67	8.63	8.60	8.56
34 Aa	9.94	9.46	9.56	9.28	9.25	8.99	8.86	8.94	8.92	8.89	8.84	8.82
35 A	10.24	9.74	9.82	9.55	9.51	9.26	9.11	9.20	9.18	9.13	9.09	9.08
36 Baa	10.83	10.18	10.36	9.96	9.89	9.65	9.51	9.60	9.58	9.54	9.50	9.47
37 A-rated, recently offered utility bonds ¹⁷	10.20	9.79	10.01	9.53	9.55	9.25	9.05	9.17	9.11	9.04	9.01	8.96
MEMO: Dividend-price ratio¹⁸												
38 Preferred stocks	9.23	9.04	8.96	8.26	8.21	8.04	7.88	8.03	8.02	7.91	7.81	7.78
39 Common stocks	3.64	3.45	3.61	3.23	3.20	3.10	3.15	3.05	3.12	3.16	3.14	3.15

1. The daily effective federal funds rate is a weighted average of rates on trades through N.Y. brokers.

2. Weekly figures are averages of seven calendar days ending on Wednesday of the current week; monthly figures include each calendar day in the month.

3. Annualized using a 360-day year or bank interest.

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

5. Quoted on a discount basis.

6. An average of offering rates on commercial paper placed by several leading dealers for firms whose bond rating is AA or the equivalent.

7. An average of offering rates on paper directly placed by finance companies.

8. Representative closing yields for acceptances of the highest rated money center banks.

9. An average of dealer offering rates on nationally traded certificates of deposit.

10. Bid rates for Eurodollar deposits at 11 a.m. London time. Data are for indication purposes only.

11. Auction date for daily data; weekly and monthly averages computed on an issue-date basis.

12. Yields on actively traded issues adjusted to constant maturities. Source: U.S. Treasury.

13. Unweighted average of rates on all outstanding bonds neither due nor callable in less than 10 years, including one very low yielding "flower" bond.

14. General obligations based on Thursday figures; Moody's Investors Service.

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

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

17. Compilation of the Federal Reserve. This series is an estimate of the yield on recently-offered, A-rated utility bonds with a thirty-year maturity and five years of call protection. Weekly data are based on Friday quotations.

18. 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.

NOTE: These data also appear in the Board's H. 15 (519) and G. 13 (415) releases. For address, see inside front cover.

1.36 STOCK MARKET Selected Statistics

Indicator	1988	1989	1990	1991								
				Jan.	Feb. ^r	Mar.	Apr.	May	June	July ^r	Aug. ^r	Sept.
Prices and trading volume (averages of daily figures)												
<i>Common stock prices (indexes)</i>												
1 New York Stock Exchange (Dec. 31, 1965 = 50)	149.96	180.13	183.58	177.95 ^r	197.75	203.56	207.71	207.07	207.32	208.29	213.33	212.55
2 Industrial	180.83	228.04	225.89	220.69	246.74	255.36	260.16	260.13	261.16 ^r	262.48	268.22	266.21
3 Transportation	134.07	174.90	158.88	145.89 ^r	166.06	166.26 ^r	166.90 ^r	170.77 ^r	177.05 ^r	177.15	178.42	177.99
4 Utility	72.22	94.33	90.71	88.59 ^r	92.08	92.29 ^r	92.92	90.73 ^r	89.01	90.05	92.38	93.72
5 Finance	127.41	162.01	133.36	121.39	141.03	145.41 ^r	152.64 ^r	151.32 ^r	152.30 ^r	151.69	157.70	157.69
6 Standard & Poor's Corporation (1941-43 = 10)	265.86	323.05	334.83	325.49 ^r	362.26	372.28	379.68 ^r	378.27 ^r	378.29	380.23	389.40	387.20
7 American Stock Exchange (Aug. 31, 1973 = 50) ^r	295.06	356.67	338.58	304.08	338.11	353.98 ^r	365.02 ^r	362.67 ^r	366.06	364.33	367.38	369.55
<i>Volume of trading (thousands of shares)</i>												
8 New York Stock Exchange	161,509	165,568	156,777	166,323	226,635	196,343	182,510	170,337	162,154	157,871	171,490	163,242
9 American Stock Exchange	9,955	13,124	13,155	10,870	16,649	15,326	13,140	10,995	11,477	10,883	12,667	n.a.
Customer financing (millions of dollars, end-of-period balances)												
10 Margin credit at broker-dealers ³	32,740	34,320	28,210	27,390	28,860	29,660	30,020	29,980	31,280	30,600	32,240	33,170
<i>Free credit balances at brokers⁴</i>												
11 Margin accounts ⁵	5,660	7,040	8,050	7,435	7,190	7,320	6,975	7,200	6,690	6,545	7,040	6,950
12 Cash accounts	16,595	18,505	19,285	18,825	19,435	19,555	17,830	16,650	18,110	16,945	17,040	17,595
Margin requirements (percent of market value and effective date) ⁶												
	Mar. 11, 1968		June 8, 1968		May 6, 1970		Dec. 6, 1971		Nov. 24, 1972		Jan. 3, 1974	
13 Margin stocks	70		80		65		55		65		50	
14 Convertible bonds	50		60		50		50		50		50	
15 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. On July 5, 1983, the American Stock Exchange rebased its index, effectively cutting previous readings in half.

3. Since July 1983, under the revised Regulation T, margin credit at broker-dealers has included credit extended against stocks, convertible bonds, stocks acquired through exercise of subscription rights, corporate bonds, and government securities. Separate reporting of data for margin stocks, convertible bonds, and subscription issues was discontinued in April 1984.

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

5. New series since June 1984.

6. These requirements, stated in regulations adopted by the Board of Governors pursuant to the Securities Exchange Act of 1934, limit the amount of credit that can be used to purchase and carry "margin securities" (as defined in the regulations) when such credit is collateralized by securities. Margin requirements

on securities other than options are the difference between the market value (100 percent) and the maximum loan value of collateral as prescribed by the Board. Regulation T was adopted effective Oct. 15, 1934; Regulation U, effective May 1, 1936; Regulation G, effective Mar. 11, 1968; and Regulation X, effective Nov. 1, 1971.

On Jan. 1, 1977, the Board of Governors for the first time established in Regulation T the initial margin required for writing options on securities, setting it at 30 percent of the current market value of the stock underlying the option. On Sept. 30, 1985, the Board changed the required initial margin, allowing it to be the same as the option maintenance margin required by the appropriate exchange or self-regulatory organization; such maintenance margin rules must be approved by the Securities and Exchange Commission. Effective Jan. 31, 1986, the SEC approved new maintenance margin rules, permitting margins to be the price of the option plus 15 percent of the market value of the stock underlying the option.

Effective June 8, 1988, margins were set to be the price option plus 20 percent of the market value of the stock underlying the option (or 15 percent in the case of stock-index options).

1.37 SELECTED FINANCIAL INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1988	1989	1990			1991						
			Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
SAIF-insured institutions												
1 Assets	1,350,500	1,249,055	1,116,354	1,109,055	1,084,821	1,065,993 ^f	1,054,654 ^f	1,041,977 ^f	1,027,570 ^f	1,020,710 ^f	1,001,620 ^f	984,978
2 Mortgages	764,513	733,729	662,309	653,508	633,385	624,707 ^f	619,720 ^f	610,618 ^f	608,863 ^f	605,915 ^f	595,795 ^f	586,291
3 Mortgage-backed securities	214,587	170,532	153,469	155,616	155,228	151,422 ^f	149,318 ^f	147,431 ^f	143,968 ^f	141,582 ^f	139,462 ^f	137,082
4 Contra-assets to mortgage assets ¹	37,950	25,457	17,139	17,076	16,897	15,211 ^f	14,872 ^f	14,592 ^f	14,330 ^f	14,391 ^f	14,592 ^f	14,180
5 Commercial loans	33,889	32,150	26,051	25,261	24,125	23,669 ^f	23,205 ^f	22,294 ^f	21,903 ^f	21,724 ^f	20,657 ^f	20,307
6 Consumer loans	61,922	58,685	50,746	50,177	48,753	48,129 ^f	47,729 ^f	47,653 ^f	46,702	45,827 ^f	45,179 ^f	44,351
7 Contra-assets to non-mortgage loans ²	3,056	3,592	1,769	1,692	1,939 ^f	1,700 ^f	1,876 ^f	1,827 ^f	1,742 ^f	1,739 ^f	1,756	1,674
8 Cash and investment securities	186,986	166,053	145,286	145,998	146,644	140,502 ^f	138,884 ^f	138,976 ^f	132,884 ^f	134,029 ^f	130,492 ^f	130,246
9 Other	129,610	116,955	97,579	97,262	95,522	94,474	92,546 ^f	91,424 ^f	89,322 ^f	87,762 ^f	86,383 ^f	82,555
10 Liabilities and net worth	1,350,500	1,249,055	1,116,354	1,109,055	1,084,821	1,065,993 ^f	1,054,654 ^f	1,041,977 ^f	1,027,570 ^f	1,020,710 ^f	1,001,620 ^f	984,978
11 Savings capital	971,700	945,656	851,810	846,822	835,496	823,515 ^f	816,477 ^f	816,991 ^f	806,269 ^f	801,681 ^f	792,935 ^f	775,448
12 Borrowed money	299,400	252,230	208,105	203,855	197,353	188,900 ^f	183,660 ^f	169,412 ^f	164,274	159,636	151,473 ^f	146,892
13 FHLBB	134,168	124,577	100,574	100,493	100,391	95,819	94,658	90,555	86,779	82,312	78,966 ^f	76,104
14 Other	165,232	127,653	107,531	103,362	96,962	93,081 ^f	89,002 ^f	78,857 ^f	77,495	77,324	72,507 ^f	70,788
15 Other	24,216	27,556	25,654	26,152	21,332	22,178 ^f	23,355 ^f	20,350 ^f	21,717 ^f	23,633 ^f	20,456 ^f	21,624
16 Net worth	n.a.	23,612	30,793	32,225	30,640	31,400 ^f	31,162 ^f	35,223 ^f	35,311 ^f	35,759 ^f	36,755 ^f	41,014
SAIF-insured federal savings banks												
17 Assets	425,966	498,522	588,880	585,847	576,531	567,373	556,708	552,520	549,319	552,240	545,985	↑
18 Mortgages	230,734	283,844	332,431	328,122	320,233	316,889	313,880	309,618	311,932	312,230	308,330	↑
19 Mortgage-backed securities	64,957	70,499	82,219	84,190	81,205	79,451	78,290	77,684	75,147	75,075	74,769	↑
20 Contra-assets to mortgage assets ¹	13,140	13,548	9,578	9,305	9,591	8,222	7,777	7,975	7,638	7,932	7,971	↑
21 Commercial loans	16,731	18,143	18,458	18,197	17,674	17,299	17,008	16,556	16,215	16,340	15,985	↑
22 Consumer loans	24,222	28,212	30,682	30,421	29,933	31,179	29,292	30,586	30,433	30,283	30,162	↑
23 Contra-assets to non-mortgage loans ²	889	1,193	572	809	990	770	895	966	951	1,031	1,096	↑
24 Finance leases plus interest	880	1,101	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
25 Cash and investment securities	61,029	64,538	75,117	72,454	75,940	71,066	67,721	68,157	65,786	68,847	67,322	↑
26 Other	35,412	39,981	45,287	45,319	45,008	44,768	44,210	43,714	43,292	43,377	43,887	↑
27 Liabilities and net worth	425,966	498,522	588,880	585,847	576,531	567,373	556,708	552,520	549,319	552,240	545,985	↑
28 Savings capital	298,197	360,547	436,080	436,903	434,297	428,822	422,745	425,720	422,955	424,158	424,175	↑
29 Borrowed money	99,286	108,448	115,472	111,270	107,270	102,313	97,089	90,692	89,310	90,089	85,307	↑
30 FHLBB	46,265	57,032	60,256	60,265	59,949	57,703	56,078	53,134	51,736	50,726	49,559	↑
31 Other	53,021	51,416	55,216	51,005	47,321	44,610	41,011	37,558	37,574	39,363	35,748	↑
32 Other	8,075	9,041	9,063	9,824	8,193	8,356	8,721	7,700	8,211	9,098	7,667	↑
33 Net worth	20,218	22,716	24,837	24,931	24,172	25,285	25,432	25,494	25,542	25,570	25,384	↓

1. Contra-assets are credit-balance accounts that must be subtracted from the corresponding gross asset categories to yield net asset levels. Contra-assets to mortgage loans, contracts, and pass-through securities include loans in process, unearned discounts and deferred loan fees, valuation allowances for mortgages "held for sale," and specific reserves and other valuation allowances.

2. Contra-assets are credit-balance accounts that must be subtracted from the corresponding gross asset categories to yield net asset levels. Contra-assets to nonmortgage loans include loans in process, unearned discounts and deferred loan fees, and specific reserves and valuation allowances.

3. Includes holding of stock in Federal Home Loan Bank and finance leases plus interest.

NOTE: Components do not sum to totals because of rounding. Data for credit unions and life insurance companies have been deleted from this table. They will be shown in a separate table which will appear quarterly, starting in the December issue.

SOURCE: *Savings Association Insurance Fund (SAIF)-insured institutions*: Estimates by the Office of Thrift Supervision (OTS) for all institutions insured by the SAIF and based on the OTS thrift institution Financial Report.

SAIF-insured federal savings banks: Estimates by the OTS for federal savings banks insured by the SAIF and based on the OTS thrift institution Financial Report.

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS¹

Millions of dollars

Type of account or operation	Fiscal year 1989	Fiscal year 1990	Fiscal year 1991	Calendar year					
				1991					
				Apr.	May	June	July	Aug.	Sept.
<i>U.S. budget²</i>									
1 Receipts, total	990,701	1,031,308	1,054,260	140,380	63,560	103,389	78,593	76,426	109,345
2 On-budget	727,035	749,652	760,375	108,746	41,958	76,322	56,327	54,651	83,131
3 Off-budget	263,666	281,656	293,885	31,634	21,602	27,067	22,266	21,775	26,214
4 Outlays, total	1,144,020	1,251,766	1,322,989	110,249	116,906	105,849	119,384	120,071	116,174
5 On-budget	933,107	1,026,711	1,081,302	90,362	95,903	90,901	99,532	96,255	91,517
6 Off-budget	210,911	225,065	241,687	19,887	21,003	14,948	19,852	22,824	24,657
7 Surplus or deficit (-), total	-153,319	-220,469	-268,729	30,131	-53,346	-2,460	-40,791	-43,645	-6,829
8 On-budget	-206,072	-277,059	-320,926	18,384	-53,945	-14,579	-43,205	-42,596	-8,386
9 Off-budget	52,753	56,590	52,198	11,747	599	12,119	2,414	-1,049	1,557
<i>Source of financing (total)</i>									
10 Borrowing from the public	141,806	220,101	276,802	-9,399	41,742	10,715	34,434	32,574	27,970
11 Operating cash (decrease, or increase (-))	3,425	818	-1,329	-16,214	20,362	-15,730	6,728	18,504	-23,133
12 Other ³	8,088	-451	-6,744	-4,518	-8,758	7,475	-371	-8,425	1,992
MEMO									
13 Treasury operating balance (level, end of period)	40,973	40,155	41,484	48,215	27,853	43,538	36,855	18,351	41,484
14 Federal Reserve Banks	13,452	7,638	7,928	13,682	6,619	11,822	5,831	6,745	7,928
15 Tax and loan accounts	27,521	32,517	33,556	34,533	21,234	31,761	31,024	11,606	33,556

1. Components may not sum to totals because of rounding.
 2. In accordance with the Balanced Budget and Emergency Deficit Control Act of 1985, all former off-budget entries are now presented on-budget. Federal Financing Bank (FFB) activities are now shown as separate accounts under the agencies that use the FFB to finance their programs. The act also moved two social security trust funds (federal old-age survivors insurance and federal disability insurance trust fund) off-budget. The Postal Service is included as an off-budget item in the *Monthly Treasury Statement* beginning in 1990.
 3. Includes special drawing rights (SDRs); reserve position on the U.S. quota

in the International Monetary Fund (IMF); loans to the IMF; other cash and monetary assets; accrued interest payable to the public; allocations of SDRs; deposit funds; miscellaneous liability (including checks outstanding) and asset accounts; seigniorage; increment on gold; net gain or loss for U.S. currency valuation adjustment; net gain or loss for IMF loan-valuation adjustment; and profit on sale of gold.
 SOURCES. *Monthly Treasury Statement of Receipts and Outlays of the U.S. Government* (MTS) and the *Budget of the U.S. Government*.

1.39 U.S. BUDGET RECEIPTS AND OUTLAYS¹

Millions of dollars

Source or type	Fiscal year 1989	Fiscal year 1990 ^f	Calendar year						
			1989		1990		1991		
			H2	H1	H2	H1	July	Aug.	Sept.
RECEIPTS									
1 All sources	990,701	1,031,308	470,276	548,861	503,123	540,504	78,593	76,426	109,345
2 Individual income taxes, net	445,690	466,884	218,706	243,087	230,745	232,389	38,403	34,560	47,979
3 Withheld	361,386	388,384	193,296	190,219	207,469	193,440	37,119	32,993	30,758
4 Presidential Election Campaign Fund	32	32	3	30	3	31	0	1	0
5 Nonwithheld	154,839	151,285	33,303	117,675	31,728	109,405	2,971	3,098	19,145
6 Refunds	70,567	72,817	7,898	64,838	8,455	70,487	1,687	1,532	1,924
Corporation income taxes									
7 Gross receipts	117,015	110,017	52,269	58,830	54,044	58,903	3,039	2,893	19,514
8 Refunds	13,723	16,510	6,842	8,326	7,603	7,904	1,270	1,588	934
9 Social insurance taxes and contributions, net	359,416	380,047	162,574	210,476	178,468	214,303	30,360	31,504	34,042
10 Employment taxes and contributions ²	332,859	353,891	152,407	195,269	167,224	199,727	28,424	27,664	33,439
11 Self-employment taxes and contributions ²	18,504	21,795	1,947	19,017	2,638	22,150	0	187	3,119
12 Unemployment insurance	22,011	21,635	7,909	12,929	8,996	12,296	1,578	3,417	234
13 Other net receipts ³	4,546	4,522	2,260	2,278	2,249	2,279	358	422	370
14 Excise taxes	34,386	35,345	16,799	18,153	17,535	20,703	4,274	4,626	4,038
15 Customs deposits	16,334	16,707	8,667	8,096	8,568	7,488	1,464	1,484	1,322
16 Estate and gift taxes	8,745	11,500	4,451	6,442	5,333	5,631	1,065	853	939
17 Miscellaneous receipts ⁵	22,839	27,316	13,651	12,106	16,032	8,991	1,258	2,093	2,446
OUTLAYS									
18 All types	1,144,020	1,251,776	587,394	640,867	647,218	631,737	119,384	120,071 ^f	116,174
19 National defense	303,559	299,331	149,613	152,733	149,497	122,089	23,910	27,968	21,929
20 International affairs	9,574	13,762	5,971	6,770	8,943	7,592	860	835	1,026
21 General science, space, and technology	12,838	14,444	7,091	6,974	8,081	7,496	1,312	1,440	1,365
22 Energy	3,702	2,372	1,449	1,216	979	816	175	367	-573
23 Natural resources and environment	16,182	17,067	9,183	7,343	9,933	8,324	1,566	1,470	1,597
24 Agriculture	16,948	11,958	4,132	7,450	6,878	7,684	664	129	227
25 Commerce and housing credit	29,091	67,160	22,295	38,672	37,491	17,992	15,199	5,805	20,097
26 Transportation	27,608	29,485	14,982	13,754	16,218	14,748	2,721	3,105	2,764
27 Community and regional development	5,361	8,498	4,879	3,987	3,939	3,552	542	614	616
28 Education, training, employment, and social services	36,694	38,497	18,663	19,537	18,988	21,234	2,967	3,550	3,086
29 Health	48,390	57,716	25,339	29,488	31,424	35,608	6,220	6,401	7,031
30 Social security and medicare	317,506	346,383	162,322	175,997	176,353	190,247	32,246	32,505	30,884
31 Income security	136,031	147,314	67,950	78,475	75,948	88,778	14,803	15,367	12,189
32 Veterans benefits and services	30,066	29,112	14,864	15,217	15,479	14,326	2,654	3,666	1,322
33 Administration of justice	9,422	10,004	4,909	4,868	5,265	6,187	1,072	1,153	966
34 General government	9,124	10,724	4,760	4,916	6,976	5,212	-64	1,032	1,181
35 Net interest ⁶	169,317	184,221	87,927	91,155	94,650	98,556	15,994	17,605	15,838
36 Undistributed offsetting receipts ⁷	-37,212	-36,615	-18,935	-17,688	-19,829	-18,702	-3,454	-2,942	-5,369

1. Functional details do not sum to total outlays for calendar year data because revisions to monthly totals have not been distributed among functions. Fiscal year total for outlays does not correspond to calendar year data because revisions from the *Budget* have not been fully distributed across months.

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

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

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

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

6. Net interest function includes interest received by trust funds.

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

SOURCES: U.S. Department of the Treasury, *Monthly Treasury Statement of Receipts and Outlays of the U.S. Government*, and the U.S. Office of Management and Budget, *Budget of the U.S. Government, Fiscal Year 1990*.

A28 Domestic Financial Statistics □ December 1991

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION¹

Billions of dollars, end of month

Item	1989		1990				1991		
	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30
1 Federal debt outstanding	2,881.1	2,975.5	3,081.9	3,175.5	3,266.1	3,397.3	3,491.7	3,562.9	3,598.9
2 Public debt securities	2,857.4	2,953.0	3,052.0	3,143.8	3,233.3	3,364.8	3,465.2	3,538.0	3,665.3
3 Held by public	2,180.7	2,245.2	2,329.3	2,368.8	2,437.6	2,536.6	2,598.4	2,642.9	↑
4 Held by agencies	676.7	707.8	722.7	775.0	795.8	828.3	866.8	895.1	↑
5 Agency securities	23.7	22.5	29.9	31.7	32.8	32.5	26.5	25.0	n.a.
6 Held by public	23.5	22.4	29.8	31.6	32.6	32.4	26.4	24.8	↓
7 Held by agencies .....	.1	.1	.2	.2	.2	.1	.1	.1	↓
8 Debt subject to statutory limit	2,829.8	2,921.7	2,988.9	3,077.0	3,161.2	3,281.7	3,377.1	3,450.3	3,569.3
9 Public debt securities	2,829.5	2,921.4	2,988.6	3,076.6	3,160.9	3,281.3	3,376.7	3,449.8	3,569.0
10 Other debt ² .....	.3	.3	.3	.4	.4	.4	.4	.4	.3
11 MEMO: Statutory debt limit	2,870.0	3,122.7	3,122.7	3,122.7	3,195.0	4,145.0	4,145.0	4,145.0	4,145.0

1. Components may not sum to totals because of rounding.
 2. Consists of guaranteed debt of Treasury and other federal agencies, specified participation certificates, notes to international lending organizations, and District

of Columbia stadium bonds.
 SOURCES: *Treasury Bulletin* and *Monthly Statement of the Public Debt of the United States*.

1.41 GROSS PUBLIC DEBT OF U.S. TREASURY Types and Ownership¹

Billions of dollars, end of period

Type and holder	1987	1988	1989	1990	1990		1991	
					Q4	Q1	Q2	Q3
1 Total gross public debt	2,431.7	2,684.4	2,953.0	3,364.8	3,364.8	3,465.2	3,538.0	3,665.3
By type								
2 Interest-bearing	2,428.9	2,663.1	2,931.8	3,362.0	3,362.0	3,441.4	3,516.1	3,662.8
3 Marketable	1,724.7	1,821.3	1,945.4	2,195.8	2,195.8	2,227.9	2,268.1	2,390.7
4 Bills	389.5	414.0	430.6	527.4	527.4	533.3	521.5	564.6
5 Notes	1,037.9	1,083.6	1,151.5	1,265.2	1,265.2	1,280.4	1,320.3	1,387.7
6 Bonds	282.5	308.9	348.2	388.2	388.2	399.3	411.2	423.4
7 Nonmarketable ²	704.2	841.8	986.4	1,166.2	1,166.2	1,213.5	1,248.0	1,272.1
8 State and local government series	139.3	151.5	163.3	160.8	160.8	159.4	161.0	158.1
9 Foreign issues ³	4.0	6.6	6.8	43.5	43.5	42.8	42.1	41.6
10 Government	4.0	6.6	6.8	43.5	43.5	42.8	42.1	41.6
11 Public .....	.0	.0	.0	.0	.0	.0	.0	.0
12 Savings bonds and notes	99.2	107.6	115.7	124.1	124.1	127.7	131.3	133.5
13 Government account series ⁴	461.3	575.6	695.6	813.8	813.8	853.1	883.2	908.4
14 Non-interest-bearing	2.8	21.3	21.2	2.8	2.8	23.8	21.9	2.5
By holder ⁵								
15 U.S. Treasury and other federal agencies and trust funds	477.6	589.2	707.8	828.3	828.3	866.8	895.1	↑
16 Federal Reserve Banks	222.6	238.4	228.4	259.8	259.8	247.3	255.1	↑
17 Private investors	1,731.4	1,858.5	2,015.8	2,288.3	2,288.3	2,360.6	2,397.9	↑
18 Commercial banks	201.5	193.8	174.8	188.2	188.2	194.8 ⁶	200.0	↑
19 Money market funds	14.6	11.8	14.9	45.4	45.4	65.7 ⁶	55.5	↑
20 Insurance companies	104.9	107.3	130.1	149.7	149.7	114.9 ⁶	152.0	↑
21 Other companies	84.6	87.1	93.4 ⁶	108.9 ⁶	108.9 ⁶	114.9 ⁶	130.8	↑
22 State and local treasuries	284.6	313.6	338.7	329.6	329.6	329.3 ⁶	329.0	↑
Individuals								↓
23 Savings bonds	101.1	109.6	117.7	126.2	126.2	129.7	133.2	↓
24 Other securities	71.3	79.2	98.7	107.6	107.6	108.6	110.3	↓
25 Foreign and international ⁶	299.7	362.2	392.9	425.1	425.1	430.3 ⁶	441.6	↓
26 Other miscellaneous investors ⁷	569.1	593.4	654.6	807.6	807.6	838.1 ⁶	845.5	↓

1. Components may not sum to totals because of rounding.
 2. Includes (not shown separately) securities issued to the Rural Electrification Administration, depository bonds, retirement plan bonds, and individual retirement bonds.
 3. Nonmarketable series denominated in dollars, and series denominated in foreign currency held by foreigners.
 4. Held almost entirely by U.S. Treasury and other federal agencies and trust funds.
 5. Data for Federal Reserve Banks and U.S. government agencies and trust

funds are actual holdings; data for other groups are Treasury estimates.
 6. Consists of investments of foreign balances and international accounts in the United States.
 7. Includes savings and loan associations, nonprofit institutions, credit unions, mutual savings banks, corporate pension trust funds, dealers and brokers, certain U.S. Treasury deposit accounts, and federally-sponsored agencies.
 SOURCES: Data by type of security, U.S. Treasury Department, *Monthly Statement of the Public Debt of the United States*; data by holder, the *Treasury Bulletin*.

1.42 U.S. GOVERNMENT SECURITIES DEALERS Transactions¹

Millions of dollars, daily averages, par value

Item	1991			1991, week ending								
	June	July	Aug.	July 31	Aug. 7	Aug. 14	Aug. 21	Aug. 28	Sept. 4	Sept. 11	Sept. 18	Sept. 25
IMMEDIATE TRANSACTIONS²												
<i>By type of security</i>												
U.S. Treasury securities												
1 Bills	30,281	28,081	33,421	30,130	34,608	32,317	35,343	33,710	27,688	29,140	33,539	29,961
Coupon securities, by maturity												
2 Less than 3.5 years	32,941	32,860	43,814	32,407	51,076	42,382	48,175	39,036	30,286	31,389	36,785	40,838
3 3.5 to 7.5 years	23,422	23,508	32,184	22,270	32,294	32,764	36,920	29,678	24,886	24,543	28,847	29,473
4 7.5 to 15 years	10,805	8,933	17,291	10,746	23,030	19,519	17,594	11,974	9,916	11,609	15,614	14,213
5 15 years or more	11,497	10,831	17,075	13,834	21,134	21,040	17,041	10,954	12,408	11,590	14,868	14,457
Federal agency securities												
Debt, maturing in												
6 Less than 3.5 years	4,028	4,517	4,380	4,842	4,230	3,530	4,632	4,737	5,358	3,577	4,295	4,521
7 3.5 to 7.5 years	554	415	666	448	1,006	777	506	519	310	873	669	573
8 7.5 years or more	662	621	650	425	1,020	768	463	492	286	628	732	575
Mortgage-backed securities												
9 Pass-throughs	10,706	9,332	10,345	8,994	9,695	8,246	11,105	12,252	10,549	14,464	11,627	12,056
10 All others ³	1,867	1,806	2,022	1,972	2,470	1,631	2,225	2,146	1,064	1,564	2,638	2,965
<i>By type of counterparty</i>												
Primary dealers and brokers												
11 U.S. Treasury securities	67,404	63,741	88,206	65,320	100,087	92,355	94,487	76,384	61,984	65,268	79,323	80,918
Federal agency securities												
12 Debt	1,365	1,461	1,424	1,517	1,678	1,515	1,223	1,339	1,272	1,329	1,372	1,610
13 Mortgage-backed	6,053	4,991	5,505	4,372	5,494	4,153	5,435	6,741	6,003	8,121	5,887	6,715
Customers												
14 U.S. Treasury securities	41,542	40,474	55,580	44,068	62,055	55,666	60,585	48,968	43,200	43,003	50,330	48,024
Federal agency securities												
15 Debt	3,879	4,092	4,272	4,198	4,578	3,559	4,378	4,409	4,682	3,749	4,324	4,059
16 Mortgage-backed	6,520	6,147	6,862	6,594	6,671	5,724	7,895	7,658	5,609	7,906	8,378	8,306
FUTURE AND FORWARD TRANSACTIONS⁴												
<i>By type of deliverable security</i>												
U.S. Treasury securities												
17 Bills	5,531	3,490	5,004	2,721	5,647	4,403	6,868	3,980	2,794	3,606	4,980	3,078
Coupon securities, by maturity												
18 Less than 3.5 years	1,285	951	1,426	760	2,186	1,459	1,229	937	1,161	1,057	954	987
19 3.5 to 7.5 years	607	493	529	416	577	528	468	642	282	391	696	562
20 7.5 to 15 years	847	559	1,145	658	1,052	941	1,344	1,277	1,055	798	944	945
21 15 years or more	7,783	6,220	9,267	6,904	10,233	9,861	10,347	7,677	6,647	7,507	8,797	9,261
Federal agency securities												
Debt, maturing in												
22 Less than 3.5 years	68	83	33	4	7	6	52	79	7	5	95	9
23 3.5 to 7.5 years	47	38	51	104	12	14	189	5	11	13	7	52
24 7.5 years or more	20	20	12	30	10	14	12	15	4	73	24	23
Mortgage-backed												
25 Pass-throughs and others ³	275	280	378	432	446	526	261	257	434	536	589	227
OPTION TRANSACTIONS⁵												
<i>By type of underlying security</i>												
U.S. Treasury, coupon securities, by maturity												
26 Less than 3.5 years	2,104	4,311	4,977	6,586	6,940	4,183	3,111	5,463	5,503	1,244	1,472	1,162
27 3.5 to 7.5 years	243	194	161	222	209	113	150	180	147	226	315	157
28 7.5 to 15 years	284	256	487	291	631	511	424	460	290	374	437	236
29 15 years or more	2,048	1,991	2,792	2,412	3,509	2,638	2,437	2,829	2,175	1,591	2,588	3,674
Federal agency, mortgage-backed securities												
30 Pass-throughs	275	280	378	432	446	526	261	257	434	536	589	227

1. Transactions are market purchases and sales of securities as reported to the Federal Reserve Bank of New York by the U.S. government securities dealers on its published list of primary dealers. Averages for transactions are based on the number of trading days in the period. Immediate, forward, and future transactions are reported at principal value, which does not include accrued interest; option transactions are reported at the face value of the underlying securities.

Dealers report cumulative transactions for each week ending Wednesday.

2. Transactions for immediate delivery include purchases or sales of securities (other than mortgage-backed agency securities) for which delivery is scheduled in five business days or less and "when-issued" securities that settle on the issue date of offering. Transactions for immediate delivery of mortgage-backed securities include purchases and sales for which delivery is scheduled in thirty days or less. Stripped securities are reported at market value by maturity of coupon or corpus.

3. Includes such securities as collateralized mortgage obligations (CMOs), real estate mortgage investment conduits (REMICs), interest only securities (IOs), and principal only securities (POs).

4. Futures transactions are standardized agreements arranged on an exchange. Forward transactions are agreements made in the over-the-counter market that specify delayed delivery. All futures transactions are included regardless of time to delivery. Forward contracts for U.S. Treasury securities and federal agency debt securities are included when the time to delivery is more than five days. Forward contracts for mortgage-backed securities are included when the time to delivery is more than thirty days.

5. Options transactions are purchases or sales of put-and-call options, whether arranged on an organized exchange or in the over-the-counter market, and include options on futures contracts on U.S. Treasury and federal agency securities.

NOTE. In tables 1.42 and 1.43, the term "n.a." refers to data that are not published because of insufficient activity.

Data formerly shown under option transactions for U.S. Treasury securities, bills; Federal agency securities, debt; and mortgage-backed securities, other than pass-throughs are no longer available because of insufficient activity.

A30 Domestic Financial Statistics □ December 1991

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing¹

Millions of dollars

Item	1991			1991, week ending								
	June	July	Aug.	July 24	July 31	Aug. 7	Aug. 14	Aug. 21	Aug. 28	Sept. 4	Sept. 11	Sept. 18
Positions ²												
NET IMMEDIATE TRANSACTIONS³												
<i>By type of security</i>												
U.S. Treasury securities												
1 Bills	10,919 ^f	17,206	15,391	18,545	20,191	19,627	16,312	17,804	9,270	12,006	13,365	15,381
Coupon securities, by maturity												
2 Less than 3.5 years	-1,976	-3,067 ^f	1,488	-3,238	1,827	3,493	118	-704	2,279	3,272	804	2,079
3 3.5 to 7.5 years	1,678 ^f	7,090 ^f	2,988	9,515	5,755	5,016	2,691	130	4,249	2,675	2,027	117
4 7.5 to 15 years	-4,972	-4,726 ^f	-4,055	-3,841	-3,885	-2,181	-2,402	-5,501	-5,552	-5,418	-5,015	-4,975
5 15 years or more	-15,092	-17,183	-13,686	-18,307	-18,226	-16,982	-12,601	-12,518	-12,480	-14,067	-13,284	-12,165
Federal agency securities												
Debt, maturing in												
6 Less than 3.5 years	6,230	5,673	5,726	5,286	5,095	4,615	6,132	6,663	6,020	4,503	4,834	5,227
7 3.5 to 7.5 years	2,192	1,823	1,853	1,621	1,667	1,988	1,807	1,736	1,877	1,861	1,904	2,017
8 7.5 years or more	4,636	4,707	5,036	4,734	4,693	5,057	5,117	5,040	4,889	5,132	5,144	4,943
Mortgage-backed securities												
9 Pass-throughs	24,425	26,067	29,824	28,856	22,920	24,173	32,668	36,026	28,446	25,122	31,668	35,911
10 All others ⁴	10,940	12,096	11,274	11,432	11,479	11,789	11,461	11,339	10,397	11,531	11,281	12,312
Other money market instruments												
11 Certificates of deposit	3,071	3,686	3,115	3,856	3,870	4,306	3,243	2,474	2,622	2,688	2,521	3,501
12 Commercial paper	5,008	5,546	6,300	5,534	7,432	6,105	6,396	6,717	5,926	6,433	4,959	6,875
13 Bankers acceptances	1,400	1,228	1,319	1,315	1,189	1,154	1,398	1,349	1,244	1,626	1,519	1,858
FUTURE AND FORWARD TRANSACTIONS⁵												
<i>By type of deliverable security</i>												
U.S. Treasury securities												
14 Bills	-13,030 ^f	-12,116	-12,840	-8,782	-9,990	-12,061	-15,211	-15,240	-10,626	-8,695	-9,105	-6,810
Coupon securities, by maturity												
15 Less than 3.5 years	530	1,329	984	2,059	1,094	1,307	995	747	986	752	1,721	1,892
16 3.5 to 7.5 years	1,000	1,511	-1,113	1,833	1,347	-986	-1,666	-748	-1,101	-1,001	-499	-727
17 7.5 to 15 years	-383 ^f	-622 ^f	-2,316	-1,016 ^f	-908	-1,661	-3,043	-2,264	-2,373	-2,137	-1,907	-1,990
18 15 years or more	-1,629 ^f	-2,811 ^f	-5,214	-3,817 ^f	-2,935	-3,728	-5,944	-4,738	-6,239	-5,695	-6,314	-5,146
Federal agency securities												
Debt, maturing in												
19 Less than 3.5 years	312	15	-41	52	-1	-84	11	-30	-63	-33	-26	-116
20 3.5 to 7.5 years	-138	-9	68	-57	201	130	74	84	19	-15	21	38
21 7.5 years or more	-54	-15	29	1	16	3	51	61	11	10	1	-20
Mortgage-backed securities												
22 Pass-throughs	-15,368	-14,870	-18,722	-17,132	-10,318	-14,492	-21,361	-24,499	-17,268	-12,347	-21,685	-27,597
23 All others ⁴	1,309	17	1,934	-69	-227	1,392	903	2,375	3,119	1,813	1,052	2,668
24 Certificates of deposit	-46,070	-42,864	-102,589	-41,109	-70,580	-90,639	-105,534	-102,471	-107,141	-113,252	-115,197	-125,149
Financing ⁶												
<i>Reverse repurchase agreements</i>												
25 Overnight and continuing	182,725	180,538	194,528	172,000	184,697	190,895	197,455	204,559	183,342	198,872	197,243	196,683
26 Term	243,720	226,217	244,421	234,743	213,722	244,619	239,078	245,071	253,841	232,928	254,206	251,979
<i>Repurchase agreements</i>												
27 Overnight and continuing	279,426	285,305	306,936	287,693	287,457	299,083	302,631	323,099	305,444	301,070	295,256	309,757
28 Term	221,285	201,256	224,357	206,740	187,525	220,677	216,829	226,976	238,909	210,442	231,894	232,536
<i>Securities borrowed</i>												
29 Overnight and continuing	64,626	64,442	62,248	63,933	65,786	60,396	60,756	64,588	63,351	62,012	62,052	65,148
30 Term	23,069	23,187	22,568	22,534	22,627	22,256	21,732	23,999	22,586	21,868	21,523	20,764
<i>Securities loaned</i>												
31 Overnight and continuing	7,096	7,196	7,995	7,619	6,629	7,332	7,627	8,420	8,638	7,909	7,809	8,631
32 Term	NA ⁷	937	791	873	608	684	586	630	1,339	618	696	547
<i>Collateralized loans</i>												
33 Overnight and continuing	5,962	6,770	7,091	6,344	7,668	7,319	7,872	6,810	6,214	7,441	0	0
MEMO: Matched book⁷												
<i>Reverse repurchases</i>												
34 Overnight and continuing	113,023	118,316	129,272	114,146	122,998	124,388	131,618	135,490	124,970	130,728	131,439	135,264
35 Term	203,627	186,782	198,749	190,618	175,051	200,977	192,688	195,922	208,056	192,571	193,614	200,523
<i>Repurchases</i>												
36 Overnight and continuing	154,997	158,617	159,234	153,894	160,436	156,451	157,714	168,329	155,035	157,851	151,105	158,307
37 Term	164,351	150,534	166,164	157,906	145,160	164,021	163,496	167,011	174,858	155,125	172,333	172,507

1. Data for positions and financing are obtained from reports submitted to the Federal Reserve Bank of New York by the U.S. government securities dealers on its published list of primary dealers. Weekly figures are close-of-business Wednesday data; monthly figures are averages of weekly data. Data for positions and financing are averages of close-of-business Wednesday data.

2. Securities positions are reported at market value.

3. Net immediate positions include securities purchased or sold (other than mortgage-backed agency securities) that have been delivered or are scheduled to be delivered in five business days or less and "when-issued" securities settle on the issue date of offering. Net immediate positions of mortgage-backed securities include securities purchased or sold that have been delivered or are scheduled to be delivered in thirty days or less.

4. Includes securities such as collateralized mortgage obligations (CMOs), real estate mortgage investment conduits (REMICs), interest only (IOs), and principal only (POs).

5. Futures positions are standardized contracts arranged on an exchange. Forward positions reflect agreements made in the over-the-counter market that specify delayed delivery. All futures positions are included regardless of time to

delivery. Forward contracts for U.S. Treasury securities and for federal agency debt securities are included when the time to delivery is more than five business days. Forward contracts for mortgage-backed securities are included when the time to delivery is more than thirty days.

6. Overnight financing refers to agreements made on one business day that mature on the next business day; continuing contracts are agreements that remain in effect for more than one business day but have no specific maturity and can be terminated without advance notice by either party; term agreements have a fixed maturity of more than one business day.

7. Matched-book data reflect financial intermediation activity in which the borrowing and lending transactions are matched. Matched-book data are included in the financing breakdowns given above. The reverse repurchase and repurchase numbers are not always equal because of the "matching" of securities of different values or types of collateralization.

NOTE: Data for future and forward commercial paper and bankers' acceptances and term financing of collateralized loans are no longer available because of insufficient activity.

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1987	1988	1989	1990	1991				
					Mar.	Apr.	May	June	July
1 Federal and federally sponsored agencies	341,386	381,498	411,805	434,668	437,847	432,348	432,306	429,179	432,587
2 Federal agencies	37,981	35,668	35,664	42,159	41,149	41,107	41,031	40,591	40,380
3 Defense Department ¹	13	8	7	7	7	7	7	7	7
4 Export-Import Bank ^{2,3}	11,978	11,033	10,985	11,376	11,186	11,186	11,186	11,244	11,244
5 Federal Housing Administration ⁴	183	150	328	393	370	365	407	428	300
6 Government National Mortgage Association participation certificates ⁵	1,615	0	0	0	0	0	0	0	0
7 Postal Service ⁶	6,103	6,142	6,445	6,948	6,948	6,948	6,651	6,651	6,621
8 Tennessee Valley Authority	18,089	18,335	17,899	23,435	22,638	22,601	22,780	22,261	22,208
9 United States Railway Association ⁶	0	0	0	0	0	0	0	0	0
10 Federally sponsored agencies ⁷	303,405	345,830	375,407	392,509	396,698	391,241	391,275	388,588	392,207
11 Federal Home Loan Banks	115,727	135,836	136,108	117,895	113,311	110,691	108,981	105,775	106,397
12 Federal Home Loan Mortgage Corporation	17,645	22,797	26,148	30,941	31,425	29,768	29,016	28,836	29,559
13 Federal National Mortgage Association	97,057	105,459	116,064	123,403	124,885	124,189	126,806	126,606	128,764
14 Farm Credit Banks ⁸	55,275	53,127	54,864	53,590	51,890	52,049	51,485	51,712	51,318
15 Student Loan Marketing Association ⁹	16,503	22,073	28,705	34,194	35,761	35,117	35,560	36,232	36,742
16 Financing Corporation ¹⁰	1,200	5,850	8,170	8,170	8,170	8,170	8,170	8,170	8,170
17 Farm Credit Financial Assistance Corporation ¹¹	0	690	847	1,261	1,261	1,261	1,261	1,261	1,261
18 Resolution Funding Corporation ¹²	0	0	4,522	23,055	29,996	29,996	29,996	29,996	29,996
MEMO									
19 Federal Financing Bank debt¹³	152,417	142,850	134,873	179,083	181,907	182,708	182,582	185,129	186,752
<i>Lending to Federal and federally sponsored agencies</i>									
20 Export-Import Bank ³	11,972	11,027	10,979	11,370	11,180	11,180	11,180	11,238	11,238
21 Postal Service ⁶	5,853	5,892	6,195	6,698	6,698	6,698	6,401	6,401	6,401
22 Student Loan Marketing Association	4,940	4,910	4,880	4,850	4,850	4,850	4,850	4,850	4,850
23 Tennessee Valley Authority	16,709	16,955	16,519	14,055	13,258	13,221	13,400	12,881	12,828
24 United States Railway Association ⁶	0	0	0	0	0	0	0	0	0
<i>Other Lending¹⁴</i>									
25 Farmers Home Administration	59,674	58,496	53,311	52,324	52,669	52,669	52,669	52,254	51,334
26 Rural Electrification Administration	21,191	19,246	19,265	18,890	18,904	18,850	18,878	18,894	18,832
27 Other	32,078	26,324	23,724	70,896	74,348	75,240	75,204	78,611	81,269

1. Consists of mortgages assumed by the Defense Department between 1957 and 1963 under family housing and homeowners assistance programs.

2. Includes participation certificates reclassified as debt beginning Oct. 1, 1976.

3. On-budget after Sept. 30, 1976.

4. Consists of debentures issued in payment of Federal Housing Administration insurance claims. Once issued, these securities may be sold privately on the securities market.

5. Certificates of participation issued before 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.

6. Off-budget.

7. Includes outstanding noncontingent liabilities: notes, bonds, and debentures. Some data are estimated.

8. Excludes borrowing by the Farm Credit Financial Assistance Corporation, shown in line 17.

9. Before late 1982, the Association obtained financing through the Federal Financing Bank (FFB). Borrowing excludes that obtained from the FFB, which is

shown on line 22.

10. The Financing Corporation, established in August 1987 to recapitalize the Federal Savings and Loan Insurance Corporation, undertook its first borrowing in October 1987.

11. The Farm Credit Financial Assistance Corporation, established in January 1988 to provide assistance to the Farm Credit System, undertook its first borrowing in July 1988.

12. The Resolution Funding Corporation, established by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, undertook its first borrowing in October 1989.

13. 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.

14. 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.

A32 Domestic Financial Statistics □ December 1991

1.45 NEW SECURITY ISSUES Tax-Exempt State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1988	1989	1990	1991							
				Feb.	Mar.	Apr.	May	June	July ^r	Aug. ^r	Sept.
1 All issues, new and refunding¹	114,522	113,646	120,339	11,335	10,864	10,916	14,753	13,804	11,629	15,744	12,276
<i>By type of issue</i>											
2 General obligation	30,312	35,774	39,610	4,838	4,219	3,771	4,946	4,442	3,900	5,919	5,253
3 Revenue	84,210	77,873	81,295	6,497	6,645	7,145	9,807	9,362	7,729	9,825	7,023
<i>By Type of issuer</i>											
4 State	8,830	11,819	15,149	2,027	1,195	1,199	1,890	1,529	650	2,328	n.a.
5 Special district or statutory authority ²	74,409	71,022	72,661	4,903	6,599	6,604	9,549	5,057	7,320	8,890	n.a.
6 Municipality, county, or township	31,193	30,805	32,510	4,405	3,070	3,113	3,314	7,218	3,659	4,526	n.a.
7 Issues for new capital, total	79,665	84,062	103,235	10,403	9,675	10,156	13,924	13,347	11,414	15,177	11,802
<i>By use of proceeds</i>											
8 Education	15,021	15,133	17,042	1,579	2,583	2,001	2,462	2,684	2,214	1,826	1,611
9 Transportation	6,825	6,870	11,630	146	421	1,305	1,642	1,829	621	1,498	1,485
10 Utilities and conservation	8,496	11,427	11,739	2,046	1,886	2,171	1,815	2,830	2,077	1,977	2,293
11 Social welfare	19,027	16,703	23,099	698	2,140	921	3,373	2,455	2,287	5,291	2,923
12 Industrial aid	5,624	5,036	6,117	768	554	319	743	1,040	425	565	1,130
13 Other purposes	24,672	28,894	34,607	4,775	2,091	3,439	3,889	2,509	3,790	4,019	2,360

1. Par amounts of long-term issues based on date of sale.
2. Since 1986, has included school districts.

SOURCES: *Investment Dealer's Digest* beginning April 1990. Securities Data/Bond Buyer Municipal Data Base beginning 1986. Public Securities Association for earlier data.

1.46 NEW SECURITY ISSUES U.S. Corporations

Millions of dollars

Type of issue, offering, or issuer	1988	1989	1990	1991							
				Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
1 All issues¹	410,898	379,535	339,551	17,393	30,873	36,262^r	33,933	37,454^r	31,551^r	22,218^r	32,880
2 Bonds²	353,097	321,664	299,313	16,497	29,071	32,313^r	28,620	30,036^r	25,933^r	19,536^r	27,500
<i>By type of offering</i>											
3 Public, domestic	202,215	181,393	189,271	15,938 ^r	26,002 ^r	29,934 ^r	24,763	27,205	23,645 ^r	18,800 ^r	26,000
4 Private placement, domestic ³	127,704	117,420	86,988	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5 Sold abroad	23,178	22,851	23,054	659	3,169	2,379	3,857	2,830	2,421	1,555 ^r	1,500
<i>By industry group</i>											
6 Manufacturing	70,306	76,656	53,110	3,390	8,116	7,240	7,613	6,604	4,139 ^r	3,520 ^r	7,361
7 Commercial and miscellaneous	62,794	49,744	40,019	1,408	1,921	1,739	2,936	1,190	1,743	1,400 ^r	1,158
8 Transportation	10,275	10,032	12,706	711	563	992 ^r	502	665	567	661	959
9 Public utility	20,834	18,688	17,521	689	1,399	506	2,115	2,682	1,706 ^r	1,309 ^r	1,636
10 Communication	5,593	8,461	6,664	97	669	988	845	337	1,838	685 ^r	618
11 Real estate and financial	183,294	158,083	169,287	10,203	16,404	20,849	14,610	18,558	15,940 ^r	11,961 ^r	15,768
12 Stocks²	57,802	57,870	n.a.	896	1,802	3,949	5,313	7,418	5,618	2,682	6,730
<i>By type of offering</i>											
13 Public preferred	6,544	6,194	3,998	0	150	1,233	543	1,392	1,731	203	1,952
14 Common	35,911	26,030	19,443	896	1,652	2,716	4,771	6,027	3,887	2,479	4,778
15 Private placement ³	15,346	25,647	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>By industry group</i>											
16 Manufacturing	7,608	9,308	n.a.	60	183	564	1,796	2,291	1,909	685	3,167
17 Commercial and miscellaneous	8,449	7,446	5,026	18	546	1,096	1,521	1,563	851	1,427	2,050
18 Transportation	1,535	1,929	126	242	0	249	416	277	0	18	56
19 Public utility	1,898	3,090	4,229	218	335	354	71	573	471	143	150
20 Communication	515	1,904	416	n.a.	0	0	0	0	295	46	8
21 Real estate and financial	37,798	34,028	11,055	359	737	1,686	1,510	2,714	2,091	350	1,298

1. Figures represent gross proceeds of issues maturing in more than one year; they are the principal amount or number of units calculated by multiplying by the offering price. Figures exclude secondary offerings, employee stock plans, investment companies other than closed-end, intracorporate transactions, equities sold abroad, and Yankee bonds. Stock data include ownership securities issued by limited partnerships.

2. Monthly data cover only public offerings.

3. Monthly data are not available.

SOURCES: IDD Information Services, Inc., the Board of Governors of the Federal Reserve System, and, before 1989, the U.S. Securities and Exchange Commission.

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Assets

Millions of dollars

Item ¹	1989	1990	1991							
			Jan.	Feb.	Mar.	Apr.	May	June	July ^f	Aug.
1 Sales of own shares ²	306,445	345,780	38,012	30,605	31,597	40,356	36,719	33,922	39,329	38,223
2 Redemptions of own shares	272,165	289,573	27,648	23,390	25,372	32,895	26,972	27,629	28,767	28,158
3 Net sales ³	34,280	56,207	10,364	7,215	6,226	7,461	9,747	6,293	10,562	10,065
4 Assets ⁴	553,871	570,744	590,296	616,472	632,052	647,053	671,852	661,643	690,486	713,892
5 Cash ⁵	44,780	48,638	53,549	53,899	52,895	52,982	55,450	55,057	55,293	53,346
6 Other	509,091	522,106	536,747	562,573	579,154	594,071	616,402	606,586	635,193	660,546

1. Data on sales and redemptions exclude money market mutual funds but include limited-maturity municipal bond funds. Data on asset positions exclude both money market mutual funds and limited-maturity municipal bond funds.

2. Includes reinvestment of dividends. Excludes reinvestment of capital gains distributions.

3. Does not include sales or redemptions resulting from transfers of shares into or out of money market mutual funds within the same fund family.

4. Market value at end of period, less current liabilities.

5. Includes all U.S. Treasury securities and other short-term debt securities. SOURCE: Investment Company Institute. Data based on reports of membership, which comprises substantially all open-end investment companies registered with the Securities and Exchange Commission. Data reflect underwritings of new companies.

1.48 CORPORATE PROFITS AND THEIR DISTRIBUTION

Billions of dollars; quarterly data at seasonally adjusted annual rates

Account	1988	1989	1990	1989		1990				1991	
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2 ^f
1 Profits with inventory valuation and capital consumption adjustment	337.6	311.6	298.3	306.7	290.9	296.8	306.6	300.7	288.9	286.2	284.4
2 Profits before tax	316.7	307.7	304.7	291.4	289.8	296.9	299.3	318.5	304.1	281.5	279.2
3 Profits-tax liability	136.2	135.1	132.1	127.8	123.5	129.9	133.1	139.1	126.5	115.1	118.6
4 Profits after tax	180.5	172.6	172.5	163.6	166.3	167.1	166.1	179.4	177.6	166.4	160.6
5 Dividends	110.0	123.5	133.9	125.0	127.7	130.3	133.0	135.1	137.2	137.5	136.4
6 Undistributed profits	70.5	49.1	38.7	38.6	38.6	36.8	33.2	44.3	40.4	29.0	24.2
7 Inventory valuation	-27.0	-21.7	-11.4	-6.1	-14.5	-11.4	-5	-19.8	-13.8	8.1	4.9
8 Capital consumption adjustment	47.8	25.5	4.9	21.4	15.6	11.3	7.7	2.0	-1.4	-3.5	.2

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

1.50 TOTAL NONFARM BUSINESS EXPENDITURES on New Plant and Equipment

Billions of dollars; quarterly data at seasonally adjusted annual rates

Industry	1989	1990	1991 ¹	1990				1991			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 ¹
1 Total nonfarm business	507.40	532.61	535.13	532.50	534.55	534.11	530.13	535.50	524.57	539.53	540.91
Manufacturing											
2 Durable goods industries	82.56	82.58	78.22	86.03	84.15	82.48	79.03	81.24	79.69	77.54	74.43
3 Nondurable goods industries	101.24	110.04	107.97	106.14	110.87	111.57	110.69	109.90	107.66	107.01	107.33
Nonmanufacturing											
4 Mining	9.21	9.88	9.66	9.62	9.77	9.97	10.12	9.89	10.09	9.70	8.96
Transportation											
5 Railroad	6.26	6.40	6.00	6.44	6.67	5.66	6.81	5.59	6.27	6.28	5.85
6 Air	6.73	8.87	9.90	9.27	9.37	9.55	7.54	11.18	10.10	9.53	8.78
7 Other	5.85	6.20	6.64	6.12	5.90	5.87	6.82	6.48	6.68	6.28	7.12
Public utilities											
8 Electric	44.81	44.10	44.24	43.48	42.83	43.80	45.88	43.36	42.87	45.46	45.25
9 Gas and other	21.47	23.11	22.90	21.93	21.80	23.88	24.36	23.68	21.71	23.00	23.20
10 Commercial and other ²	229.28	241.43	249.60	243.46	243.18	241.32	238.87	244.19	239.50	254.73	259.98

1. Figures are amounts anticipated by business.

2. "Other" consists of construction, wholesale and retail trade, finance and

insurance, personal and business services, and communication.

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

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1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities

Billions of dollars, end of period; not seasonally adjusted

Account	1987	1988	1989	1989	1990				1991	
				Q4	Q1	Q2	Q3	Q4	Q1	Q2
ASSETS										
1 Accounts receivable, gross ¹	388.1	426.2	445.8	445.8	452.8	468.8	474.0	486.7	478.9	487.9
2 Consumer	141.1	146.2	140.8	140.8	137.9	138.6	140.9	136.0	131.6	133.9
3 Business	207.4	236.5	256.0	256.0	262.9	274.8	275.4	290.8	290.0	295.5
4 Real estate	39.5	43.5	48.9	48.9	52.1	55.4	57.7	59.9	57.3	58.5
5 Less: Reserves for unearned income	45.3	50.0	52.0	52.0	51.9	54.3	55.1	56.6	57.0	58.7
6 Reserves for losses	6.8	7.3	7.7	7.7	7.9	8.2	8.6	9.2	10.3	10.8
7 Accounts receivable, net	336.0	368.9	386.1	386.1	393.0	406.3	410.3	420.9	411.6	418.4
8 All other	58.3	72.4	91.6	91.6	92.5	95.5	102.8	99.6	103.4	106.1
9 Total assets	394.2	441.3	477.6	477.6	485.5	501.9	513.1	520.6	515.0	524.5
LIABILITIES AND CAPITAL										
10 Bank loans	16.4	15.4	14.5	14.5	13.9	15.8	15.6	19.4	22.0	22.7
11 Commercial paper	128.4	142.0	149.5	149.5	152.9	152.4	148.6	152.7	141.2	140.6
<i>Debt</i>										
12 Other short-term	28.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13 Long-term	137.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
14 Due to parent	n.a.	50.6	63.8	63.8	70.5	72.8	82.0	82.7	77.8	81.7
15 Not elsewhere classified	n.a.	137.9	147.8	147.8	145.7	153.0	156.6	157.0	162.4	164.2
16 All other liabilities	52.8	59.8	62.6	62.6	61.7	66.1	68.7	66.0	68.0	72.2
17 Capital, surplus, and undivided profits	31.5	35.6	39.4	39.4	40.7	41.8	41.6	42.8	43.7	43.0
18 Total liabilities and capital	394.2	441.3	477.6	477.6	485.5	501.9	513.1	520.6	515.0	524.5

1. Excludes pools of securitized assets.

1.52 DOMESTIC FINANCE COMPANIES Business Credit Outstanding and Net Change¹

Millions of dollars, end of period; seasonally adjusted, except as noted

Type of credit	1988	1989	1990	1991						
				Mar.	Apr.	May	June	July	Aug.	
1 Total	234,891	258,957	292,638	294,225	294,569	297,171	298,228	300,161	305,024	
<i>Retail financing of installment sales</i>										
2 Automotive	37,210	39,479	38,110	36,649	36,652	36,005	35,390	35,491	34,665	
3 Equipment	28,185	29,627	31,784	32,332	32,034	32,690	32,189	32,194	33,146	
4 Pools of securitized assets ²	n.a.	698	951	828	777	737	707	793	833	
<i>Wholesale</i>										
5 Automotive	32,953	33,814	32,283	30,329	30,066	30,055	29,305	29,454	30,637	
6 Equipment	5,971	6,928	11,569	10,880	10,937	11,000	10,427	11,344	10,631	
7 All other	9,357	9,985	9,126	8,868	8,666	8,620	8,851	8,807	8,712	
8 Pools of securitized assets ²	n.a.	0	2,950	3,354	2,905	2,855	2,805	2,843	3,508	
<i>Leasing</i>										
9 Automotive	24,693	26,804	39,129	39,279	39,707	40,738	41,603	43,024	44,628	
10 Equipment	57,658	68,240	75,626	80,969	82,750	84,126	83,961	84,311	86,145	
11 Pools of securitized assets ²	n.a.	1,247	1,849	1,868	1,765	1,700	1,725	1,750	1,679	
12 Loans on commercial accounts receivable and factored commercial accounts receivable	17,687	18,511	22,475	21,666	21,265	21,772	24,040	23,125	23,366	
13 All other business credit	21,176	23,623	26,784	27,204	27,045	26,873	27,225	27,025	27,073	
Net change (during period)										
1 Total	28,900	24,065	33,681	-59	345	2,601	1,057	1,933	4,862	
<i>Retail financing of installment sales</i>										
2 Automotive	1,071	2,269	-1,369	-900	4	-647	-615	100	-825	
3 Equipment	3,111	1,442	2,157	274	-298	656	-501	4	952	
4 Pools of securitized assets ²	n.a.	-26	253	-51	-51	-40	-30	86	40	
<i>Wholesale</i>										
5 Automotive	2,883	861	-1,532	-1,100	-263	-11	-750	149	1,183	
6 Equipment	393	957	4,641	-228	57	63	-573	917	-713	
7 All other	1,028	628	-859	-275	-201	-47	231	-44	-95	
8 Pools of securitized assets ²	n.a.	0	2,950	1	-449	-50	-50	38	665	
<i>Leasing</i>										
9 Automotive	2,596	2,111	12,325	358	428	1,031	865	1,421	1,604	
10 Equipment	14,166	10,581	7,386	1,917	1,781	1,377	-165	350	1,834	
11 Pools of securitized assets ²	n.a.	526	602	58	-103	-65	25	25	-71	
12 Loans on commercial accounts receivable and factored commercial accounts receivable	-483	825	3,964	-418	-401	506	2,268	-914	240	
13 All other business credit	4,135	2,446	3,161	305	-158	-173	352	-199	47	

1. Data in this table also appear in the Board's G.20 (422) monthly statistical release. For ordering address, see inside front cover.

2. Data on pools of securitized assets are not seasonally adjusted.

1.53 MORTGAGE MARKETS Conventional Mortgages on New Homes

Millions of dollars, except as noted

Item	1988	1989	1990	1991						
				Mar.	Apr.	May	June	July	Aug.	Sept.
Terms and yields in primary and secondary markets										
PRIMARY MARKETS										
<i>Terms¹</i>										
1 Purchase price (thousands of dollars).....	150.0	159.6	153.2	136.7	151.4	146.8	166.7	165.1	159.0	157.8
2 Amount of loan (thousands of dollars).....	110.5	117.0	112.4	100.4	114.5	109.2	121.9	121.6	115.7	114.3
3 Loan-price ratio (percent).....	75.5	74.5	74.8	74.6	76.4	75.2	74.2	75.0	74.6	73.3
4 Maturity (years).....	28.0	28.1	27.3	25.7	26.8	26.1	26.8	27.0	27.1	25.9
5 Fees and charges (percent of loan amount) ²	2.19	2.06	1.93	1.59	2.12	1.54	1.69	1.85	1.74	1.86
6 Contract rate (percent per year).....	8.81	9.76	9.68	9.16	9.24	9.26	9.18	9.12	9.19	9.00
<i>Yield (percent per year)</i>										
7 OTS series ³	9.18	10.11	10.01	9.43	9.60	9.52	9.46	9.43	9.48	9.30
8 HUD series ⁴	10.30	10.21	10.08	9.49	9.51	9.46	9.60	9.46	9.22	8.88
SECONDARY MARKETS										
<i>Yield (percent per year)</i>										
9 FHA mortgages (HUD series) ⁵	10.49	10.24	10.17	9.61	9.61	9.62	9.71	9.59	9.14	9.06
10 GNMA securities ⁶	9.83	9.71	9.51	8.78	8.62	8.65	9.04	8.93	8.69	8.60
Activity in secondary markets										
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
<i>Mortgage holdings (end of period)</i>										
11 Total.....	101,329	104,974	113,329	119,196	120,074	121,798	122,806	123,770	124,230	124,954
12 FHA/VA-insured.....	19,762	19,640	21,028	21,976	21,972	21,609	21,474	21,511	21,529	21,636
13 Conventional.....	81,567	85,335	92,302	97,220	98,102	100,189	101,332	102,259	102,701	103,318
<i>Mortgage transactions (during period)</i>										
14 Purchases.....	23,110	22,518	23,959	1,987	2,942	4,450	3,145	3,183	3,069	3,032
<i>Mortgage commitments (during period)⁷</i>										
15 Issued ⁸	n.a.	n.a.	n.a.	3,087	3,880	3,506	3,032	2,975	3,453	3,196
16 To sell ⁹	n.a.	n.a.	n.a.	109	839	1,066	841	1,374	1,051	762
FEDERAL HOME LOAN MORTGAGE CORPORATION										
<i>Mortgage holdings (end of period)⁹</i>										
17 Total.....	15,105	20,105	20,419	23,221	23,870	24,525	23,649	24,061	n.a.	n.a.
18 FHA/VA-insured.....	620	590	547	499	504	491	486	481	n.a.	n.a.
19 Conventional.....	14,485	19,516	19,871	22,722	21,188	21,843	23,164	23,581	n.a.	n.a.
<i>Mortgage transactions (during period)</i>										
20 Purchases.....	44,077	78,588	75,517	4,549	7,045	8,562	10,052	8,649	n.a.	n.a.
21 Sales.....	39,780	73,446	73,817	6,183	6,226	7,692	10,694	8,057	8,800	9,212
<i>Mortgage commitments (during period)¹⁰</i>										
22 Contracted.....	66,026	88,519	102,401	5,936	10,036	11,334	9,008	8,890	n.a.	n.a.

1. Weighted averages based on sample surveys of mortgages originated by major institutional lender groups; compiled by the Federal Housing Finance Board in cooperation with the Federal Deposit Insurance Corporation.

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

3. Average effective interest rates on loans closed, assuming prepayment at the end of ten years; from Office of Thrift Supervision (OTS).

4. Average contract rates on new commitments for conventional first mortgages; from U.S. Department of Housing and Urban Development (HUD).

5. Average gross yields on thirty-year, minimum-downpayment, first mortgages insured by the Federal Housing Administration (FHA) for immediate delivery in the private secondary market. Based on transactions on first day of subsequent month. Large monthly movements in average yields may reflect market adjustments to changes in maximum permissible contract rates.

6. Average net yields to investors on fully modified pass-through securities backed by mortgages and guaranteed by the Government National Mortgage

Association (GNMA), assuming prepayment in twelve years on pools of thirty-year mortgages insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs carrying the prevailing ceiling rate. Monthly figures are averages of Friday figures from the *Wall Street Journal*.

7. Includes some multifamily and nonprofit hospital loan commitments in addition to one- to four-family loan commitments accepted in the Federal National Mortgage Association's (FNMA's) free market auction system, and through the FNMA-GNMA tandem plans.

8. Does not include standby commitments issued, but includes standby commitments converted.

9. Includes participation as well as whole loans.

10. Includes conventional and government-underwritten loans. The Federal Home Loan Mortgage Corporation's mortgage commitments and mortgage transactions include activity under mortgage securities swap programs, while the corresponding data for FNMA exclude swap activity.

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1.54 MORTGAGE DEBT OUTSTANDING¹

Millions of dollars, end of period

Type of holder and property	1987	1988	1989	1990			1991	
				Q2	Q3	Q4	Q1 ^r	Q2 ^p
1 All holders	2,986,425	3,270,118	3,556,370	3,760,480	3,816,690^r	3,857,665^r	3,876,700	3,925,086
<i>By type of property</i>								
2 One- to four-family residences.....	1,962,958	2,201,231	2,429,689	2,619,522	2,669,996 ^r	2,709,998 ^r	2,730,239	2,781,005
3 Multifamily residences.....	278,899	291,405	303,416	301,789	305,903 ^r	307,378 ^r	307,932	308,457
4 Commercial.....	657,036	692,236	739,240	755,212	756,507 ^r	756,303 ^r	754,879	751,751
5 Farm.....	87,532	85,247	84,025	83,957	84,284 ^r	83,987 ^r	83,650	83,873
<i>By type of holder</i>								
6 Major financial institutions.....	1,665,291	1,831,472	1,931,537	1,940,366	1,933,303 ^r	1,913,322 ^r	1,895,544	1,884,850
7 Commercial banks ²	592,449	674,003	767,069	814,598	831,193 ^r	844,359 ^r	855,889	870,797
8 One- to four-family.....	275,613	334,367	389,632	431,115	445,882 ^r	456,010 ^r	463,796	476,744
9 Multifamily.....	32,756	33,912	38,876	38,420	37,900 ^r	37,092 ^r	37,993	37,930
10 Commercial.....	269,648	290,254	321,906	327,930	330,086 ^r	334,026 ^r	336,606	338,057
11 Farm.....	14,432	15,470	16,656	17,133	17,326	17,231 ^r	17,493	18,066
12 Savings institutions ³	860,467	924,606	910,254	860,903	836,047	801,628	776,551	754,834
13 One- to four-family.....	602,408	671,722	669,220	642,110	626,297	600,154	583,694	570,151
14 Multifamily.....	106,359	110,775	106,014	97,359	94,790	91,806	88,743	85,688
15 Commercial.....	150,943	141,433	134,370	120,866	114,430	109,168	103,647	98,557
16 Farm.....	757	676	650	568	530	500	468	439
17 Life insurance companies.....	212,375	232,863	254,214	264,865	266,063	267,335	263,105	259,218
18 One- to four-family.....	13,226	11,164	12,231	12,740	12,773	12,052	11,480	11,280
19 Multifamily.....	22,524	24,560	26,907	28,027	28,100	29,406	28,447	28,314
20 Commercial.....	166,722	187,549	205,472	214,024	214,585	215,121	212,018	208,838
21 Farm.....	9,903	9,590	9,604	10,075	10,605	10,756	10,760	10,787
22 Finance companies ⁴	29,716	37,846	45,476	47,104	49,784	48,777	48,187	48,972
23 Federal and related agencies.....	192,721	200,570	209,498	227,818	242,695	250,761 ^r	263,079	275,394
24 Government National Mortgage Association.....	444	26	23	21	21	20 ^r	20	20
25 One- to four-family.....	25	26	23	21	21	20 ^r	20	20
26 Multifamily.....	419	0	0	0	0	0	0	0
27 Farmers Home Administration ⁵	43,051	42,018	41,176	41,175	41,269	41,439	41,307	41,430
28 One- to four-family.....	18,169	18,347	18,422	18,434	18,476	18,527	18,522	18,521
29 Multifamily.....	8,044	8,513	9,054	9,361	9,477	9,640	9,720	9,898
30 Commercial.....	6,603	5,343	4,443	4,545	4,608	4,690	4,715	4,750
31 Farm.....	10,235	9,815	9,257	8,835	8,708	8,582	8,350	8,261
32 Federal Housing and Veterans Administration.....	5,574	5,973	6,087	6,792	7,938	8,801	9,492	10,210
33 One- to four-family.....	2,557	2,672	2,875	3,054	3,248	3,593	3,600	3,729
34 Multifamily.....	3,017	3,301	3,212	3,738	4,690	5,208	5,891	6,480
35 Federal National Mortgage Association.....	96,649	103,013	110,721	112,855	113,718	116,628	119,196	122,806
36 One- to four-family.....	89,666	95,833	102,295	103,431	103,722	106,081	108,348	111,560
37 Multifamily.....	6,983	7,180	8,426	9,424	9,996	10,547	10,848	11,246
38 Federal Land Banks.....	34,131	32,115	29,640	29,595	29,441	29,416	29,253	29,086
39 One- to four-family.....	2,008	1,890	1,210	1,741	1,766	1,838	1,884	1,936
40 Farm.....	32,123	30,225	28,430	27,854	27,675	27,577	27,368	27,150
41 Federal Home Loan Mortgage Corporation.....	12,872	17,425	21,851	19,979	20,508	21,857	22,111	22,312
42 One- to four-family.....	11,430	15,077	18,248	17,316	17,810	19,185	19,460	19,655
43 Multifamily.....	1,442	2,348	3,603	2,663	2,697	2,672	2,651	2,658
44 Mortgage pools or trusts ⁶	718,297	811,847	946,766	1,024,893	1,062,729 ^r	1,106,634 ^r	1,139,730	1,182,594
45 Government National Mortgage Association.....	317,555	340,527	368,367	385,456	394,859	403,613	409,929	418,421
46 One- to four-family.....	309,806	331,257	358,142	374,960	384,474	391,505	397,631	405,877
47 Multifamily.....	7,749	9,270	10,225	10,496	10,385	12,108	12,298	12,544
48 Federal Home Loan Mortgage Corporation.....	212,634	226,406	272,870	295,340	301,797	316,359	328,305	341,132
49 One- to four-family.....	205,977	219,988	266,060	287,232	293,721	308,369	319,978	332,624
50 Multifamily.....	6,657	6,418	6,810	8,108	8,077	7,990	8,327	8,509
51 Federal National Mortgage Association.....	139,960	178,250	228,232	263,330	281,806	299,833	312,101	331,089
52 One- to four-family.....	137,988	172,331	219,577	254,811	273,335	291,194	303,554	322,444
53 Multifamily.....	1,972	5,919	8,655	8,519	8,471	8,639	8,547	8,645
54 Farmers Home Administration ⁵	245	104	80	72	70	66	62	13
55 One- to four-family.....	121	26	21	19	18	17	14	13
56 Multifamily.....	0	0	0	0	0	0	0	0
57 Commercial.....	63	38	26	24	24	24	23	0
58 Farm.....	61	40	33	30	29	26	24	0
59 Individuals and others ⁷	410,116	426,229	468,569	567,403	577,964 ^r	586,948 ^r	578,347	582,248
60 One- to four-family.....	246,061	259,971	294,517	382,343	390,657 ^r	398,889 ^r	391,623	395,483
61 Multifamily.....	80,977	79,209	81,634	82,040	83,544 ^r	84,205 ^r	82,355	81,906
62 Commercial.....	63,057	67,618	73,023	83,557	84,350 ^r	84,538 ^r	85,182	85,690
63 Farm.....	20,021	19,431	19,395	19,463	19,412 ^r	19,316 ^r	19,187	19,170

1. Based on data from various institutional and governmental sources, with figures for some quarters estimated in part by the Federal Reserve. Multifamily debt refers to loans on structures of five or more units.

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

3. Includes savings banks and savings and loan associations. Beginning 1987:1, data reported by institutions insured by the Federal Savings and Loan Insurance Corporation include loans in process and other contra-assets (credit balance accounts that must be subtracted from the corresponding gross asset categories to yield net asset levels).

4. Assumed to be entirely loans on one- to four-family residences.

5. Securities guaranteed by the Farmers Home Administration (FmHA) sold to the Federal Financing Bank were reallocated from FmHA mortgage pools to FmHA mortgage holdings in 1986:4 because of accounting changes by the FmHA.

6. Outstanding principal balances of mortgage-backed securities insured or guaranteed by the agency indicated. Includes private pools, which are not shown as a separate line item.

7. 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 other U.S. agents.

1.55 CONSUMER INSTALLMENT CREDIT Total Outstanding and Net Change¹

Millions of dollars, amounts outstanding, end of period

Holder and type of credit	1989	1990	1990		1991						
			Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July ^f	Aug.
Seasonally adjusted											
1 Total	718,863	735,102	735,102	732,962	732,762	732,442	733,621	732,289	730,591	729,962	728,671
2 Automobile	290,676	284,585	284,585	283,746	282,626	280,689	279,746	276,494	274,496	273,565	271,594
3 Revolving	199,082	220,110	220,110	219,588	221,556	224,817	225,994	227,301	227,737	228,199	229,375
4 Mobile home	22,471	20,919	20,919	20,459	20,200	20,123	20,098	19,796	19,907	19,615	19,522
5 Other	206,633	209,487	209,487	209,170	208,379	206,813	207,782	208,697	208,451	208,582	208,179
Not seasonally adjusted											
6 Total	730,901	748,300	748,300	736,399	729,264	725,462	727,907	727,717	728,023	727,754	731,091
<i>By major holder</i>											
7 Commercial banks	342,770	347,466	347,466	341,426	339,282	335,754	336,425	334,746	333,442	334,273	335,782
8 Finance companies	140,832	137,450	137,450	134,965	133,021	131,552	133,462	134,045	133,903	134,120	135,509
9 Credit unions	93,114	92,911	92,911	91,991	91,131	90,772	91,413	91,549	91,924	92,017	92,020
10 Retailers	44,154	43,552	43,552	40,945	38,864	38,497	37,817	36,782	36,702	36,392	37,296
11 Savings institutions	57,253	45,616	45,616	44,939	43,875	42,491	41,707	40,764	39,827	39,012	38,156
12 Gasoline companies	3,935	4,822	4,822	4,766	4,404	4,296	4,357	4,507	4,591	4,712	4,857
13 Pools of securitized assets ²	48,843	76,483	76,483	77,367	78,687	82,100	82,726	85,324	87,634	87,228	87,471
<i>By major type of credit³</i>											
14 Automobile	290,705	284,813	284,813	282,214	279,913	277,798	277,508	275,582	275,018	274,222	273,875
15 Commercial banks	126,288	126,259	126,259	126,235	124,745	123,411	122,710	121,631	121,605	121,319	120,648
16 Finance companies	82,721	74,396	74,396	72,015	70,287	69,233	70,500	69,689	70,304	70,444	71,571
17 Pools of securitized assets ²	18,235	24,537	24,537	25,123	26,872	27,755	26,875	27,085	26,039	25,609	25,071
18 Revolving	210,310	232,370	232,370	223,606	220,714	221,400	222,627	224,301	225,596	226,145	229,146
19 Commercial banks	130,811	132,433	132,433	125,814	125,673	124,619	126,009	126,047	124,106	124,645	125,712
20 Retailers	39,583	39,029	39,029	36,510	34,509	34,179	33,513	32,458	32,381	32,076	n.a.
21 Gasoline companies	3,935	4,822	4,822	4,766	4,404	4,296	4,357	4,507	4,591	4,712	4,857
22 Pools of securitized assets ²	23,477	44,335	44,335	44,773	44,451	46,722	47,116	49,667	52,897	53,094	54,017
23 Mobile home	22,240	20,666	20,666	20,614	20,362	20,030	20,052	19,721	19,875	19,639	19,495
24 Commercial banks	9,112	9,763	9,763	9,748	9,730	9,632	9,565	9,386	9,652	9,552	9,532
25 Finance companies	4,716	5,252	5,252	5,367	5,330	5,328	5,573	5,595	5,652	5,669	5,700
26 Other	207,646	210,451	210,451	209,965	208,275	206,234	207,720	208,113	207,534	207,748	208,575
27 Commercial banks	76,559	79,011	79,011	79,629	79,134	78,092	78,141	77,682	78,079	78,757	79,890
28 Finance companies	53,395	57,801	57,801	57,583	57,404	56,991	57,388	58,761	57,947	58,007	58,238
29 Retailers	4,571	4,523	4,523	4,435	4,355	4,318	4,304	4,324	4,321	4,316	4,334
30 Pools of securitized assets ²	7,131	7,611	7,611	7,471	7,364	7,603	8,735	8,572	8,698	8,525	8,383

1. The Board's series on amounts of credit covers most short- and intermediate-term credit extended to individuals that is scheduled to be repaid (or has the option of repayment) in two or more installments.

Data in this table also appear in the Board's G.19 (421) monthly statistical release. For ordering address, see inside front cover.

2. Outstanding balances of pools upon which securities have been issued; these balances are no longer carried on the balance sheets of the loan originator.

3. Totals include estimates for certain holders for which only consumer credit totals are available.

1.56 TERMS OF CONSUMER INSTALLMENT CREDIT¹

Percent per year, except as noted

Item	1988	1989	1990	1991						
				Feb.	Mar.	Apr.	May	June	July	Aug.
INTEREST RATES										
<i>Commercial banks²</i>										
1 48-month new car	10.85	12.07	11.78	11.60	n.a.	n.a.	11.28	n.a.	n.a.	11.06
2 24-month personal	14.68	15.44	15.46	15.42	n.a.	n.a.	15.16	n.a.	n.a.	15.24
3 120-month mobile home	13.34	14.11	14.02	13.88	n.a.	n.a.	13.80	n.a.	n.a.	13.73
4 Credit card	17.78	18.02	18.17	18.28	n.a.	n.a.	18.22	n.a.	n.a.	18.24
<i>Auto finance companies</i>										
5 New car	12.60	12.62	12.54	13.16	13.14	13.14	12.95	12.77	12.55	12.40
6 Used car	15.11	16.18	15.99	15.90	15.82	15.82	15.85	15.74	15.66	15.63
OTHER TERMS⁴										
<i>Maturity (months)</i>										
7 New car	56.2	54.2	54.6	55.2	55.2	55.4	55.5	55.5	55.5	55.4
8 Used car	46.7	46.6	46.1	47.1	47.2	47.3	47.3	47.3	47.4	47.2
<i>Loan-to-value ratio</i>										
9 New car	94	91	87	88	87	87	87	88	88	88
10 Used car	98	97	95	96	97	97	96	97	96	97
<i>Amount financed (dollars)</i>										
11 New car	11,663	12,001	12,071	12,081	12,121	11,993	12,204	12,343	12,572	12,518
12 Used car	7,824	7,954	8,289	8,605	8,763	8,751	8,873	8,916	8,989	8,902

1. Data in this table also appear in the Board's G.19 (421) monthly statistical release. For ordering address, see inside front cover.

2. Data are available only for the second month of each quarter.

3. Before 1983 the maturity for new car loans was 36 months, and for mobile home loans was 84 months.

4. At auto finance companies.

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS

Billions of dollars; quarterly data at seasonally adjusted annual rates

Instrument or sector	1986	1987	1988	1989	1990	1989	1990				1991	
						Q4	Q1	Q2	Q3	Q4	Q1	Q2
Nonfinancial sectors												
1 Total net borrowing by domestic nonfinancial sectors	836.9	687.0	760.8	678.2	639.3	620.2	803.4	596.9	657.7	499.3	411.4	462.6
<i>By lending sector and instrument</i>												
2 U.S. government	215.0	144.9	157.5	151.6	272.5	185.0	247.3	228.2	286.1	328.4	204.7	241.8
3 Treasury securities	214.7	143.4	140.0	150.0	264.4	189.6	217.8	222.9	287.5	329.4	228.7	248.0
4 Agency issues and mortgages	.4	1.5	17.4	1.6	8.2	-4.6	29.6	5.4	-1.3	-1.0	-24.0	-6.2
5 Private	621.9	542.1	603.3	526.6	366.8	435.2	556.1	368.7	371.6	170.9	206.7	220.9
<i>By instrument</i>												
6 Debt capital instruments	465.8	453.2	459.2	379.8	298.2	347.0	391.0	309.3	275.5	216.8	230.5	292.7
7 Tax-exempt obligations	22.7	49.3	49.8	30.4	20.1	19.1	12.4	24.5	30.0	13.5	11.3	27.5
8 Corporate bonds	126.8	79.4	102.9	73.7	49.7	87.4	30.2	68.8	32.8	67.1	80.6	95.3
9 Mortgages	316.3	324.5	306.5	275.7	228.3	240.5	348.4	216.0	212.7	136.3	138.6	169.9
10 Home mortgages	218.7	234.9	231.0	218.0	212.6	214.3	298.7	220.0	184.7	147.1	136.8	176.6
11 Multifamily residential	33.5	24.4	16.7	16.4	6.5	9.5	22.7	-15.5	16.2	2.7	4.6	2.9
12 Commercial	73.6	71.6	60.8	42.7	9.3	19.9	26.5	13.4	9.9	-12.8	-3.0	-8.0
13 Farm	-9.5	-6.4	-2.1	-1.5	.0	-3.2	.5	-1.9	2.0	-7	.2	-1.6
14 Other debt instruments	156.1	88.9	144.1	146.8	68.7	88.2	165.1	59.4	96.0	-45.9	-23.8	-71.9
15 Consumer credit	58.0	33.5	50.2	39.1	14.3	44.1	30.4	2.8	21.3	2.5	-23.6	-20.4
16 Bank loans n.e.c.	66.9	10.0	39.8	39.9	1.3	7.7	16.3	15.4	-2.5	-24.2	14.2	-51.6
17 Open market paper	-9.3	2.3	11.9	20.4	9.7	-6.9	69.6	-6.2	17.3	-41.7	5.1	-22.6
18 Other	40.5	43.2	42.2	47.4	43.4	43.3	48.8	47.4	60.0	17.5	-19.5	22.6
<i>By borrowing sector</i>												
19 State and local government	36.2	48.8	45.6	29.6	17.2	16.5	16.0	17.2	28.1	7.6	12.2	16.8
20 Household	293.0	302.2	314.9	285.0	254.0	291.8	377.2	257.5	227.3	154.0	162.6	199.7
21 Nonfinancial business	292.7	191.0	242.8	211.9	95.6	126.9	162.9	94.0	116.2	9.4	32.0	4.3
22 Farm	-16.3	-10.6	-7.5	1.6	2.6	8.9	6.2	-10.8	11.7	3.1	4.7	-1.6
23 Nonfarm noncorporate	99.2	77.9	65.7	50.8	13.7	35.0	45.5	3.5	19.6	-14.0	-18.7	-3.6
24 Corporate	209.7	123.7	184.6	159.5	79.4	83.1	111.2	101.3	84.8	20.2	46.0	9.5
25 Foreign net borrowing in United States	9.7	4.5	6.3	10.9	23.5	16.9	2.0	41.2	29.7	21.1	50.6	-53.0
26 Bonds	3.1	7.4	6.9	5.3	21.6	-1.0	32.7	25.8	1.2	26.5	8.9	22.0
27 Bank loans n.e.c.	-1.0	-3.6	-1.8	-1	-2.9	-4.3	-6.9	-1.8	1.9	-4.7	10.3	-7.1
28 Open market paper	11.5	2.1	8.7	13.3	12.3	22.2	-16.4	23.1	27.3	15.3	45.5	-52.0
29 U.S. government loans	-3.9	-1.4	-7.5	-7.5	-7.5	.1	-7.3	-5.9	-8	-16.0	-14.1	-15.8
30 Total domestic plus foreign	846.6	691.5	767.1	689.1	662.8	637.1	805.5	638.1	687.3	520.4	462.0	409.7
Financial sectors												
31 Total net borrowing by financial sectors	285.1	300.2	247.6	205.5	202.1	187.3	190.2	170.4	180.0	267.7	102.6	95.4
<i>By instrument</i>												
32 U.S. government-related	154.1	171.8	119.8	151.0	167.4	156.4	171.7	184.0	139.2	174.6	155.8	150.6
33 Sponsored-credit-agency securities	15.2	30.2	44.9	25.2	17.1	-4.7	9.7	17.1	22.3	19.5	14.5	-22.4
34 Mortgage pool securities	139.2	142.3	74.9	125.8	150.3	161.1	162.0	166.8	116.9	155.5	141.3	173.0
35 Loans from U.S. government	-4	-8	.0	.0	-1	.0	.0	.0	.0	-5	.0	.0
36 Private	131.0	128.4	127.8	54.5	34.7	30.9	18.5	-13.5	40.8	93.1	-53.2	-55.2
37 Corporate bonds	82.9	78.9	51.7	36.8	49.8	39.6	33.5	71.2	18.0	76.7	39.5	63.2
38 Mortgages	-1	4	.3	.0	.3	-4	.1	.2	.3	.5	.1	-1
39 Bank loans n.e.c.	4.0	-3.2	1.4	1.8	.7	4.2	-2.3	-6	2.0	3.8	1.0	-5.8
40 Open market paper	24.2	27.9	54.8	26.9	8.6	36.3	9.2	-53.4	51.0	27.6	-65.9	-59.7
41 Loans from Federal Home Loan Banks	19.8	24.4	19.7	-11.0	-24.7	-48.8	-22.0	-30.9	-30.5	-15.5	-27.9	-52.9
<i>By borrowing sector</i>												
42 Sponsored credit agencies	14.9	29.5	44.9	25.2	17.0	-4.7	9.7	17.1	22.3	19.0	14.5	-22.4
43 Mortgage pools	139.2	142.3	74.9	125.8	150.3	161.1	162.0	166.8	116.9	155.5	141.3	173.0
44 Private	131.0	128.4	127.8	54.5	34.7	30.9	18.5	-13.5	40.8	93.1	-53.2	-55.2
45 Commercial banks	-3.6	6.2	-3.0	-1.4	-1.1	-7	-5.7	-13.9	-5.6	20.9	-22.0	-16.6
46 Bank affiliates	15.2	14.3	5.2	6.2	-27.7	-3.9	-8.0	-32.1	-40.4	-30.2	-18.5	-7.1
47 Savings and loan associations	20.9	19.6	19.9	-14.1	-31.2	-56.2	-15.8	-53.5	-31.9	-23.4	-29.5	-55.6
48 Mutual savings banks	4.2	8.1	1.9	-1.4	-5	.7	-8.3	6.5	-4.2	4.0	-2.2	-1.4
49 Finance companies	54.7	40.8	67.7	46.3	57.1	52.6	28.2	27.0	97.3	75.7	-9.2	-11.7
50 Real estate investment trusts (REITs)	.8	.3	3.5	-1.9	-1.9	.1	-3.8	-2.7	-1.8	.6	-.7	-.2
51 Securitized credit obligation (SCO) issuers	39.0	39.1	32.5	20.8	40.1	38.2	32.1	55.1	27.5	45.6	28.9	37.3

A40 Domestic Financial Statistics □ December 1991

1.57—Continued

Transaction category or sector	1986	1987	1988	1989	1990	1989	1990				1991	
						Q4	Q1	Q2	Q3	Q4	Q1	Q2
All sectors												
52 Total net borrowing, all sectors	1,131.7	991.7	1,014.7	894.5	864.9	824.4	995.7	808.5	867.3	788.1	564.7	505.1
53 U.S. government securities	369.5	317.5	277.2	302.6	440.0	341.4	419.0	412.2	425.4	503.4	360.5	392.4
54 State and local obligations	22.7	49.3	49.8	30.4	20.1	19.1	12.4	24.5	30.0	13.5	11.3	27.5
55 Corporate and foreign bonds	212.8	165.7	161.5	115.8	121.1	125.9	96.4	165.8	52.0	170.3	129.0	180.5
56 Mortgages	316.4	324.9	306.7	275.7	228.6	240.1	348.5	216.2	213.0	136.7	138.7	169.8
57 Consumer credit	58.0	33.5	50.2	39.1	14.3	44.1	30.4	2.8	21.3	2.5	-23.6	-20.4
58 Bank loans n.e.c.	69.9	3.2	39.4	41.5	-9	7.5	7.1	13.0	1.4	-25.1	25.6	-64.5
59 Open market paper	26.4	32.3	75.4	60.6	30.7	51.6	62.3	-36.6	95.7	1.2	-15.2	-134.3
60 Other loans	56.1	65.5	54.4	28.9	11.1	-5.4	19.5	10.6	28.6	-14.5	-61.6	-46.0
61 MEMO: U.S. government, cash balance .....	.0	-7.9	10.4	-5.9	8.3	-7.3	22.9	-38.1	21.1	27.4	51.6	-64.3
<i>Totals net of changes in U.S. government cash balances</i>												
62 Net borrowing by domestic nonfinancial sectors	836.9	694.9	750.4	684.1	631.0	627.6	780.5	635.0	636.6	471.9	359.8	526.9
63 Net borrowing by U.S. government	215.0	152.8	147.1	157.5	264.2	192.4	224.4	266.3	265.1	301.0	153.1	306.1
External corporate equity funds raised in United States												
64 Total net share issues	86.8	10.9	-124.2	-63.7	9.6	14.9	-9.2	48.0	-24.1	23.6	108.0	173.9
65 Mutual funds	159.0	73.9	1.1	41.3	61.4	72.4	47.8	71.0	46.1	80.6	87.8	122.2
66 All other	-72.2	-63.0	-125.3	-105.1	-51.7	-57.6	-57.0	-22.9	-70.2	-56.9	20.2	51.7
67 Nonfinancial corporations	-85.0	-75.5	-129.5	-124.2	-63.0	-79.3	-69.0	-48.0	-74.0	-61.0	-12.0	11.0
68 Financial corporations	11.6	14.6	3.3	2.4	4.3	4.5	10.3	1.3	4.8	.9	3.4	4.3
69 Foreign shares purchased in United States	1.2	-2.1	.9	16.7	6.9	17.2	1.7	23.8	-1.0	3.2	28.8	36.4

1.58 DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

Billions of dollars, except as noted; quarterly data at seasonally adjusted annual rates

Transaction category or sector	1986	1987	1988	1989	1990	1989		1990				1991	
						Q4	Q1	Q2	Q3	Q4	Q1	Q2	
1 Total funds advanced in credit markets to domestic nonfinancial sectors	836.9	687.0	760.8	678.2	639.3	620.2	803.4	596.9	657.7	499.3	411.4	462.6	
2 Total net advances by federal agencies and foreign sectors	280.2	248.8	210.7	187.6	261.7	203.8	221.8	299.4	325.6	200.0	274.7	251.0	
<i>By instrument</i>													
3 U.S. government securities	69.4	70.1	85.2	30.7	74.4	27.1	4.4	111.9	139.1	42.1	122.6	74.4	
4 Residential mortgages	136.3	139.1	86.3	137.9	184.1	178.3	197.5	191.5	160.8	186.7	176.0	211.4	
5 Federal Home Loan Bank advances to thrifts	19.8	24.4	19.7	-11.0	-24.7	-48.8	-22.0	-30.9	-30.5	-15.5	-27.9	-52.9	
6 Other loans and securities	54.7	15.1	19.4	30.0	27.8	47.1	41.8	26.8	56.1	-13.3	4.0	18.1	
<i>By lender</i>													
7 U.S. government	9.7	-7.9	-9.4	-2.4	33.6	5.7	37.7	36.2	63.3	-2.7	30.3	32.1	
8 Sponsored credit agencies and mortgage pools	153.3	169.3	112.0	125.3	166.7	158.4	187.4	163.1	165.6	150.8	158.7	149.0	
9 Monetary authority	19.4	24.7	10.5	-7.3	8.1	-4.6	-6.3	40.4	24.4	-25.9	53.3	12.2	
10 Foreign	97.8	62.7	97.6	72.1	53.2	44.2	3.0	59.8	72.3	77.9	32.4	57.7	
<i>Agency and foreign borrowing not included in line 1</i>													
11 Sponsored credit agencies and mortgage pools	154.1	171.8	119.8	151.0	167.4	156.4	171.7	184.0	139.2	174.6	155.8	150.6	
12 Foreign	9.7	4.5	6.3	10.9	23.5	16.9	2.0	41.2	29.7	21.1	50.6	-53.0	
13 Total private domestic funds advanced	720.5	614.5	676.2	652.5	568.5	589.7	755.3	522.7	501.0	495.0	343.2	309.2	
14 U.S. government securities	300.1	247.4	192.1	271.9	365.6	314.3	414.6	300.3	286.2	461.4	237.8	317.9	
15 State and local obligations	22.7	49.3	49.8	30.4	20.1	19.1	12.4	24.5	30.0	13.5	11.3	27.5	
16 Corporate and foreign bonds	89.7	66.9	91.3	66.1	65.4	70.6	53.4	82.6	31.8	93.8	66.0	94.1	
17 Residential mortgages	115.9	120.2	161.3	96.5	35.0	45.5	123.8	13.0	40.0	-37.0	34.5	-32.0	
18 Other mortgages and loans	212.0	155.2	201.4	176.6	57.7	91.5	129.2	71.4	82.4	-52.2	34.6	-151.2	
19 LESS: Federal Home Loan Bank advances	19.8	24.4	19.7	-11.0	-24.7	-48.8	-22.0	-30.9	-30.5	-15.5	-27.9	-52.9	
20 Total credit market funds advanced by private financial institutions	730.0	528.4	562.3	511.1	394.6	561.9	444.8	266.4	366.7	500.4	185.8	91.6	
<i>By lending institution</i>													
21 Commercial banks	198.1	135.4	156.3	177.3	118.7	184.3	184.1	132.1	101.7	56.9	134.2	15.7	
22 Savings institutions	107.6	136.8	120.4	-90.9	-153.4	-201.9	-56.6	-210.4	-168.6	-178.0	-154.8	-147.6	
23 Insurance and pension funds	160.1	179.7	198.7	177.9	182.4	205.1	160.0	231.6	187.5	150.6	125.4	134.9	
24 Other financial institutions	264.2	76.6	86.9	246.8	246.9	374.5	157.3	113.1	246.1	470.9	80.9	88.6	
<i>By source of funds</i>													
25 Private domestic deposits and repurchase agreements	277.1	162.8	229.2	225.2	60.5	208.0	120.2	28.4	60.1	33.2	216.7	-74.0	
26 Credit market borrowing	131.0	128.4	127.8	54.5	34.7	30.9	18.5	-13.5	40.8	93.1	-53.2	-55.2	
27 Other sources	321.8	237.1	205.3	231.4	299.4	323.1	306.1	251.6	265.9	374.1	22.3	220.8	
28 Foreign funds	12.9	43.7	9.3	-9.9	24.0	-20.6	39.9	7.8	103.5	-55.1	43.8	-124.7	
29 Treasury balances	1.7	-5.8	7.3	-3.4	5.3	5.0	13.1	-13.4	18.2	3.4	30.1	-39.2	
30 Insurance and pension reserves	119.9	135.4	177.6	140.5	159.9	193.9	137.9	211.9	144.2	145.6	60.1	118.8	
31 Other, net	187.3	63.9	11.0	104.2	110.2	144.7	115.2	45.3	0	280.2	-111.7	265.8	
<i>Private domestic nonfinancial investors</i>													
32 Direct lending in credit markets	121.5	214.6	241.7	195.9	208.6	58.7	329.0	242.8	175.0	87.7	104.2	162.4	
33 U.S. government securities	27.0	86.0	129.0	134.3	148.1	65.8	198.0	154.0	165.2	75.3	85.2	156.4	
34 State and local obligations	-19.9	61.8	53.5	28.4	-1.0	12.8	-1.5	10.0	15.6	-27.9	1.8	13.2	
35 Corporate and foreign bonds	52.9	23.3	-9.4	7	17.5	14.6	38.9	19.7	-74.7	86.1	9.1	57.4	
36 Open market paper	9.9	15.8	36.4	5.4	18.2	-64.6	60.6	33.8	16.8	-38.4	-7.7	-67.8	
37 Other loans and mortgages	51.7	27.6	32.2	27.1	25.7	30.1	33.0	25.2	52.1	-7.4	15.9	3.3	
38 Deposits and currency	297.5	179.3	232.8	241.3	90.1	230.6	137.3	64.3	95.9	62.9	236.2	-41.8	
39 Currency	14.4	19.0	14.7	11.7	22.6	10.1	26.1	23.0	32.2	9.1	46.1	5.7	
40 Checkable deposits	96.4	-9	12.9	1.5	6	65.8	1.4	-18.9	13.4	6.4	31.9	-7.3	
41 Small time and savings accounts	120.6	76.0	122.4	100.5	59.4	109.1	107.7	21.5	59.6	48.9	101.0	16.7	
42 Money market fund shares	43.2	28.9	20.2	85.2	61.8	65.6	72.2	4.7	110.9	59.3	128.5	-29.8	
43 Large time deposits	-3.2	37.2	40.8	23.1	-46.8	-13.4	-26.4	-1.8	-97.9	-61.2	-2.3	-52.5	
44 Security repurchase agreements	20.2	21.6	32.9	14.9	-14.5	-19.2	-34.7	22.8	-25.8	-20.1	-42.4	-1.1	
45 Deposits in foreign countries	5.9	-2.5	-11.2	4.4	7.0	12.4	-8.9	12.8	3.6	20.6	-26.6	26.5	
46 Total of credit market instruments, deposits, and currency	419.0	393.9	474.5	437.2	298.7	289.3	466.3	307.0	270.9	150.6	340.4	120.6	
MEMO													
47 Public holdings as percent of total	33.1	36.0	27.5	27.2	39.5	32.0	27.5	46.9	47.4	38.4	59.4	61.3	
48 Private financial intermediation (percent)	101.3	86.0	83.2	78.3	69.4	95.3	58.9	51.0	73.2	101.1	54.1	29.6	
49 Total foreign funds	110.7	106.4	106.9	62.2	77.2	23.6	42.9	67.5	175.8	22.8	76.2	-66.9	
<i>Corporate equities not included above</i>													
50 Total net issues	86.8	10.9	-124.2	-63.7	9.6	14.9	-9.2	48.0	-24.1	23.6	108.0	173.9	
51 Mutual fund shares	159.0	73.9	1.1	41.3	61.4	72.4	47.8	71.0	46.1	80.6	87.8	122.2	
52 Other equities	-72.2	-63.0	-125.3	-105.1	-51.7	-57.6	-57.0	-22.9	-70.2	-56.9	20.2	51.7	
53 Acquisitions by financial institutions	50.9	32.0	-2.9	17.2	31.9	76.9	41.1	72.8	-48.2	61.9	44.0	73.4	
54 Other net purchases	35.9	-21.2	-121.4	-80.9	-22.3	-62.1	-50.3	-24.8	24.1	-38.3	64.1	100.6	

NOTES BY LINE NUMBER.

- Line 1 of table 1.57.
- Sum of lines 3-6 or 7-10.
- Includes farm and commercial mortgages.
- Credit market funds raised by federally sponsored credit agencies, and net issues of federally related mortgage pool securities.
- Line 13 less line 2 plus lines 11 and 12. Also line 20 less line 26 plus line 32. Also sum of lines 28 and 47 less lines 40 and 46.
- Includes farm and commercial mortgages.
- Line 38 less lines 39 and 45.
- Excludes equity issues and investment company shares. Includes line 19.
- Foreign deposits at commercial banks, plus bank borrowings from foreign branches, plus liabilities of foreign banking agencies to foreign affiliates, less claims on foreign affiliates and deposits by banking institutions in foreign banks.
- Demand deposits and note balances at commercial banks.

- Excludes investment of these reserves in corporate equities.
 - Mainly retained earnings and net miscellaneous liabilities.
 - Line 13 less line 20 plus line 26.
 - Lines 14-18 less amounts acquired by private finance plus amounts borrowed by private finance. Line 37 includes mortgages.
 - Mainly an offset to line 9.
 - Sum of lines 32 and 38, or line 13 less line 27 plus lines 39 and 45.
 - Line 2 divided by line 1.
 - Line 20 divided by line 13.
 - Sum of lines 10 and 28.
 - Includes issues by financial institutions.
- NOTE. Full statements for sectors and transaction types in flows and in 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.

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1.59 SUMMARY OF CREDIT MARKET DEBT OUTSTANDING

Billions of dollars, end of period

Transaction category or sector	1986	1987	1988	1989	1989	1990				1991	
					Q4	Q1	Q2	Q3	Q4	Q1	Q2
Nonfinancial sectors											
1 Total credit market debt owed by domestic nonfinancial sectors	7,646.3	8,343.9	9,096.0	9,805.2	9,805.2	10,073.3	10,226.8	10,386.9	10,557.3	10,615.5	10,735.3
<i>By lending sector and instrument</i>											
2 U.S. government	1,815.4	1,960.3	2,117.8	2,269.4	2,269.4	2,360.9	2,401.7	2,470.2	2,568.9	2,624.7	2,667.7
3 Treasury securities	1,811.7	1,955.2	2,095.2	2,245.2	2,245.2	2,329.3	2,368.8	2,437.6	2,536.5	2,598.4	2,642.9
4 Agency issues and mortgages	3.6	5.2	22.6	24.2	24.2	31.6	32.9	32.6	32.4	26.4	24.8
5 Private	5,831.0	6,383.6	6,978.2	7,535.8	7,535.8	7,712.5	7,825.1	7,916.7	7,988.4	7,990.8	8,067.7
<i>By instrument</i>											
6 Debt capital instruments	3,962.7	4,427.9	4,886.4	5,283.3	5,283.3	5,451.9	5,533.8	5,608.8	5,669.9	5,709.8	5,787.5
7 Tax-exempt obligations	679.1	728.4	790.8	821.2	821.2	822.2	827.2	837.9	841.3	842.2	847.6
8 Corporate bonds	669.4	748.8	851.7	925.4	925.4	933.0	950.2	958.4	975.1	995.3	1,019.1
9 Mortgages	2,614.2	2,950.7	3,243.8	3,536.6	3,536.6	3,696.7	3,756.4	3,812.6	3,853.4	3,872.3	3,920.9
10 Home mortgages	1,720.8	1,943.1	2,173.9	2,404.3	2,404.3	2,558.3	2,619.5	2,670.0	2,710.0	2,730.1	2,781.0
11 Multifamily residential	246.2	270.0	286.7	304.4	304.4	304.5	300.5	304.5	306.0	306.5	307.1
12 Commercial	551.4	648.7	696.4	742.6	742.6	750.0	752.5	753.8	753.5	752.0	748.9
13 Farm	95.8	88.9	86.8	85.3	85.3	83.9	84.0	84.3	84.0	83.6	83.9
14 Other debt instruments	1,868.2	1,955.7	2,091.9	2,252.6	2,252.6	2,260.6	2,291.3	2,307.9	2,318.5	2,281.0	2,280.1
15 Consumer credit	659.8	693.2	743.5	790.6	790.6	782.3	789.4	798.7	808.9	782.3	784.2
16 Bank loans n.e.c.	666.0	673.3	713.1	763.0	763.0	748.5	756.1	753.6	757.4	749.0	740.3
17 Open market paper	62.9	73.8	85.7	107.1	107.1	126.0	128.7	131.8	116.9	119.9	118.4
18 Other	479.6	515.3	549.6	591.9	591.9	603.7	617.1	623.8	635.4	629.9	637.3
<i>By borrowing sector</i>											
19 State and local government	510.1	558.9	604.5	634.1	634.1	633.8	636.9	647.1	649.1	650.2	652.8
20 Household	2,596.1	2,879.1	3,191.5	3,501.8	3,501.8	3,654.8	3,726.5	3,790.3	3,847.2	3,853.3	3,911.3
21 Nonfinancial business	2,724.8	2,945.6	3,182.2	3,400.0	3,400.0	3,423.9	3,461.7	3,479.4	3,492.2	3,487.3	3,503.6
22 Farm	156.6	145.5	137.6	139.2	139.2	137.3	138.7	141.6	140.5	139.3	143.0
23 Nonfarm noncorporate	997.6	1,075.4	1,145.1	1,195.9	1,195.9	1,208.3	1,208.7	1,209.0	1,209.6	1,205.9	1,204.6
24 Corporate	1,570.6	1,724.6	1,899.5	2,064.8	2,064.8	2,078.3	2,114.3	2,128.7	2,142.1	2,142.1	2,155.9
25 Foreign credit market debt held in United States	238.3	244.6	253.9	261.5	261.5	261.7	273.0	279.4	284.9	297.2	285.1
26 Bonds	74.9	82.3	89.2	94.5	94.5	103.3	108.4	108.9	116.1	118.9	123.0
27 Bank loans n.e.c.	26.9	23.3	21.5	21.4	21.4	18.9	19.3	19.8	18.5	20.4	19.5
28 Open market paper	37.4	41.2	49.9	63.0	63.0	59.3	65.1	71.5	75.3	87.0	74.0
29 U.S. government loans	99.1	97.7	93.2	82.6	82.6	80.2	80.2	79.3	75.0	70.9	68.6
30 Total credit market debt owed by nonfinancial sectors, domestic and foreign	7,884.7	8,588.5	9,349.9	10,066.8	10,066.8	10,335.0	10,499.8	10,666.3	10,842.2	10,912.8	11,020.5
Financial sectors											
31 Total credit market debt owed by financial sectors	1,529.8	1,836.8	2,084.4	2,322.4	2,322.4	2,359.0	2,405.5	2,448.8	2,527.7	2,540.1	2,567.3
<i>By instrument</i>											
32 U.S. government-related	810.3	978.6	1,098.4	1,249.3	1,249.3	1,288.2	1,330.1	1,367.9	1,418.4	1,452.2	1,485.1
33 Sponsored credit-agency securities	273.0	303.2	348.1	373.3	373.3	378.1	381.0	384.4	393.7	397.0	389.6
34 Mortgage pool securities	531.6	670.4	745.3	871.0	871.0	905.2	944.2	978.5	1,019.9	1,050.4	1,090.7
35 Loans from U.S. government	5.7	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.9	4.9	4.9
36 Private	719.5	858.2	986.1	1,073.0	1,073.0	1,070.8	1,075.4	1,080.9	1,109.3	1,087.9	1,082.2
37 Corporate bonds	287.4	366.3	418.0	482.7	482.7	491.7	510.0	514.4	533.6	543.0	559.5
38 Mortgages	2.7	3.1	3.4	3.4	3.4	4.0	4.0	4.1	4.2	4.2	4.2
39 Bank loans n.e.c.	36.1	32.8	34.2	36.0	36.0	33.2	34.8	34.9	36.7	34.8	35.2
40 Open market paper	284.6	322.9	377.7	409.1	409.1	409.1	400.3	409.6	417.7	398.8	388.6
41 Loans from Federal Home Loan Banks	108.6	133.1	152.8	141.8	141.8	132.9	126.3	117.9	117.1	107.0	94.7
<i>By borrowing sector</i>											
42 Sponsored credit agencies	278.7	308.2	353.1	378.3	378.3	383.0	385.9	389.4	398.5	401.8	394.4
43 Mortgage pools	531.6	670.4	745.3	871.0	871.0	905.2	944.2	978.5	1,019.9	1,050.4	1,090.7
44 Private financial sectors	719.5	858.2	986.1	1,073.0	1,073.0	1,070.8	1,075.4	1,080.9	1,109.3	1,087.9	1,082.2
45 Commercial banks	75.6	81.8	78.8	77.4	77.4	73.2	71.6	70.7	76.3	68.1	65.9
46 Bank affiliates	116.8	131.1	136.2	142.5	142.5	142.0	134.3	122.9	114.8	111.7	110.3
47 Savings and loan associations	119.8	139.4	159.3	145.2	145.2	137.1	125.6	116.2	114.0	102.8	90.8
48 Mutual savings banks	8.6	16.7	18.6	17.2	17.2	15.4	16.7	16.2	16.7	16.4	15.8
49 Finance companies	328.1	378.8	446.1	496.2	496.2	499.2	509.7	530.9	551.8	545.9	547.0
50 Real estate investment trusts (REITs)	6.5	7.3	11.4	10.1	10.1	10.9	10.4	10.2	10.6	10.6	10.8
51 Securitized credit obligation (SCO) issuers	64.0	103.1	135.7	184.4	184.4	193.1	206.9	213.8	225.2	232.4	241.7
All sectors											
52 Total credit market debt, domestic and foreign	9,414.4	10,425.3	11,434.3	12,389.1	12,389.1	12,694.0	12,905.3	13,115.1	13,369.9	13,452.9	13,587.7
53 U.S. government securities	2,620.0	2,933.9	3,211.1	3,513.7	3,513.7	3,644.1	3,726.9	3,833.1	3,982.5	4,072.1	4,147.9
54 State and local obligations	679.1	728.4	790.8	821.2	821.2	822.2	827.2	837.9	841.3	842.2	847.6
55 Corporate and foreign bonds	1,031.7	1,197.4	1,358.9	1,502.6	1,502.6	1,527.9	1,568.6	1,581.6	1,624.8	1,657.3	1,701.6
56 Mortgages	2,617.0	2,953.8	3,247.2	3,540.1	3,540.1	3,700.7	3,760.5	3,816.7	3,857.7	3,876.5	3,925.1
57 Consumer credit	659.8	693.2	743.5	790.6	790.6	782.3	789.4	798.7	808.9	782.3	784.2
58 Bank loans n.e.c.	729.0	729.5	768.9	820.3	820.3	800.7	810.2	808.3	812.6	804.1	794.9
59 Open market paper	384.9	437.9	513.4	579.2	579.2	594.4	594.0	612.9	609.9	605.7	581.1
60 Other loans	693.1	751.1	800.5	821.4	821.4	821.7	828.5	826.0	832.3	812.7	805.5

1.60 SUMMARY OF CREDIT MARKET CLAIMS, BY HOLDER

Billions of dollars, except as noted, end of period

Transaction category or sector	1986	1987	1988	1989	1990					1991	
					Q4	Q1	Q2	Q3	Q4	Q1	Q2
1 Total funds advanced in credit markets to domestic nonfinancial sectors	7,646.3	8,343.9	9,096.0	9,805.2	9,805.2	10,073.3	10,226.8	10,386.9	10,557.3	10,615.5	10,735.3
2 Total held by federal agencies and foreign sector	1,779.4	2,006.6	2,199.7	2,379.3	2,379.3	2,423.3	2,502.6	2,584.1	2,645.8	2,698.2	2,765.3
<i>By instrument</i>											
3 U.S. government securities	509.8	570.9	651.5	682.1	682.1	682.7	714.1	745.6	763.0	786.3	808.3
4 Residential mortgages	678.5	814.1	900.4	1,038.4	1,038.4	1,081.5	1,126.5	1,171.8	1,221.0	1,260.3	1,310.0
5 Federal Home Loan Bank advances to thrifts	108.6	131.1	152.8	141.8	141.8	132.9	126.3	117.9	117.1	107.0	94.7
6 Other loans and securities	482.4	488.6	495.1	517.0	517.0	526.3	535.8	548.8	544.7	544.6	552.2
<i>By type of lender</i>											
7 U.S. government	1,779.4	2,006.6	2,199.7	2,379.3	2,379.3	2,423.3	2,502.6	2,584.1	2,645.8	2,698.2	2,765.3
8 Sponsored credit agencies and mortgage pools	255.3	240.0	217.6	207.1	207.1	217.1	227.4	242.7	240.6	248.9	258.2
9 Monetary authority	835.9	1,001.0	1,113.0	1,238.2	1,238.2	1,274.8	1,315.0	1,360.5	1,403.4	1,434.8	1,471.0
10 Foreign	205.5	230.1	240.6	233.3	233.3	224.4	237.8	240.8	241.4	247.3	253.7
<i>Agency and foreign debt not in line 1</i>											
11 Sponsored credit agencies and mortgage pools	482.8	535.5	628.5	700.6	700.6	707.0	722.5	740.2	760.4	767.2	782.4
12 Foreign	810.3	978.6	1,098.4	1,249.3	1,249.3	1,288.2	1,330.1	1,367.9	1,418.4	1,452.2	1,485.1
13 Total private domestic holdings	238.3	244.6	253.9	261.5	261.5	261.7	273.0	279.4	284.9	297.2	285.1
14 U.S. government securities	6,915.6	7,560.4	8,248.5	8,936.8	8,936.8	9,199.9	9,327.3	9,450.1	9,614.8	9,666.8	9,740.3
15 State and local obligations	2,110.1	2,363.0	2,559.7	2,831.6	2,831.6	2,961.4	3,012.8	3,087.5	3,219.4	3,285.8	3,339.6
16 Corporate and foreign bonds	679.1	728.4	790.8	821.2	821.2	822.2	827.2	837.9	841.3	842.2	847.6
17 Residential mortgages	606.6	674.3	765.6	831.6	831.6	846.7	865.5	874.0	897.1	915.5	936.8
18 Other mortgages and loans	1,288.5	1,399.0	1,560.2	1,670.4	1,670.4	1,781.4	1,793.5	1,802.8	1,795.0	1,776.3	1,778.0
19 LESS: Federal Home Loan Bank advances	2,339.8	2,528.7	2,724.9	2,923.8	2,923.8	2,921.0	2,954.5	2,965.9	2,979.1	2,954.0	2,933.0
20 Total credit market claims held by private financial institutions	108.6	133.1	152.8	141.8	141.8	132.9	126.3	117.9	117.1	107.0	94.7
<i>By holding institution</i>											
21 Commercial banks	6,018.0	6,564.5	7,128.6	7,662.7	7,662.7	7,852.1	7,913.4	7,987.2	8,127.7	8,173.1	8,199.4
22 Savings institutions	2,187.6	2,323.0	2,479.3	2,656.6	2,656.6	2,679.4	2,721.2	2,750.9	2,775.3	2,785.4	2,799.3
23 Insurance and pension funds	1,297.9	1,445.5	1,567.7	1,480.7	1,480.7	1,461.3	1,409.5	1,371.2	1,330.3	1,289.2	1,253.0
24 Other finance	1,525.4	1,705.1	1,903.8	2,081.6	2,081.6	2,150.3	2,194.4	2,227.6	2,264.1	2,308.1	2,335.6
<i>By source of funds</i>											
25 Private domestic deposits and repurchase agreements	3,199.0	3,354.2	3,599.1	3,824.3	3,824.3	3,848.4	3,837.2	3,844.6	3,884.6	3,933.6	3,895.0
26 Credit market debt	719.5	858.2	986.1	1,073.0	1,073.0	1,070.8	1,075.4	1,080.9	1,109.3	1,087.9	1,082.2
27 Other sources	2,099.5	2,352.1	2,543.5	2,765.5	2,765.5	2,932.9	3,000.8	3,061.8	3,133.7	3,151.7	3,222.2
28 Foreign funds	18.6	62.3	71.5	61.6	61.6	61.7	63.1	86.2	85.6	85.2	54.4
29 U.S. Treasury balances	27.5	21.6	29.0	25.6	25.6	16.7	32.1	36.6	30.9	26.3	36.0
30 Insurance and pension reserves	1,398.5	1,527.8	1,692.5	1,826.0	1,826.0	1,859.8	1,903.6	1,921.1	1,950.7	1,968.6	2,003.2
31 Other, net	655.0	740.3	750.5	852.3	852.3	994.7	1,002.1	1,017.9	1,066.4	1,071.5	1,128.6
<i>Private domestic nonfinancial investors</i>											
32 Credit market claims	1,617.0	1,854.1	2,106.0	2,347.1	2,347.1	2,418.6	2,489.2	2,543.8	2,596.5	2,581.6	2,623.0
33 U.S. government securities	848.7	936.7	1,072.2	1,206.4	1,206.4	1,254.9	1,280.1	1,322.8	1,360.8	1,370.1	1,395.4
34 State and local obligations	212.6	274.4	340.9	369.3	369.3	362.0	367.3	371.1	368.4	361.1	366.5
35 Corporate and foreign bonds	90.5	114.0	100.4	130.5	130.5	153.4	169.2	166.8	180.6	180.3	195.1
36 Open market paper	145.1	178.5	218.0	228.7	228.7	233.9	249.6	251.0	247.0	235.3	227.5
37 Other loans and mortgages	320.1	350.4	374.4	412.1	412.1	414.4	423.0	432.1	439.7	434.8	438.5
38 Deposits and currency	3,410.1	3,583.9	3,832.3	4,073.6	4,073.6	4,094.7	4,097.4	4,108.5	4,163.6	4,209.8	4,184.2
39 Currency	186.3	205.4	220.1	231.8	231.8	234.4	242.7	247.2	254.4	262.0	265.9
40 Checkable deposits	516.6	515.4	527.2	528.7	528.7	504.3	510.1	499.7	529.2	512.2	520.8
41 Small time and savings accounts	1,948.3	2,017.1	2,156.2	2,256.7	2,256.7	2,285.6	2,286.6	2,295.8	2,313.2	2,343.0	2,342.7
42 Money market fund shares	268.9	297.8	318.0	403.3	403.3	436.7	426.3	454.5	465.0	513.3	493.2
43 Large time deposits	336.7	373.9	414.7	437.8	437.8	433.4	421.6	408.1	393.8	393.2	367.8
44 Security repurchase agreements	128.5	150.1	182.9	197.9	197.9	188.4	192.7	186.6	183.4	171.9	170.4
45 Deposits in foreign countries	24.8	24.3	13.1	17.6	17.6	11.9	17.5	16.8	24.6	14.3	23.4
46 Total of credit market instruments, deposits, and currency	5,027.2	5,438.0	5,938.2	6,420.7	6,420.7	6,513.3	6,586.6	6,652.3	6,760.1	6,791.4	6,807.3
<i>MEMO</i>											
47 Public holdings as percent of total	22.6	23.4	23.5	23.6	23.6	23.4	23.8	24.2	24.4	24.7	25.1
48 Private financial intermediation (percent)	87.0	86.8	86.4	85.7	85.7	85.3	84.8	84.5	84.5	84.5	84.2
49 Total foreign funds	501.3	597.8	700.1	762.3	762.3	768.7	785.6	826.4	846.0	852.4	836.8
<i>Corporate equities not included above</i>											
50 Total market value	3,360.6	3,325.0	3,619.8	4,378.9	4,378.9	4,166.6	4,333.1	3,765.3	3,982.7	4,562.4	4,596.2
51 Mutual fund shares	413.5	460.1	478.3	555.1	555.1	550.3	587.9	547.3	579.9	643.0	681.3
52 Other equities	2,947.1	2,864.9	3,141.6	3,823.8	3,823.8	3,616.3	3,745.2	3,218.0	3,402.8	3,919.3	3,914.9
53 Holdings by financial institutions	974.6	1,039.5	1,176.1	1,492.3	1,492.3	1,434.8	1,542.1	1,301.6	1,417.4	1,663.8	1,677.1
54 Other holdings	2,385.9	2,285.5	2,443.7	2,886.6	2,886.6	2,731.8	2,791.0	2,463.6	2,565.3	2,898.6	2,919.1

NOTES BY LINE NUMBER.

1. Line 1 of table 1.59.
 2. Sum of lines 3-6 or 7-10.
 6. Includes farm and commercial mortgages.
 11. Credit market debt of federally sponsored agencies, and net issues of federally related mortgage pool securities.
 13. Line 1 less line 2 plus lines 11 and 12. Also line 20 less line 26 plus line 32.
 - Also sum of lines 27 and 46 less lines 39 and 45.
 18. Includes farm and commercial mortgages.
 25. Line 38 less lines 39 and 45.
 26. Excludes equity issues and investment company shares. Includes line 19.
 28. Foreign deposits at commercial banks, plus bank borrowings from foreign affiliates, less claims on foreign affiliates and deposits by banking in foreign banks.
 29. Demand deposits and note balances at commercial banks.
 30. Excludes net investment of these reserves in corporate equities.
 31. Mainly retained earnings and net miscellaneous liabilities.
 32. Line 13 less line 20 plus line 26.
 - 33-37. Lines 14-18 less amounts acquired by private finance plus amounts borrowed by private finance. Line 37 includes mortgages.
 39. Mainly an offset to line 9.
 46. Sum of lines 32 and 38, or line 13 less line 27 plus lines 39 and 45.
 47. Line 2 divided by lines 1 plus 12.
 48. Line 20 divided by line 13.
 49. Sum of lines 10 and 28.
 - 50-52. Includes issues by financial institutions.
- NOTE: Full statements for sectors and transaction types in flows and in amounts outstanding can be obtained from Flow of Funds Section, Stop 95, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

Monthly data seasonally adjusted, except as noted

Measure	1988	1989	1990	1991								
				Jan.	Feb.	Mar.	Apr.	May	June	July ^f	Aug. ^r	Sept.
1 Industrial production ¹ (1987=100)	105.4	108.1	109.2	106.6	105.7	105.0	105.5	106.4	107.3	108.0	108.0	108.1
<i>Market groupings (1987=100)</i>												
2 Products, total	105.3	108.6	110.1	107.8	106.9	106.5	106.9	107.7	108.6	108.8	108.6	109.0
3 Final, total	105.6	109.1	110.9	109.1	108.3	108.1	108.7	109.3	110.1	110.3	110.0	110.6
4 Consumer goods	104.0	106.7	107.3	105.6	104.7	104.7	105.5	106.6	108.0 ^f	108.3	108.4	109.1
5 Equipment	107.6	112.3	115.5	113.6	112.9	112.5	112.8	112.7	112.8 ^f	112.9	112.0	112.4
6 Intermediate	104.4	106.8	107.7	103.8	102.6	101.3	101.2	102.7	104.0 ^f	104.0	104.5	104.1
7 Materials	105.6	107.4	107.8	104.8	103.9	102.6	103.4	104.5	105.4	106.9	107.0	106.8
<i>Industry groupings (1987=100)</i>												
8 Manufacturing	105.8	108.9	109.9	107.0	106.1	105.2	105.9	106.6	107.5 ^f	108.3	108.3	108.8
9 Capacity utilization, manufacturing (percent)	83.9	83.9	82.3	78.9	78.0	77.2	77.5	77.8	78.3	78.7	78.5	78.7
10 Construction contracts (1982=100) ³	166.7	172.9	154.8 ^f	132.0	133.0	128.0	145.0	138.0	133.0	144.0	150.0	143.0
11 Nonagricultural employment, total ⁴	128.0	131.5	133.8	132.7	132.4	132.1	131.9	132.0	132.0	132.0	132.1	132.1
12 Goods-producing, total	103.4	104.0	102.7	99.3	98.7	98.1	97.7	98.0	97.7	97.8	97.9	97.7
13 Manufacturing, total	98.3	98.7	96.8	94.8	94.1	93.7	93.4	93.6	93.4	93.5	93.6	93.5
14 Manufacturing, production worker	93.5	93.8	91.5	89.1	88.3	87.9	87.7	87.9	87.8	88.0	88.3	88.1
15 Service-producing	138.3	142.9	146.8	146.6	146.4	146.3	146.1	146.3	146.4	146.3	146.4	146.5
16 Personal income, total	253.2	272.7	289.0	293.9	294.5	295.5	295.9	297.8 ^r	299.3 ^r	298.8	300.1	n.a.
17 Wages and salary disbursements	244.6	258.9	272.2	275.8	275.9	276.2	276.7	279.0	281.7 ^r	280.8	282.2	n.a.
18 Manufacturing	196.5	203.1	205.0	202.5	200.9	200.2	201.3	202.9	204.7 ^r	205.3	207.3	n.a.
19 Disposable personal income ⁵	252.2	270.1	286.1	290.6	291.4	292.6	292.9 ^r	295.1 ^r	296.8 ^r	296.5	298.0	n.a.
20 Retail sales ⁶	228.2	241.7	250.8 ^r	246.2	251.6	252.3	251.4	254.3	254.2	255.1	253.5	255.3
<i>Prices⁷</i>												
21 Consumer (1982-84=100)	118.3	124.0	130.7	134.6	134.8	135.0	135.2	135.6	136.0	136.2	136.6	137.2
22 Producer finished goods (1982=100)	108.0	113.6	119.2	122.3	121.4	120.9	121.1	121.8 ^r	121.9	121.6	121.7	121.3

1. A major revision of the industrial production index and the capacity utilization rates was released in April 1990. See "Industrial Production: 1989 Developments and Historical Revision," *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187-204.

2. Ratio of index of production to index of capacity. Based on data from the Federal Reserve, DRI McGraw-Hill, U.S. Department of Commerce, and other sources.

3. Index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering, from McGraw-Hill Information Systems Co., 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 U.S. Bureau of the Census data published in *Survey of Current Business*.

7. Based on data not seasonally adjusted, as published in *Monthly Labor Review*. Seasonally adjusted data for changes in the price indexes can be obtained from the Bureau of Labor Statistics, U.S. Department of Labor.

NOTE. Basic data (not indexes) for series mentioned in notes 4, 5, and 6, and indexes for series mentioned in notes 3 and 7 can also be found in the *Survey of Current Business*.

Figures for industrial production for the latest month are preliminary, and many figures for the three months preceding the latest month have been revised. See "Recent Developments in Industrial Capacity and Utilization," *Federal Reserve Bulletin*, vol. 76 (June 1990), pp. 411-35.

2.11 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Thousands of persons; monthly data seasonally adjusted; exceptions noted

Category	1988	1989	1990	1991							
				Feb.	Mar.	Apr.	May	June	July ^r	Aug. ^r	Sept.
HOUSEHOLD SURVEY DATA											
1 Noninstitutional population ¹	186,837	188,601	190,216	191,248	191,384	191,525	191,664	191,805	191,955	192,095	192,240
2 Labor force (including Armed Forces) ¹	123,893	126,077	126,954	127,209	127,467	127,817	127,374	127,766	127,330	127,026	127,725
3 Civilian labor force	121,669	123,869	124,787	125,076	125,326	125,672	125,232	125,629	125,214	124,904	125,607
<i>Employment</i>											
4 Nonagricultural industries ²	111,800	114,142	114,728	113,696	113,656	114,243	113,319	113,576	113,474	113,150	113,859
5 Agriculture	3,169	3,199	3,186	3,222	3,098	3,156	3,272	3,308	3,239	3,266	3,306
<i>Unemployment</i>											
6 Number	6,701	6,528	6,874	8,158	8,572	8,274	8,640	8,745	8,501	8,488	8,442
7 Rate (percent of civilian labor force)	5.5	5.3	5.5	6.5	6.8	6.6	6.9	7.0	6.8	6.8	6.7
8 Not in labor force	62,944	62,524	63,262	64,039	63,917	63,708	64,290	64,039	64,625	65,069	64,515
ESTABLISHMENT SURVEY DATA											
9 Nonagricultural payroll employment ³	105,536	108,413	110,330	109,160	108,902	108,736	108,887	108,885	108,859	108,936	108,960
10 Manufacturing	19,350	19,426	19,064	18,532	18,443	18,396	18,426	18,378	18,402	18,436	18,414
11 Mining	713	700	735	715	714	710	706	704	701	693	684
12 Contract construction	5,110	5,200	5,205	4,792	4,720	4,688	4,715	4,710	4,695	4,691	4,685
13 Transportation and public utilities	5,527	5,648	5,838	5,834	5,824	5,814	5,819	5,809	5,809	5,818	5,819
14 Trade	25,132	25,851	26,151	25,583	25,483	25,410	25,424	25,413	25,411	25,392	25,404
15 Finance	6,649	6,724	6,833	6,732	6,735	6,718	6,712	6,703	6,688	6,685	6,684
16 Service	25,669	27,096	28,209	28,583	28,576	28,576	28,645	28,712	28,733	28,812	28,888
17 Government	17,386	17,769	18,295	18,389	18,407	18,424	18,440	18,456	18,420	18,409	18,382

1. Persons sixteen years of age and older. Monthly figures are based on sample data collected during the calendar week that contains the twelfth day; annual data are averages of monthly figures. By definition, seasonality does not exist in population figures.

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

3. Includes all full- and part-time employees who worked during, or received

pay for, the pay period that includes the twelfth day of the month, and exclude proprietors, self-employed persons, household and unpaid family workers, and members of the armed forces. Data are adjusted to the March 1984 benchmark, and only seasonally adjusted data are available at this time.

SOURCE: Based on data from *Employment and Earnings* (U.S. Department of Labor).

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION¹

Seasonally adjusted

Series	1990	1991			1990	1991			1990	1991			
	Q4	Q1	Q2 ^r	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2 ^r	Q3	
	Output (1987-100)				Capacity (percent of 1987 output)				Capacity utilization rate (percent)				
1 Total industry	108.5	105.8	106.4	108.1	132.8	133.6	134.5	135.3	81.7	79.2	79.1	79.8	
2 Manufacturing	109.0	106.1	106.7	108.5	135.0	136.0	136.9	137.9	80.8	78.0	77.9	78.7	
3 Primary processing	104.7	100.6	100.8	103.9	126.1	126.8	127.5	128.1	83.0	79.4	79.1	81.1	
4 Advanced processing	111.0	108.6	109.4	110.6	139.1	140.2	141.3	142.4	79.8	77.5	77.4	77.7	
5 Durable goods	110.0	106.1	106.7	108.3	139.0	139.9	140.9	141.8	79.1	75.8	75.7	76.4	
6 Lumber and products	95.7	92.3	94.0	95.7	124.6	125.0	125.2	125.4	76.8	73.9	75.1	76.3	
7 Primary metals	107.3	97.9	95.9	102.1	127.9	128.2	128.6	129.0	83.9	76.4	74.6	79.1	
8 Iron and steel	110.0	96.3	92.8	100.1	132.7	133.0	133.5	134.0	82.9	72.4	69.5	74.7	
9 Nonferrous	103.4	100.2	100.3	104.8	121.1	121.3	121.5	121.7	85.3	82.6	82.6	86.1	
10 Nonelectrical machinery	126.4	124.4	123.5	124.0	156.3	157.9	159.5	161.2	80.8	78.8	77.4	77.0	
11 Electrical machinery	109.9	108.1	110.6	111.5	141.4	142.7	144.0	145.3	77.8	75.8	76.8	76.7	
12 Motor vehicles and parts	89.4	80.8	89.5	95.8	132.9	133.4	134.2	134.9	67.2	60.5	66.7	71.0	
13 Aerospace and miscellaneous transportation equipment	113.3	109.9	106.4	105.4	136.1	137.0	137.9	138.7	83.3	80.2	77.2	76.0	
14 Nondurable goods	107.8	106.1	106.7	108.6	129.9	130.9	131.9	132.9	83.0	81.0	80.9	81.8	
15 Textile mill products	98.2	94.6	99.4	104.3	117.0	117.3	117.7	118.0	84.0	80.6	84.5	88.4	
16 Paper and products	105.8	102.6	102.7	107.3	115.7	116.4	117.1	117.9	91.4	88.2	87.7	91.0	
17 Chemicals and products	110.2	109.1	109.3	111.2	137.1	138.4	139.7	141.0	80.4	78.8	78.2	78.8	
18 Plastics materials	118.1	113.2	115.6	119.9	132.9	135.7	139.2	141.0	88.9	83.4	83.0	88.4	
19 Petroleum products	107.4	107.3	107.6	108.5	121.4	121.4	121.4	121.4	88.5	88.4	88.6	89.4	
20 Mining	103.1	102.0	101.1	101.6	114.0	113.8	114.3	114.6	90.4	89.6	88.4	88.7	
21 Utilities	108.3	106.2	109.6	110.2	127.6	128.1	128.4	128.8	84.8	82.9	85.3	85.6	
22 Electric	111.2	109.3	114.4	115.8	123.2	123.8	124.3	124.7	90.2	88.3	92.1	92.8	
	Previous cycle ²		Recent cycle ³		1990	1991							
	High	Low	High	Low	Sept.	Feb.	Mar.	Apr.	May	June ^r	July ^r	Aug. ^r	Sept. ^p
	Capacity utilization rate (percent)												
1 Total industry	89.2	72.6	87.3	71.8	83.6	79.1	78.4	78.6	79.1	79.6	80.0	79.8	79.7
2 Manufacturing	88.9	70.8	87.3	70.0	82.8	78.0	77.2	77.5	77.8	78.3	78.7	78.5	78.7
3 Primary processing	92.2	68.9	89.7	66.8	85.1	79.5	77.9	78.2	79.0	79.9	81.0	81.1	81.2
4 Advanced processing	87.5	72.0	86.3	71.4	81.8	77.4	76.8	77.3	77.3	77.6	77.8	77.5	77.7
5 Durable goods	88.8	68.5	86.9	65.0	82.2	75.8	74.9	75.4	75.7	76.0	76.4	76.1	76.6
6 Lumber and products	90.1	62.2	87.6	60.9	80.7	73.2	72.9	74.1	73.9	77.2	75.5	76.6	76.9
7 Primary metals	100.6	66.2	102.4	46.8	87.4	77.6	73.8	73.6	75.3	74.9	78.5	79.5	79.4
8 Iron and steel	105.8	66.6	110.4	38.3	86.0	73.7	69.1	68.7	70.4	69.5	74.3	74.7	75.0
9 Nonferrous	92.9	61.3	90.5	62.2	89.6	83.7	81.1	81.1	83.1	83.5	85.1	86.8	86.4
10 Nonelectrical machinery	96.4	74.5	92.1	64.9	82.8	78.8	77.7	77.7	77.4	77.1	77.3	76.9	76.7
11 Electrical machinery	87.8	63.8	89.4	71.1	80.1	75.8	75.9	76.4	76.8	77.2	76.6	76.9	76.7
12 Motor vehicles and parts	93.4	51.1	93.0	44.5	81.0	59.5	59.7	64.3	66.9	68.9	71.8	67.9	73.3
13 Aerospace and miscellaneous transportation equipment	77.0	66.6	81.1	66.9	84.3	80.3	79.3	78.0	76.7	76.8	76.3	76.1	75.6
14 Nondurable goods	87.9	71.8	87.0	76.9	83.6	81.0	80.3	80.5	80.7	81.4	81.9	81.8	81.6
15 Textile mill products	92.0	60.4	91.7	73.8	86.3	80.4	81.3	82.7	84.3	86.4	88.5	88.4	88.4
16 Paper and products	96.9	69.0	94.2	82.0	93.3	87.9	86.8	86.7	86.5	89.7	91.9	90.4	90.6
17 Chemicals and products	87.9	69.9	85.1	70.1	81.4	78.8	77.9	78.3	78.2	78.2	78.8	78.8	78.8
18 Plastics materials	102.0	50.6	90.9	63.4	88.9	85.0	79.0	80.5	84.5	84.1	89.6	89.6	89.6
19 Petroleum products	96.7	81.1	89.5	68.2	90.1	89.6	89.4	87.1	88.6	90.2	89.2	89.0	90.0
20 Mining	94.4	88.4	96.6	80.6	90.9	90.4	89.0	88.3	87.6	89.2	89.7	88.6	87.7
21 Utilities	95.6	82.5	88.3	76.2	86.7	81.6	83.0	82.6	86.7	86.7	86.2	86.4	84.1
22 Electric	99.0	82.7	88.3	78.7	91.9	87.0	88.6	88.5	93.7	94.1	93.6	93.9	91.0

1. Data in this table also appear in the Board's G-17 (419) monthly statistical release. For ordering address, see inside front cover. For a detailed description of the series, see "Recent Developments in Industrial Capacity and Utilization," *Federal Reserve Bulletin*, vol. 76 (June 1990), pp. 411-35.

2. Monthly high, 1973; monthly low, 1975.

3. Monthly highs, 1978 through 1980; monthly lows, 1982.

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value¹

Monthly data seasonally adjusted

Group	1987 proportion	1990 avg.	1990				1991							
			Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June ^r	July ^r	Aug. ^r	Sept.^{p}
Index (1987 = 100)														
MAJOR MARKETS														
1 Total index	100.0	109.2	110.6	109.9	108.3	107.2	106.6	105.7	105.0	105.5	106.4	107.3	108.0	108.1
2 Products	60.8	110.1	111.4	111.0	109.3	108.4	107.8	106.9	106.5	106.9	107.7	108.6	108.8	108.6
3 Final products	46.0	110.9	112.6	112.3	110.2	109.2	109.1	108.3	108.1	108.7	109.3	110.1	110.3	110.0
4 Consumer goods, total	26.0	107.3	108.7	108.6	106.5	105.7	105.6	104.7	104.7	105.5	106.6	108.0	108.3	108.4
5 Durable consumer goods	5.6	106.2	110.4	106.9	99.4	96.0	97.6	95.2	95.9	99.3	101.1	104.2	106.1	104.2
6 Automotive products	2.5	102.3	111.8	107.1	93.5	86.7	90.6	88.1	88.9	94.2	97.4	100.4	103.2	99.0
7 Autos and trucks	1.5	97.4	113.0	107.5	84.2	74.6	79.6	74.7	76.7	85.0	89.2	92.5	98.1	90.2
8 Autos, consumer .....	.9	92.2	111.5	104.6	80.7	77.2	83.2	78.6	76.3	78.3	81.9	83.8	92.8	83.0
9 Trucks, consumer .....	.6	106.1	115.4	112.2	90.2	70.2	73.6	68.1	77.4	96.3	101.6	107.1	106.9	102.2
10 Auto parts and allied goods	1.0	109.6	110.0	106.4	107.3	104.8	107.1	108.3	107.3	108.0	109.5	112.2	110.8	112.1
11 Other	3.1	109.4	109.3	106.8	104.1	103.4	103.2	100.7	101.4	103.4	104.1	107.3	108.3	108.3
12 Appliances, A/C, and TV .....	.8	102.0	101.0	94.6	90.8	89.9	92.8	94.5	96.2	97.3	96.8	104.8	100.6	100.2
13 Carpeting and furniture .....	.9	104.9	106.0	103.8	99.2	100.9	100.3	92.0	93.9	97.0	96.9	99.2	103.1	102.8
14 Miscellaneous home goods	1.4	116.4	116.1	115.5	114.6	112.5	110.8	109.8	109.2	110.8	112.8	113.8	115.9	116.4
15 Nondurable consumer goods	20.4	107.6	108.2	109.1	108.5	108.4	107.8	107.3	107.1	107.2	108.1	109.0	108.9	109.6
16 Foods and tobacco	9.1	105.9	105.3	106.7	107.8	107.5	106.3	105.9	105.4	105.3	106.2	106.9	106.8	107.2
17 Clothing	2.6	95.7	95.3	94.2	91.7	92.1	90.6	90.8	90.4	90.6	92.0	93.9	94.5	95.8
18 Chemical products	3.5	113.3	115.1	115.9	113.5	113.5	114.7	114.8	114.2	115.0	113.9	114.3	114.8	115.7
19 Paper products	2.5	119.7	121.9	123.4	122.8	122.7	122.1	121.0	122.2	122.7	118.8	123.3	122.1	123.5
20 Energy	2.7	105.9	108.0	108.8	106.4	106.6	106.5	105.2	105.5	104.4	109.0	110.0	109.4	109.9
21 Fuels .....	.7	102.9	105.6	104.0	101.1	98.1	99.8	103.4	103.3	101.4	103.6	104.9	105.2	104.7
22 Residential utilities	2.0	107.0	108.9	110.6	108.4	109.7	109.0	105.9	105.9	105.5	111.0	111.9	110.9	111.8
23 Equipment	20.0	115.5	117.8	117.0	115.1	113.6	113.6	112.9	112.5	112.8	112.7	112.8	112.9	112.0
24 Business equipment	13.9	123.1	126.4	125.4	122.9	121.2	121.6	120.6	120.3	121.3	121.7	121.9	122.6	121.8
25 Information processing and related	5.6	127.2	129.5	130.1	128.8	127.5	130.1	131.6	131.2	131.5	131.8	130.9	131.1	130.8
26 Office and computing	1.9	149.8	153.6	155.3	149.8	148.9	155.0	157.3	155.1	155.6	154.0	156.0	154.1	155.0
27 Industrial	4.0	115.3	117.4	115.4	115.3	112.3	111.5	109.1	109.5	109.3	109.3	109.1	109.4	109.2
28 Transit	2.5	129.9	140.5	137.5	126.3	123.4	124.0	120.3	120.4	124.1	125.9	128.0	131.2	127.0
29 Autos and trucks	1.2	96.8	111.0	106.5	83.9	75.3	79.8	75.0	76.7	84.4	87.9	90.8	96.6	86.2
30 Other	1.9	118.5	118.5	117.0	117.6	118.5	115.0	112.5	110.8	112.7	113.0	114.8	114.5	115.3
31 Defense and space equipment	5.4	97.3	97.3	97.3	96.2	95.8	94.4	94.5	93.9	92.5	91.5	91.0	90.2	89.9
32 Oil and gas well drilling .....	.6	109.0	107.4	107.1	109.7	107.3	106.4	108.2	107.7	105.1	101.3	103.0	97.8	86.7
33 Manufactured homes .....	.2	90.8	91.8	89.0	87.3	83.4	83.1	77.3	79.3	83.1	86.6	90.8	86.5	90.3
34 Intermediate products, total	14.7	107.7	107.4	107.0	106.2	106.0	103.8	102.6	101.3	101.2	102.7	104.0	104.0	104.5
35 Construction supplies	6.0	105.2	103.8	103.1	101.8	101.0	97.7	96.4	94.0	94.9	95.8	97.4	97.1	97.7
36 Business supplies	8.7	109.4	109.9	109.7	109.2	109.4	108.1	106.8	106.4	105.6	107.5	108.5	108.8	109.2
37 Materials	39.2	107.8	109.4	108.3	106.8	105.3	104.8	103.9	102.6	103.4	104.5	105.4	106.9	107.0
38 Durable goods materials	19.4	111.8	114.1	112.5	110.4	107.5	106.8	105.5	103.3	104.9	106.2	106.7	108.1	108.9
39 Durable consumer parts	4.2	104.0	109.0	106.0	98.5	91.1	94.2	90.4	87.5	92.1	95.5	97.3	100.0	100.5
40 Equipment parts	7.3	118.1	119.8	118.6	117.4	116.9	115.9	116.2	114.8	114.6	114.8	113.6	113.4	114.7
41 Other	7.9	110.2	111.6	110.4	110.2	107.4	105.2	103.8	101.0	102.6	103.8	105.3	107.3	108.7
42 Basic metal materials	2.8	111.9	115.8	112.0	112.7	109.6	104.6	104.8	101.2	101.6	103.0	105.9	108.7	110.4
43 Nondurable goods materials	9.0	106.0	106.9	106.5	105.6	104.9	104.9	103.6	102.8	103.1	103.7	104.9	107.5	106.8
44 Textile materials	1.2	96.7	98.1	97.9	95.1	91.4	89.1	91.5	92.7	94.7	96.8	98.1	101.4	101.3
45 Pulp and paper materials	1.9	106.4	109.4	108.6	107.2	108.5	106.0	104.1	102.4	102.0	101.5	106.9	110.3	108.3
46 Chemical materials	3.8	106.8	106.6	105.6	105.8	105.7	106.7	104.1	102.7	102.9	103.9	103.9	106.5	106.4
47 Other	2.1	109.5	110.1	110.8	109.4	107.6	109.3	108.8	108.8	109.0	109.2	108.6	110.0	109.4
48 Energy materials	10.9	102.1	103.0	102.3	101.6	102.0	101.1	101.1	101.3	101.1	102.4	103.4	104.1	103.6
49 Primary energy	7.2	101.3	101.0	100.7	101.4	101.9	101.3	102.1	101.5	100.5	101.2	104.7	106.2	105.0
50 Converted fuel materials	3.7	103.5	107.0	105.3	102.0	102.1	100.9	99.2	100.8	102.4	104.7	101.0	100.1	100.8
SPECIAL AGGREGATES														
51 Total excluding autos and trucks	97.3	109.5	110.6	110.0	109.0	108.1	107.4	106.6	105.7	106.1	106.9	107.8	108.3	108.5
52 Total excluding motor vehicles and parts	95.3	109.8	110.7	110.2	109.4	108.6	107.8	107.0	106.2	106.5	107.3	108.1	108.6	108.8
53 Total excluding office and computing machines	97.5	108.2	109.5	108.8	107.3	106.1	105.4	104.4	103.7	104.2	105.2	106.2	106.8	106.8
54 Consumer goods excluding autos and trucks	24.5	107.9	108.4	108.7	107.9	107.6	107.2	106.5	106.4	106.7	107.6	108.9	109.5	109.5
55 Consumer goods excluding energy	23.3	107.5	108.7	108.6	106.5	105.6	105.5	104.7	104.6	105.6	106.3	107.7	108.2	108.2
56 Business equipment excluding autos and trucks	12.7	125.6	128.0	127.2	126.8	125.6	125.7	125.0	124.5	124.9	125.0	125.0	125.2	125.3
57 Business equipment excluding office and computing equipment	12.0	118.7	122.0	120.6	118.6	116.7	116.2	114.6	114.6	115.7	116.3	116.7	117.2	116.6
58 Materials excluding energy	28.4	110.0	111.8	110.6	108.9	106.6	106.2	104.9	103.1	104.3	105.4	106.1	107.9	108.3

A48 Domestic Nonfinancial Statistics □ December 1991

2.13—Continued

Group	SIC ² code	1987 proportion	1990 avg.	1990				1991								
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June ^r	July ^r	Aug. ^r	Sept. ^p
Index (1987 = 100)																
MAJOR INDUSTRIES																
1 Total index		100.0	109.2	110.6	109.9	108.3	107.2	106.6	105.7	105.0	105.5	106.4	107.3	108.0	108.0	108.1
2 Manufacturing		84.4	109.9	111.2	110.7	108.9	107.5	107.0	106.1	105.2	105.9	106.6	107.5	108.3	108.3	108.8
3 Primary processing		26.7	106.3	106.9	106.2	104.9	102.9	102.0	100.8	99.0	99.6	100.7	102.1	103.6	103.9	104.2
4 Advanced processing		57.7	111.6	113.2	112.8	110.8	109.5	109.3	108.5	108.0	108.9	109.3	109.9	110.5	110.4	110.9
5 Durable goods		47.3	111.6	113.8	112.5	109.9	107.5	107.2	106.1	105.0	106.0	106.7	107.3	108.1	108.0	108.9
6 Lumber and products	24	2.0	101.6	100.3	98.2	95.5	93.5	94.2	91.5	91.2	92.7	92.5	96.7	94.6	96.1	96.5
7 Furniture and fixtures	25	1.4	105.9	106.9	104.4	102.3	102.0	99.0	94.9	95.4	98.3	98.5	99.4	100.5	100.8	100.8
8 Clay, glass, and stone products	32	2.5	105.7	104.5	104.4	103.8	100.7	97.2	98.9	94.4	94.2	95.1	95.0	95.6	96.2	96.8
9 Primary metals	33	3.3	108.4	111.6	108.6	109.1	104.2	99.7	99.5	94.7	94.5	96.9	96.4	101.2	102.5	102.5
10 Iron and steel	331,2	1.9	109.9	113.9	110.3	112.6	107.3	99.0	98.0	92.0	91.6	94.0	92.9	99.5	100.2	100.6
11 Raw steel		1	109.6	111.6	112.8	109.5	100.6	104.7	97.9	89.8	91.0	88.9	94.0	102.6	102.4	104.2
12 Nonferrous	333-6,9	1.4	106.2	108.4	106.2	104.1	99.8	100.6	101.6	98.4	98.5	101.0	101.5	103.5	105.7	105.3
13 Fabricated metal products	34	5.4	105.9	106.8	106.4	104.3	101.9	101.7	99.1	97.8	98.0	99.1	99.8	100.9	101.3	101.8
14 Nonelectrical machinery	35	8.6	126.5	128.5	128.1	126.3	124.7	125.5	124.5	123.1	123.5	123.6	123.4	124.1	124.0	124.0
15 Office and computing machines	357,2	2.5	149.8	153.6	155.3	149.8	148.9	155.0	157.3	155.1	155.6	155.6	154.0	156.0	154.0	155.0
16 Electrical machinery	36	8.6	111.4	112.5	110.8	110.4	108.7	107.6	108.2	108.6	109.7	110.6	111.5	111.0	111.7	111.8
17 Transportation equipment	37	9.8	105.5	111.1	109.2	100.1	96.6	97.6	95.5	95.0	97.2	98.2	99.7	101.4	98.9	102.2
18 Motor vehicles and parts	371	4.7	96.8	107.5	103.8	85.8	78.5	83.0	79.4	79.8	86.2	89.8	92.5	96.7	91.6	99.1
19 Autos and light trucks		2.3	96.6	112.8	107.1	83.7	74.9	80.1	75.3	76.6	84.0	88.2	91.2	97.3	89.1	101.7
20 Aerospace and miscellaneous transportation equipment	372-6,9	5.1	113.3	114.2	114.0	113.1	112.9	110.8	110.0	108.8	107.2	105.8	106.1	105.6	105.6	105.1
21 Instruments	38	3.3	116.8	118.4	118.1	118.1	117.3	119.0	119.3	118.4	118.6	118.2	117.3	116.5	117.0	117.9
22 Miscellaneous	39	1.2	120.0	121.3	121.5	122.5	119.1	116.1	114.6	115.3	117.5	118.7	119.8	122.1	122.8	123.6
23 Nondurable goods		37.2	107.8	108.0	108.4	107.7	107.4	106.8	106.0	105.4	105.9	106.5	107.6	108.5	108.7	108.7
24 Foods	20	8.8	107.6	107.6	108.8	109.6	109.1	108.3	107.6	107.4	107.6	107.8	108.6	108.4	109.1	108.6
25 Tobacco products	21	1.0	98.6	96.4	97.8	99.0	101.1	100.0	100.1	98.2	97.6	98.7	99.4	100.4	98.6	97.8
26 Textile mill products	22	1.8	100.8	100.7	101.2	97.4	96.1	94.0	94.3	95.4	97.2	99.2	101.7	104.3	104.3	104.4
27 Apparel products	23	2.4	98.8	98.4	97.2	95.5	94.9	92.9	93.1	92.5	93.2	95.2	96.2	97.8	98.8	98.9
28 Paper and products	26	3.6	105.3	107.5	106.8	105.1	105.4	104.2	102.2	101.3	101.3	101.3	105.3	108.1	106.6	107.0
29 Printing and publishing	27	6.4	111.9	111.6	112.9	112.4	112.8	112.1	110.9	110.4	110.7	110.6	111.2	111.6	111.9	111.7
30 Chemicals and products	28	8.6	110.3	110.9	110.7	110.0	109.9	110.1	109.1	108.2	109.0	109.2	109.6	110.8	111.2	111.5
31 Petroleum products	29	1.3	108.2	109.3	108.6	107.8	105.6	104.7	108.8	108.5	105.7	107.5	109.6	108.3	108.1	109.2
32 Rubber and plastic products	30	3.0	110.2	110.3	110.6	109.6	106.9	108.8	106.1	104.4	106.6	109.2	110.5	111.2	111.9	112.2
33 Leather and products	31	3	100.0	100.3	95.3	89.9	92.6	89.6	90.8	91.5	90.0	89.5	90.9	92.3	90.0	89.9
34 Mining		7.9	102.6	103.9	102.6	103.3	103.4	101.7	102.9	101.5	100.9	100.2	102.1	102.7	101.5	100.5
35 Metal	10	3	153.1	163.6	146.8	153.4	162.0	143.1	148.0	147.6	145.7	148.0	157.0	154.5	157.5	158.0
36 Coal	11,12	1.2	113.2	116.8	114.7	112.9	110.6	108.4	112.8	109.9	105.9	103.4	110.2	116.0	112.3	112.1
37 Oil and gas extraction	13	5.7	95.5	95.8	95.8	97.3	96.7	96.0	97.2	96.4	96.6	96.0	96.9	96.4	95.3	94.0
38 Stone and earth minerals	14	7	119.5	121.7	118.0	113.5	118.9	119.2	112.0	108.0	107.0	107.5	106.4	107.8	108.0	108.0
39 Utilities		7.6	108.0	110.3	109.2	106.9	108.8	107.6	104.6	106.4	105.9	111.4	111.5	110.9	111.3	108.5
40 Electric	491,3PT	6.0	110.8	112.9	112.1	109.6	111.8	110.4	107.8	109.8	109.8	116.4	117.1	116.6	117.1	113.6
41 Gas	492,3PT	1.6	97.3	100.9	98.1	97.0	97.6	97.5	92.8	93.6	91.6	92.8	90.7	89.7	90.0	89.5
SPECIAL AGGREGATES																
42 Manufacturing excluding motor vehicles and parts		79.8	110.7	111.4	111.1	110.3	109.1	108.4	107.6	106.7	107.1	107.6	108.3	109.0	109.3	109.4
43 Manufacturing excluding office and computing machines		82.0	108.7	110.0	109.4	107.7	106.2	105.6	104.5	103.7	104.4	105.1	106.1	106.9	106.9	107.4
Gross value (billions of 1982 dollars, annual rates)																
MAJOR MARKETS																
44 Products, total		1,734.8	1,911.4	1,941.6	1,939.6	1,882.8	1,859.4	1,860.4	1,848.4	1,845.4	1,853.3	1,875.7	1,890.5	1,896.7	1,890.3	1,903.3
45 Final		1,350.9	1,497.7	1,529.1	1,523.7	1,470.8	1,450.8	1,459.6	1,452.8	1,455.6	1,464.6	1,478.1	1,490.5	1,497.3	1,488.9	1,503.9
46 Consumer goods		833.4	882.9	895.2	892.7	865.2	857.6	857.9	852.7	857.4	862.9	874.4	884.2	888.8	884.8	897.5
47 Equipment		517.5	614.8	633.9	631.0	605.6	593.2	601.7	600.1	598.2	601.7	603.7	606.2	604.1	606.5	606.5
48 Intermediate		384.0	413.7	412.5	415.9	412.0	408.7	400.8	395.6	389.8	388.7	397.6	400.1	399.3	401.4	399.4

1. Data in this table also appear in the Board's G.17 (419) weekly statistical release. For ordering address see inside front cover.

A major revision of the industrial production index and the capacity utilization rates was released in April 1990. See "Industrial Production: 1989

Developments and Historical Revision," *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187-204.

2. Standard industrial classification.

2.14 HOUSING AND CONSTRUCTION

Monthly figures at seasonally adjusted annual rates, except as noted

Item	1988	1989	1990		1991								
			Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July ^f	Aug.	
Private residential real estate activity (thousands of units, except as noted)													
NEW UNITS													
1 Permits authorized	1,456	1,339	1,111	916	854	802	876	892	913	966	999	1,005	953
2 One-family	994	932	794	668	645	611	695	689	742	760	780	794	769
3 Two-or-more-family	462	407	317	248	209	191	181	203	171	206	219	211	184
4 Started	1,488	1,376	1,193	1,130	971	847	992	907	977	983	1,034	1,049	1,056
5 One-family	1,081	1,003	895	769	751	648	788	742	801	831	869	879	886
6 Two-or-more-family	407	373	298	361	220	199	204	165	176	152	165	170	170
7 Under construction at end of period ¹	919	850	711	756	744	717	709	680	674	665	655	654	654
8 One-family	570	535	449	486	478	461	457	442	443	443	446	453	458
9 Two-or-more-family	350	315	262	270	266	256	252	238	231	222	209	201	196
10 Completed	1,530	1,423	1,308	1,246	1,155	1,125	1,096	1,190	1,089	1,070	1,105	1,061	1,018
11 One-family	1,085	1,026	966	922	878	841	838	881	821	800	815	800	805
12 Two-or-more-family	445	396	342	324	277	284	258	309	268	270	290	261	213
13 Mobile homes shipped	218	198	188	181	167	168	157	157	175	174	173	175	178
<i>Merchant builder activity in one-family units</i>													
14 Number sold	675	650	535	480	464	414	488	495	506	507 ^f	520	506	540
15 Number for sale at end of period	368	363	318	327	318	315	313	308	303	299 ^f	295	295	290
<i>Price of units sold (thousands of dollars)²</i>													
16 Median	113.3	120.4	122.3	118.9	127.0	117.9	119.9	122.5	121.0	116.0 ^f	119.5	119.9	122.0
17 Average	139.0	148.3	149.0	143.3	153.4	148.6	147.8	156.4	150.8	145.4 ^f	145.8	148.4	141.8
EXISTING UNITS (one-family)													
18 Number sold	3,594	3,439	3,316	3,150	3,130	2,900	3,160	3,220	3,310	3,540	3,590	3,320	3,250
<i>Price of units sold (thousands of dollars)²</i>													
19 Median	89.2	92.9	95.2	92.0	91.7	95.6	94.0	98.2	100.3	101.1	102.0	103.6	102.2
20 Average	112.5	118.0	118.3	115.6	114.1	123.0	119.7	125.2	128.9	130.6	130.5	132.2	131.0
Value of new construction ³ (millions of dollars)													
CONSTRUCTION													
21 Total put in place	432,222	443,720	446,433	431,407	421,346	406,502	410,072	401,883	407,050 ^f	399,030 ^f	398,189	404,889	406,186
22 Private	337,440	345,416	337,776	317,190	311,349	303,932	300,495	293,262	299,044 ^f	291,048 ^f	290,871	293,329	295,891
23 Residential	198,101	196,551	182,856	168,031	165,014	161,793	155,622	152,447	151,836 ^f	154,567 ^f	158,282	161,633	167,304
24 Nonresidential, total	139,339	148,865	154,920	149,159	146,335	142,139	144,873	140,815	147,208 ^f	136,481 ^f	132,589	131,696	128,587
25 Industrial buildings	16,451	20,412	23,849	22,481	22,999	22,433	23,249	23,089	24,301 ^f	20,683 ^f	20,868	20,990	20,481
26 Commercial buildings	64,025	65,496	62,866	57,764	56,913	53,848	54,023	51,766	54,824 ^f	50,220 ^f	47,596	46,830	44,698
27 Other buildings	19,038	19,683	21,591	22,121	20,953	20,621	20,850	20,628	21,928 ^f	20,858 ^f	20,429	20,590	19,490
28 Public utilities and other	39,825	43,274	46,614	46,793	45,470	45,237	46,751	45,332	46,155 ^f	44,720 ^f	43,696	43,286	43,918
29 Public	94,783	98,303	108,655	114,218	109,997	102,570	109,577	108,621	108,007 ^f	107,982 ^f	107,318	111,560	110,295
30 Military	3,579	3,520	2,734	2,960	1,868	1,868	1,723	1,866	1,828	1,918	1,864	1,766	1,829
31 Highway	29,227	28,171	30,595	34,304	33,185	25,560	30,699	29,996	28,591 ^f	29,246 ^f	28,776	28,898	30,048
32 Conservation and development	4,739	4,989	4,718	4,901	5,374	6,434	5,529	4,586	5,833 ^f	5,123 ^f	5,807	8,098	5,143
33 Other	57,238	61,623	70,608	72,053	69,570	68,708	71,626	72,173	71,755 ^f	71,695 ^f	70,871	72,798	73,275

1. Not at annual rates.

2. Not seasonally adjusted.

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

SOURCE: Bureau of the Census estimates for all series except (1) mobile homes, which are private, domestic shipments as reported by the Manufactured Housing Institute and seasonally adjusted by the Census Bureau, and (2) sales and prices of existing units, which are published by the National Association of Realtors. All back and current figures are available from the originating agency. Permit authorizations are those reported to the Census Bureau from 17,000 jurisdictions beginning in 1984.

A50 Domestic Nonfinancial Statistics □ December 1991

2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data, except as noted

Item	Change from 12 months earlier		Change from 3 months earlier (annual rate)				Change from 1 month earlier					Index level, Sept. 1991
	1990 Sept.	1991 Sept.	1990 Dec.	1991			1991					
				Mar.	June	Sept.	May ^r	June ^r	July	Aug.	Sept.	
CONSUMER PRICES² (1982-84=100)												
1 All items	6.2	3.4	4.9	2.4	3.0	3.3	.3	.2	.2	.2	.4	137.2
2 Food	5.6	2.1	3.9	2.4	5.1	-3.2	.0	.5	-6	-3	.1	136.0
3 Energy items	13.5	-4.8	18.0	-30.7	-1.2	1.6	1.4	-1.0	-4	-2	1.0	103.6
4 All items less food and energy.....	5.5	4.5	3.8	6.8	3.2	4.6	.2	.4	.4	.4	.4	143.4
5 Commodities	3.7	4.3	2.3	7.9	3.2	4.1	.3	.2	.4	.5	.2	129.8
6 Services	6.4	4.7	4.8	6.4	3.0	4.6	.2	.4	.3	.3	.5	151.3
PRODUCER PRICES (1982=100)												
7 Finished goods	6.0	.7	5.1	-3.5	.7	.3	.5	-4	-2	.2	.1	121.3
8 Consumer foods	4.8	-1.2	1.3	-1.0	-3	-6.6	.0	-4	-8	-4	-5	122.7
9 Consumer energy	24.4	-3.5	21.1	-35.5	.0	5.3	1.7	-1.5	-1.3	1.8	.8	79.1
10 Other consumer goods.....	3.9	3.3	3.4	5.9	.9	2.7	.4	-4	.4	.3	.0	133.2
11 Capital equipment.....	3.4	2.6	3.3	4.6	1.3	1.3	.3	.1	.1	.1	.2	126.1
<i>Intermediate materials</i>												
12 Excluding foods and feeds	3.7	-1.5	4.2	-9.8	-1.0	.7	.1	.1	-3	.4	.1	114.7
13 Excluding energy	1.1	-3	2.3	-2.3	-1.0	-3	-2	.1	-1	.0	.0	121.0
<i>Crude materials</i>												
14 Foods	1.7	-7.1	-7.3	.0	-12.5	-8.1	-3.3	.8	-1.7	-1.8	1.5	102.9
15 Energy	29.4	-21.7	-18.8	-54.0	-1.5	2.1	3.3	-3.2	2.0	1.3	-2.7	77.1
16 Other	1.7	-10.2	-18.1	-4.7	-13.0	-4.3	-6	-2.9	-7	.5	-9	125.8

1. Not seasonally adjusted.

2. Figures for consumer prices are for all urban consumers and reflect a

rental-equivalence measure of homeownership.

SOURCE: Bureau of Labor Statistics.

2.16 GROSS NATIONAL PRODUCT AND INCOME

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

Account	1988	1989	1990	1990			1991	
				Q2	Q3	Q4	Q1	Q2
GROSS NATIONAL PRODUCT								
1 Total	4,873.7	5,200.8	5,465.1	5,443.3	5,514.6	5,527.3	5,557.7	5,612.4
<i>By source</i>								
2 Personal consumption expenditures	3,238.2	3,450.1	3,657.3	3,622.7	3,693.4	3,724.9	3,742.8	3,789.0
3 Durable goods	457.5	474.6	480.3	478.4	482.3	468.5	455.3	453.7
4 Nondurable goods	1,060.0	1,130.0	1,193.7	1,179.0	1,205.0	1,216.0	1,212.7	1,221.7
5 Services	1,720.7	1,845.5	1,983.3	1,965.3	2,006.2	2,040.4	2,074.8	2,113.6
6 Gross private domestic investment	747.1	771.2	741.0	759.0	759.7	698.3	660.0	654.0
7 Fixed investment	720.8	742.9	746.1	745.6	750.7	729.2	694.1	694.0
8 Nonresidential	488.4	511.9	524.1	516.5	532.8	524.0	503.6	501.1
9 Structures	139.9	146.2	147.0	147.2	149.8	142.1	139.5	134.9
10 Producers' durable equipment	348.4	365.7	377.1	369.3	383.0	381.9	364.1	366.2
11 Residential structures	232.5	231.0	222.0	229.1	217.9	205.2	190.5	192.9
12 Change in business inventories	26.2	28.3	-5.0	13.4	9.0	-30.8	-34.2	-40.0
13 Nonfarm	29.8	23.3	-7.4	13.0	6.8	-32.4	-37.1	-35.2
14 Net exports of goods and services	-74.1	-46.1	-31.2	-24.9	-41.3	-28.8	13.5	18.1
15 Exports	552.0	626.2	672.8	659.7	672.7	697.4	694.5	700.8
16 Imports	626.1	672.3	704.0	684.6	714.1	726.2	681.0	682.6
17 Government purchases of goods and services	962.5	1,025.6	1,098.1	1,086.4	1,102.8	1,132.9	1,141.5	1,151.3
18 Federal	380.3	400.0	424.0	421.9	425.8	437.6	443.8	449.7
19 State and local	582.3	625.6	674.1	664.6	677.0	695.3	697.7	701.6
<i>By major type of product</i>								
20 Final sales, total	4,847.5	5,172.5	5,470.2	5,429.9	5,505.6	5,558.2	5,591.9	5,652.5
21 Goods	1,908.9	2,044.4	2,148.3	2,133.1	2,161.4	2,175.9	2,170.2	2,190.7
22 Durable	840.3	894.7	939.0	930.1	943.4	941.2	918.5	938.3
23 Nondurable	1,068.6	1,149.7	1,209.3	1,203.0	1,218.0	1,234.7	1,251.7	1,252.3
24 Services	2,488.6	2,671.2	2,864.5	2,834.2	2,889.6	2,943.0	3,004.0	3,046.4
25 Structures	450.0	456.9	457.4	462.5	454.6	439.3	417.7	415.4
26 Change in business inventories	26.2	28.3	-5.0	13.4	9.0	-30.8	-34.2	-40.0
27 Durable goods	19.9	11.9	-11.1	0	9.8	-32.5	-42.2	-40.7
28 Nondurable goods	6.4	16.4	6.0	13.4	-8	1.7	8.0	7
MEMO								
29 Total GNP in 1982 dollars	4,016.9	4,117.7	4,157.3	4,155.1	4,170.0	4,153.4	4,124.1	4,118.9
NATIONAL INCOME								
30 Total	3,984.9	4,223.3	4,418.4	4,411.3	4,452.4	4,459.7	4,456.4	4,493.2
31 Compensation of employees	2,905.1	3,079.0	3,244.2	3,232.5	3,276.9	3,286.9	3,299.3	3,335.7
32 Wages and salaries	2,431.1	2,573.2	2,705.3	2,696.3	2,734.2	2,738.9	2,742.8	2,773.7
33 Government and government enterprises	446.6	476.6	508.0	505.7	511.3	518.1	529.8	534.5
34 Other	1,984.5	2,096.6	2,197.2	2,190.6	2,222.9	2,220.8	2,213.0	2,239.1
35 Supplement to wages and salaries	474.0	505.8	538.9	536.1	542.7	548.0	556.5	562.0
36 Employer contributions for social insurance	248.5	263.9	280.8	279.7	282.7	284.8	290.3	292.8
37 Other labor income	225.5	241.9	258.1	256.4	260.0	263.2	266.2	269.2
38 Proprietors' income ¹	354.2	379.3	402.5	401.7	397.9	406.2	404.4	417.0
39 Business and professional ¹	310.5	330.7	352.6	350.8	355.6	357.4	355.8	365.2
40 Farm ¹	43.7	48.6	49.9	51.0	42.4	48.8	48.5	51.8
41 Rental income of persons ²	16.3	8.2	6.9	4.3	8.4	9.3	5.6	5.4
42 Corporate profits ¹	337.6	311.6	298.3	306.6	300.7	288.9	286.2	284.4
43 Profits before tax	316.7	307.7	304.7	299.3	318.5	304.1	281.5	279.2
44 Inventory valuation adjustment	-27.0	-21.7	-11.4	-5	-19.8	-13.8	8.1	4.9
45 Capital consumption adjustment	47.8	25.5	4.9	7.7	2.0	-1.4	-3.5	2
46 Net interest	371.8	445.1	466.7	466.2	468.3	468.4	460.9	450.8

1. With inventory valuation and capital consumption adjustments.

2. With capital consumption adjustment.

3. For after-tax profits, dividends, and the like, see table 1.48.

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

2.17 PERSONAL INCOME AND SAVING

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

Account	1988	1989	1990	1990			1991	
				Q2	Q3	Q4	Q1	Q2
PERSONAL INCOME AND SAVING								
1 Total personal income	4,070.8	4,384.3	4,645.5	4,622.2	4,678.5	4,718.5	4,735.8	4,784.7
2 Wage and salary disbursements	2,431.1	2,573.2	2,705.3	2,696.3	2,734.2	2,738.9	2,742.8	2,774.0
3 Commodity-producing industries	696.4	720.6	729.3	731.1	735.3	726.0	713.0	715.9
4 Manufacturing	524.0	541.8	546.8	548.1	551.8	546.1	536.7	541.3
5 Distributive industries	572.0	604.7	637.2	637.3	642.7	641.9	639.7	645.6
6 Service industries	716.2	771.4	830.8	822.2	844.9	853.0	860.3	877.7
7 Government and government enterprises	446.6	476.6	508.0	505.7	511.3	518.1	529.8	534.9
8 Other labor income	225.5	241.9	258.1	256.4	260.0	263.2	266.2	269.2
9 Proprietors' income ¹	354.2	379.3	402.5	401.7	397.9	406.2	404.4	417.0
10 Business and professional	310.5	330.7	352.6	350.8	355.6	357.4	355.8	365.2
11 Farm ¹	43.7	48.6	49.9	51.0	42.4	48.8	48.5	51.8
12 Rental income of persons ²	16.3	8.2	6.9	4.3	8.4	9.3	5.6	5.4
13 Dividends	102.2	114.4	123.8	122.9	124.9	126.7	126.7	125.5
14 Personal interest income	547.9	643.2	680.4	678.0	685.3	687.9	682.0	674.3
15 Transfer payments	587.7	636.9	694.8	686.7	696.4	715.1	745.4	758.8
16 Old-age survivors, disability, and health insurance benefits	300.5	325.3	350.7	347.6	351.1	356.8	372.1	376.9
17 LESS: Personal contributions for social insurance	194.1	212.8	226.2	224.1	228.6	228.9	237.3	239.4
18 EQUALS: Personal income	4,070.8	4,384.3	4,645.5	4,622.2	4,678.5	4,718.5	4,735.8	4,784.7
19 LESS: Personal tax and nontax payments	591.6	658.8	699.4	696.5	709.5	716.6	714.6	716.6
20 EQUALS: Disposable personal income	3,479.2	3,725.5	3,946.1	3,925.7	3,969.1	4,001.9	4,021.3	4,068.1
21 LESS: Personal outlays	3,333.6	3,553.7	3,766.0	3,730.6	3,802.6	3,834.4	3,852.5	3,898.0
22 EQUALS: Personal saving	145.6	171.8	180.1	195.1	166.5	167.5	168.7	170.2
MEMO								
<i>Per capita (1982 dollars)</i>								
23 Gross national product	16,302.4	16,549.6	16,535.3	16,552.5	16,562.9	16,449.4	16,293.4	16,234.8
24 Personal consumption expenditures	10,578.3	10,678.0	10,665.8	10,671.4	10,711.5	10,588.7	10,523.7	10,565.3
25 Disposable personal income	11,368.0	11,531.0	11,509.0	11,564.0	11,511.0	11,376.0	11,307.0	11,343.0
26 Saving rate (percent)	4.2	4.6	4.6	5.0	4.2	4.2	4.2	4.2
GROSS SAVING								
27 Gross saving	656.1	691.5	657.3	679.3	665.9	619.2	697.1	649.1
28 Gross private saving	751.3	779.3	787.9	806.7	772.2	777.8	793.9	795.1
29 Personal saving	145.6	171.8	180.1	195.1	166.5	167.5	168.7	170.2
30 Undistributed corporate profits ¹	91.4	53.0	32.2	40.5	26.5	25.2	33.6	29.3
31 Corporate inventory valuation adjustment	-27.0	-21.7	-11.4	-5	-19.8	-13.8	8.1	4.9
<i>Capital consumption allowances</i>								
32 Corporate	322.1	346.4	363.0	359.7	365.5	370.3	375.6	378.0
33 Noncorporate	192.2	208.0	212.6	211.4	213.8	214.8	216.0	217.6
34 Government surplus, or deficit (-), national income and product accounts	-95.3	87.8	-130.6	-127.3	-106.4	-158.6	-96.8	-146.0
35 Federal	-141.7	-134.3	-166.0	-166.0	-145.7	-184.3	-126.9	-184.6
36 State and local	46.5	46.4	35.4	38.6	39.3	25.7	30.0	38.6
37 Gross investment	627.8	674.4	655.6	676.1	661.0	619.6	705.3	664.6
38 Gross private domestic	747.1	771.2	741.0	759.0	759.7	698.3	660.0	654.0
39 Net foreign	-119.2	-96.8	-85.5	-82.9	-98.7	-78.7	45.3	10.6
40 Statistical discrepancy	-28.2	-17.0	-1.7	-3.2	-4.9	.4	8.2	15.4

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

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

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data seasonally adjusted, except as noted¹

Item credits or debits	1988	1989	1990	1990			1991	
				Q2	Q3	Q4	Q1	Q2 ^p
1 Balance on current account	-126,236	-106,305	-92,123	-22,178	-23,881	-23,402	10,501	2,965
2 Not seasonally adjusted				-20,653	-29,112	-25,136	15,507	4,508
3 Merchandise trade balance ²	-126,986	-115,917	-108,115	-24,090	-28,760	-27,728	-18,394	-15,624
4 Merchandise exports	320,337	361,451	389,550	97,088	96,638	100,580	100,900	104,108
5 Merchandise imports	-447,323	-477,368	-497,665	-121,178	-125,398	-128,308	-119,294	-119,732
6 Military transactions, net	-5,743	-6,203	-7,219	-1,558	-1,683	-2,243	-2,329	-1,675
7 Investment income, net	5,353	2,688	11,945	7	2,802	6,133	4,883	2,464
8 Other service transactions, net	16,082	28,618	33,595	8,156	8,086	9,716	9,402	9,640
9 Remittances, pensions, and other transfers	-4,437	-4,420	-4,843	-1,123	-1,302	-1,201	-1,316	-1,300
10 U.S. government grants (excluding military)	-10,506	-11,071	-17,486	-3,570	-3,024	-8,079	18,255	9,460
11 Change in U.S. government assets other than official reserve assets, net (increase, -)	2,966	1,320	2,976	-800	-314	4,759	1,422	-560
12 Change in U.S. official reserve assets (increase, -)	-3,912	-25,293	-2,158	371	1,739	-1,091	-353	1,014
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	127	-535	-192	-216	363	-93	31	-190
15 Reserve position in International Monetary Fund	-1,025	471	731	493	8	-4	-341	72
16 Foreign currencies	-5,064	-25,229	-2,697	94	1,368	-995	-43	1,132
17 Change in U.S. private assets abroad (increase, -)	-85,111	-104,637	-58,524	-33,033	-28,114	-38,370	-1,992	-27,125
18 Bank-reported claims ³	-56,322	-51,255	5,333	-17,255	-9,984	-24,513	20,598	-11,248
19 Nonbank-reported claims	-3,064	2,581	-1,944	-1,760	676	-2,509	-1,308	
20 U.S. purchases of foreign securities, net	-7,846	-22,575	-28,476	-11,160	-1,014	-7,546	-9,430	-13,235
21 U.S. direct investments abroad, net	-17,879	-33,388	-33,437	-2,858	-17,792	-3,802	-11,852	-2,642
22 Change in foreign official assets in United States (increase, +)	39,657	8,624	32,425	5,805	13,341	20,301	6,631	-3,650
23 U.S. Treasury securities	41,741	149	28,643	2,461	11,849	20,119	2,381	-1,888
24 Other U.S. government obligations	1,309	1,383	667	346	134	708	-29	219
25 Other U.S. government liabilities ⁴	-568	281	1,703	1,141	-248	1,102	1,012	196
26 Other U.S. liabilities reported by U.S. banks ⁵	-319	4,976	2,998	2,131	1,871	-707	2,501	-1,881
27 Other foreign official assets ⁵	-2,506	1,835	-1,586	-274	-265	-921	766	142
28 Change in foreign private assets in United States (increase, +)	181,877	207,925	53,879	25,452	35,754	18,732	-7,360	5,806
29 U.S. bank-reported liabilities ³	70,235	63,382	9,975	8,980	26,968	17,261	-18,795	-26,687
30 U.S. nonbank-reported liabilities	5,626	5,454	3,779	699	4,260	-1,840	-1,616	
31 Foreign private purchases of U.S. Treasury securities, net	20,239	29,618	1,131	4,287	24	-2,029	3,409	13,905
32 Foreign purchases of other U.S. securities, net	26,353	38,920	1,781	2,140	-2,558	802	5,306	15,312
33 Foreign direct investments in United States, net	59,424	70,551	37,213	9,346	7,060	4,538	4,336	3,276
34 Allocation of special drawing rights	0	0	0	0	0	0	0	0
35 Discrepancy	-9,240	18,366	63,526	24,383	1,475	19,072	-8,849	21,550
36 Due to seasonal adjustments				105	-6,473	2,007	3,995	193
37 Statistical discrepancy in recorded data before seasonal adjustment	-9,240	18,366	63,526	24,278	7,948	17,066	-12,844	21,357
MEMO								
Changes in official assets								
38 U.S. official reserve assets (increase, -)	-3,912	-25,293	-2,158	371	1,739	-1,091	-353	1,014
39 Foreign official assets in United States excluding line 25 (increase, +)	40,225	8,343	30,722	4,664	13,589	19,199	5,619	-3,846
40 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22)	-2,996	10,738	2,163	193	-1,699	575	988	-2,680

1. Seasonal factors not calculated for lines 6, 10, 12-16, 18-20, 22-34, and 38-40.

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

3. Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.

4. Associated primarily 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.

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

3.11 U.S. FOREIGN TRADE¹

Millions of dollars; exports, F.A.S. value; imports, Customs value; monthly data seasonally adjusted

Item	1988	1989	1990	1991						
				Feb.	Mar.	Apr.	May	June	July ^f	Aug. ^p
1 Exports of domestic and foreign merchandise, excluding grant-aid shipments	322,426	363,812	393,592	33,599	34,031	35,632	35,271	34,975	35,227	34,165
2 General imports, including merchandise for immediate consumption plus entries into bonded warehouses	440,952	473,211	495,311	39,103	38,100	40,139	40,062	38,764	41,176	40,923
3 Trade balance	-118,526	-109,399	-101,718	-5,504	-4,070	-4,507	-4,790	-3,789	-5,949	-6,757

1. The Census basis data differ from merchandise trade data shown in table 3.10, U.S. International Transactions Summary, because of coverage and timing. On the *export* side, the largest difference is 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, this table includes imports of gold, ship purchases, imports of electricity from Canada, and other transactions; military payments are excluded and shown separately in table 3.10,

as indicated above. Since Jan. 1, 1987 census data have been released forty-five days after the end of the month; the previous month is revised to reflect late documents. Total exports and the trade balance reflect adjustments for undocumented exports to Canada. Components may not sum to totals because of rounding.

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	1988	1989	1990	1991						
				Mar.	Apr.	May	June	July	Aug.	Sept. ^p
1 Total	47,802	74,609	83,316	78,297	78,297	78,263	74,940	74,816	73,514	74,731
2 Gold stock, including Exchange Stabilization Fund ¹	11,057	11,059	11,058	11,058	11,058	11,057	11,062	11,062	11,062	11,062
3 Special drawing rights ²	9,637	9,951	10,989	10,368	10,325	10,515	10,309	10,360	10,479	10,722
4 Reserve position in International Monetary Fund ²	9,745	9,048	9,076	8,910	8,806	8,854	8,629	8,730	8,726	9,094
5 Foreign currencies ³	17,363	44,551	52,193	47,666	48,108	47,837	44,940	44,664	43,247	43,853

1. Gold held "under earmark" at Federal Reserve Banks for foreign and international accounts is not included in the gold stock of the United States; see table 3.13. Gold stock is valued at \$42.22 per fine troy ounce.

2. Special drawing rights are valued according to a technique adopted by the International Monetary Fund (IMF) in July 1974. Values are based on a weighted average of exchange rates for the currencies of member countries. From July 1974 through December 1980, 16 currencies were used; since January 1981, 5 currencies

have been used. U.S. SDR holdings and reserve positions in the IMF also have been valued on this basis since 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. Valued at current market exchange rates.

3.13 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS¹

Millions of dollars, end of period

Assets	1988	1989	1990	1991						
				Mar.	Apr.	May	June	July	Aug.	Sept. ^p
1 Deposits	347	589	369	228	292	196	223	314	256	384
Assets held in custody										
2 U.S. Treasury securities ²	232,547	224,911	278,499	272,505	271,779	279,695	273,893	274,514	279,394	279,013
3 Earmarked gold ³	13,636	13,456	13,387	13,374	13,363	13,358	13,354	13,330	13,330	13,330

1. Excludes deposits and U.S. Treasury securities held for international and regional organizations.

2. Marketable U.S. Treasury bills, notes, and bonds and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies at face value.

3. Earmarked gold and the gold stock are valued at \$42.22 per fine troy ounce. Earmarked gold is gold held for foreign and international accounts; it is not included in the gold stock of the United States.

3.14 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data¹

Millions of dollars, end of period

Assets	1988	1989	1990	1991						
				Feb.	Mar.	Apr.	May	June	July	Aug.
<i>All foreign countries</i>										
1 Total, all currencies	505,595	545,366	556,925	561,564^f	548,032^f	538,467^f	530,314^f	532,075^f	528,444^f	527,025
2 Claims on United States	169,111	198,835	188,496	188,174 ^f	184,394 ^f	180,891 ^f	172,772 ^f	180,676 ^f	174,333 ^f	168,451
3 Parent bank	129,856	157,092	148,837	145,667	143,795	141,580	135,484	141,903 ^f	136,790 ^f	129,780
4 Other banks in United States	14,918	17,042	13,296	13,187 ^f	12,672 ^f	12,318 ^f	10,529 ^f	11,871	11,000	12,226
5 Nonbanks	24,337	24,701	26,363	29,320	27,927	26,993	26,759	26,902	26,543	26,445
6 Claims on foreigners	299,728	300,575	312,449	314,215 ^f	307,899 ^f	301,022 ^f	298,470 ^f	293,942 ^f	294,430 ^f	296,578
7 Other branches of parent bank	107,179	113,810	135,003	124,719	129,732	122,151	118,465	115,555 ^f	112,332 ^f	113,017
8 Banks	96,932	90,703	72,602	80,515 ^f	73,351 ^f	72,925 ^f	74,857 ^f	74,766	77,323	75,973
9 Public borrowers	17,163	16,456	17,555	17,893	17,915	17,825	18,208	17,420	18,608	19,389
10 Nonbank foreigners	78,454	79,606	87,289	91,088	86,901	88,121	86,940	86,201 ^f	86,167 ^f	88,199
11 Other assets	36,756	45,956	55,980	59,175 ^f	55,739 ^f	56,554 ^f	59,072 ^f	57,457	59,681	61,996
12 Total payable in U.S. dollars	357,573	382,498	379,479	380,776^f	383,330^f	372,524^f	363,232^f	372,632^f	364,231^f	358,264
13 Claims on United States	163,456	191,184	180,174	180,601 ^f	177,307 ^f	174,197 ^f	166,680 ^f	174,316 ^f	167,884 ^f	162,983
14 Parent bank	126,929	152,294	142,962	140,489	138,850	137,343	131,293	137,943 ^f	132,514 ^f	126,357
15 Other banks in United States	14,167	16,386	12,513	12,566 ^f	12,161 ^f	11,857 ^f	10,137 ^f	11,362	10,505	11,752
16 Nonbanks	22,360	22,504	24,699	27,546	26,296	24,997	25,250	25,011	24,865	24,874
17 Claims on foreigners	177,685	169,690	174,451	174,174 ^f	181,009 ^f	173,420 ^f	172,465 ^f	171,406 ^f	169,190 ^f	166,602
18 Other branches of parent bank	80,736	82,949	95,298	87,529	95,106	87,895	85,365	84,231	79,001	79,204
19 Banks	54,884	48,996	36,440	41,270 ^f	41,045 ^f	40,783 ^f	42,907 ^f	43,370	45,439	41,554
20 Public borrowers	12,131	10,961	12,298	12,944	13,206	12,996	13,137	12,485	13,569	14,083
21 Nonbank foreigners	29,934	27,384	30,415	32,404	31,652	31,746	31,056	31,320 ^f	31,181 ^f	31,761
22 Other assets	16,432	21,624	24,854	26,028 ^f	25,014 ^f	24,907 ^f	24,087 ^f	26,910	27,157	28,679
<i>United Kingdom</i>										
23 Total, all currencies	156,835	161,947	184,818	180,018	175,565	168,880	169,032	165,397	161,773	162,879
24 Claims on United States	40,089	39,212	45,560	40,978	42,529	38,136	38,338	37,574	32,475	31,315
25 Parent bank	34,243	35,847	42,413	37,362	39,372	34,930	34,830	34,534	29,241	28,189
26 Other banks in United States	1,123	1,058	792	924	848	1,179	1,104	711	860	816
27 Nonbanks	4,723	2,307	2,355	2,692	2,309	2,027	2,404	2,329	2,374	2,310
28 Claims on foreigners	106,388	107,657	115,536	115,496	110,329	107,031	105,893	103,471	102,971	103,935
29 Other branches of parent bank	35,625	37,728	46,367	41,788	44,341	40,730	39,060	38,333	36,588	38,382
30 Banks	36,765	36,159	31,604	34,518	30,660	30,608	32,048	31,019	31,866	30,168
31 Public borrowers	4,019	3,293	3,860	4,029	3,943	3,711	3,657	3,584	3,676	3,717
32 Nonbank foreigners	29,979	30,477	33,705	35,161	31,385	31,982	31,128	30,535	30,841	31,668
33 Other assets	10,358	15,078	23,722	23,544	22,707	23,713	24,801	24,352	26,327	27,629
34 Total payable in U.S. dollars	103,503	103,208	116,762	113,480	114,887	108,563	105,585	106,532	101,036	100,966
35 Claims on United States	38,012	36,404	41,259	37,344	39,052	35,058	35,274	34,726	29,352	28,870
36 Parent bank	33,252	34,329	39,609	35,045	37,149	32,973	32,771	32,790	27,085	26,608
37 Other banks in United States	964	843	334	615	562	976	970	555	759	680
38 Nonbanks	3,796	1,232	1,316	1,684	1,341	1,109	1,533	1,381	1,508	1,582
39 Claims on foreigners	60,472	59,062	63,701	64,817	65,034	62,183	60,122	58,561	57,857	56,127
40 Other branches of parent bank	28,474	29,872	37,142	33,271	36,150	32,842	31,297	30,108	29,111	30,279
41 Banks	18,494	16,579	13,135	15,840	15,097	15,460	16,118	14,983	15,723	12,534
42 Public borrowers	2,840	2,371	3,143	3,290	3,220	3,193	3,152	3,082	3,032	3,083
43 Nonbank foreigners	10,664	10,240	10,281	12,416	10,567	10,688	9,555	10,388	9,991	10,231
44 Other assets	5,019	7,742	11,802	11,319	10,801	11,322	10,691	13,245	13,827	15,969
<i>Bahamas and Caymans</i>										
45 Total, all currencies	170,639	176,006	162,316	168,998^f	164,316^f	165,178^f	159,196^f	168,389	169,271	165,281
46 Claims on United States	105,320	124,205	112,989	119,083 ^f	111,212 ^f	113,796 ^f	107,867 ^f	114,669	114,401	111,177
47 Parent bank	73,409	87,882	77,873	81,888	75,516	79,818	75,472	80,644	81,605	77,177
48 Other banks in United States	13,145	15,071	11,869	11,680 ^f	11,157 ^f	10,296 ^f	8,865 ^f	10,578	9,583	10,898
49 Nonbanks	18,766	21,252	23,247	25,515	24,539	23,682	23,530	23,447	23,213	23,102
50 Claims on foreigners	58,393	44,168	41,356	40,848 ^f	44,462 ^f	42,443 ^f	42,606 ^f	45,004	46,396	45,881
51 Other branches of parent bank	17,954	11,309	13,416	11,477	13,861	12,554	12,393	12,801	10,767	10,660
52 Banks	28,268	22,611	16,310	17,348 ^f	18,165 ^f	17,834 ^f	17,851 ^f	20,707	21,688	20,909
53 Public borrowers	5,830	5,217	5,807	6,484	6,846	6,556	6,520	5,883	7,103	7,281
54 Nonbank foreigners	6,341	5,031	5,823	5,539	5,590	5,499	5,842	5,613	6,838	7,031
55 Other assets	6,926	7,633	7,971	9,067 ^f	8,642 ^f	8,939 ^f	8,723 ^f	8,716	8,474	8,223
56 Total payable in U.S. dollars	163,518	170,780	158,390	164,322^f	160,168^f	161,139^f	155,410^f	164,485	165,342	161,208

1. Since June 1984, reported claims held by foreign branches have been reduced by an increase in the reporting threshold for "shell" branches from \$50

million to \$150 million equivalent in total assets, the threshold now applicable to all reporting branches.

3.14—Continued

Liabilities	1988	1989	1990	1991						
				Feb.	Mar.	Apr.	May	June	July	Aug.
All foreign countries										
57 Total, all currencies	505,595	545,366	556,925	561,564 ^f	548,032 ^f	538,467 ^f	530,314 ^f	532,075 ^f	528,444 ^f	527,025
58 Negotiable certificates of deposit (CDs)	28,511	23,500	18,060	18,595	19,920	19,484	17,753	16,503	19,692	18,796
59 To United States	185,577	197,239	189,412	188,268 ^f	186,998 ^f	180,890 ^f	172,936 ^f	187,200	181,497	176,931
60 Parent bank	114,720	138,412	138,748	132,796 ^f	129,645 ^f	124,459 ^f	118,186 ^f	127,568	126,538	120,917
61 Other banks in United States	14,737	31,705	7,463	10,586 ^f	10,975 ^f	9,932 ^f	8,998 ^f	11,758	10,079	10,078
62 Nonbanks	56,120	47,123	43,201	44,886 ^f	46,378 ^f	46,499 ^f	45,752 ^f	47,874	44,880	45,936
63 To foreigners	270,923	296,850	311,668	316,523	306,047	300,907	301,366	290,297 ^f	287,887 ^f	290,257
64 Other branches of parent bank	111,267	119,591	139,113	124,437	129,201	122,789	119,765	116,253 ^f	112,521 ^f	112,845
65 Banks	72,842	76,452	58,986	73,773	63,262	63,909	66,140	57,256	59,975	62,329
66 Official institutions	15,183	16,750	14,791	16,665	15,864	18,398	19,803	20,394	17,245	18,030
67 Nonbank foreigners	71,631	84,057	98,778	101,648	97,720	95,812	95,658	96,394 ^f	98,146 ^f	97,053
68 Other liabilities	20,584	27,777	37,783	38,178	35,067 ^f	37,186 ^f	38,259	38,075 ^f	39,368 ^f	41,041
69 Total payable in U.S. dollars	367,483	396,613	383,522	381,165 ^f	382,366 ^f	373,223 ^f	360,127 ^f	372,062	363,092	359,080
70 Negotiable CDs	24,045	19,619	14,094	14,446	15,335	14,882	13,258	12,620	14,538	14,183
71 To United States	173,190	187,286	175,654	175,225 ^f	174,619 ^f	169,419 ^f	160,612 ^f	175,057	169,837	165,890
72 Parent bank	107,150	132,563	130,510	125,532 ^f	122,460 ^f	117,873 ^f	110,952 ^f	120,334	119,812	114,738
73 Other banks in United States	13,468	10,519	6,052	8,721 ^f	9,429 ^f	8,514 ^f	7,668 ^f	10,616	8,804	8,442
74 Nonbanks	52,572	44,204	39,092	40,972 ^f	42,730 ^f	43,032 ^f	41,992 ^f	44,107	41,221	42,710
75 To foreigners	160,766	176,460	179,902	175,761	177,902	173,589	171,160	170,354	163,451	164,188
76 Other branches of parent bank	84,021	87,636	98,128	87,288	93,910	88,299	85,857	84,952	79,909	79,277
77 Banks	28,493	30,537	20,251	25,536	23,769	22,892	21,639	21,162	21,470	23,330
78 Official institutions	8,224	9,873	7,921	10,021	9,205	11,568	12,339	13,972	11,563	11,496
79 Nonbank foreigners	40,028	48,414	52,702	52,916	51,018	50,830	51,325	50,268	50,509	50,085
80 Other liabilities	9,482	13,248	14,772	15,733	14,510 ^f	15,333 ^f	15,097	14,031	15,266	14,819
United Kingdom										
81 Total, all currencies	156,835	161,947	184,818	180,018	175,565	168,880	169,032	165,397	161,773	162,879
82 Negotiable CDs	24,528	20,056	14,256	14,363	15,820	15,162	13,486	12,196	14,889	14,148
83 To United States	36,784	36,036	39,928	33,904	35,066	28,450	28,618	31,084	26,599	27,915
84 Parent bank	27,849	29,726	31,806	25,504	26,826	21,676	19,951	23,238	19,545	20,367
85 Other banks in United States	2,037	1,256	7,505	1,401	1,230	1,175	1,413	1,092	1,490	1,662
86 Nonbanks	6,898	5,054	6,617	6,999	7,010	5,599	7,254	6,754	5,564	5,886
87 To foreigners	86,026	92,307	108,531	110,455	105,090	103,976	104,322	99,756	97,263	96,773
88 Other branches of parent bank	26,812	27,397	36,709	30,978	33,084	31,860	30,155	29,371	28,591	27,457
89 Banks	30,609	29,780	25,126	32,784	26,609	27,001	28,459	22,994	24,310	25,131
90 Official institutions	7,873	8,551	8,361	9,745	8,969	11,300	12,342	13,062	10,010	10,722
91 Nonbank foreigners	20,732	26,579	38,335	36,948	36,428	33,815	33,366	34,329	34,352	33,463
92 Other liabilities	9,497	13,548	22,103	21,296	19,589	21,292	22,606	22,361	23,022	24,043
93 Total payable in U.S. dollars	105,907	108,178	116,094	112,118	112,981	106,568	104,074	104,519	99,752	100,131
94 Negotiable CDs	22,063	18,143	12,710	12,790	13,816	13,291	11,610	10,833	12,758	12,337
95 To United States	32,588	33,056	34,697	29,480	30,779	24,690	24,245	27,106	22,355	23,788
96 Parent bank	26,404	28,812	29,955	24,164	25,450	20,391	18,457	21,848	17,924	18,949
97 Other banks in United States	1,752	1,065	1,156	926	800	848	1,002	892	1,233	1,216
98 Nonbanks	4,432	3,179	3,586	4,390	4,529	3,451	4,786	4,366	3,198	3,623
99 To foreigners	47,083	50,517	60,014	60,977	59,985	59,440	58,849	58,068	55,433	54,848
100 Other branches of parent bank	18,561	18,384	25,957	21,339	24,049	22,452	21,671	20,452	19,509	18,480
101 Banks	13,407	12,244	9,488	12,976	10,112	9,931	9,654	8,758	9,678	9,731
102 Official institutions	4,348	5,454	4,692	6,587	6,188	8,239	8,914	10,032	7,519	7,929
103 Nonbank foreigners	10,767	14,435	19,877	20,075	19,636	18,818	18,610	18,826	18,727	18,708
104 Other liabilities	4,173	6,462	8,673	8,871	8,401	9,147	9,370	8,512	9,206	9,158
Bahamas and Caymans										
105 Total, all currencies	170,639	176,006	162,316	168,998 ^f	164,316 ^f	165,178 ^f	159,196 ^f	168,389	169,271	165,281
106 Negotiable CDs	953	678	646	629	729	674	694	696	904	963
107 To United States	122,332	124,859	114,738	123,020 ^f	119,719 ^f	121,608 ^f	115,576 ^f	125,377	126,310	121,799
108 Parent bank	62,894	75,188	74,941	78,908 ^f	73,337 ^f	74,377 ^f	71,888 ^f	76,196	80,795	75,897
109 Other banks in United States	11,494	8,883	4,526	7,624 ^f	7,548 ^f	8,223 ^f	6,410 ^f	9,438	7,473	7,029
110 Nonbanks	47,944	40,788	35,271	36,488 ^f	38,159 ^f	39,683 ^f	37,278 ^f	39,743	38,042	38,873
111 To foreigners	45,161	47,382	44,444	42,472	41,660	40,289	40,629	40,180	39,624	39,994
112 Other branches of parent bank	23,686	23,414	24,715	22,923	22,303	21,645	22,017	21,701	21,765	21,846
113 Banks	8,336	8,823	5,588	6,105	6,232	5,837	5,765	5,734	4,877	5,558
114 Official institutions	1,074	1,097	622	728	674	676	736	931	661	655
115 Nonbank foreigners	12,065	14,048	13,519	12,716	12,451	12,131	12,111	11,814	12,321	11,935
116 Other liabilities	2,193	3,087	2,488	2,877	2,208 ^f	2,607 ^f	2,297	2,136	2,433	2,525
117 Total payable in U.S. dollars	162,950	171,250	157,132	163,639 ^f	159,173 ^f	160,897 ^f	154,971 ^f	164,101	164,935	160,723

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1989	1990 ^f	1991						
			Feb. ^f	Mar. ^f	Apr. ^f	May ^f	June ^f	July ^f	Aug ^p
1 Total¹	312,477	344,504	363,540	349,996	344,605	351,017	346,511	349,770	356,308
<i>By type</i>									
2 Liabilities reported by banks in the United States ²	36,496	39,855	44,562	42,240	39,057	41,891	41,156	43,242	47,320
3 U.S. Treasury bills and certificates ³	76,985	79,424	83,939	83,990	81,087	82,421	84,526	86,071	88,603
U.S. Treasury bonds and notes									
4 Marketable	179,269	202,487	212,203	200,203	201,089	203,109	197,277	196,573	196,285
5 Nonmarketable ⁴	568	4,491	4,550	4,580	4,610	4,642	4,672	4,704	4,734
6 U.S. securities other than U.S. Treasury securities ⁵	19,159	18,247	18,286	18,983	18,762	18,954	18,880	19,180	19,366
<i>By area</i>									
7 Western Europe ¹	132,849	167,191	175,420	166,516	163,012	167,009	163,994	166,267	170,271
8 Canada	9,482	8,671	7,899	8,466	8,453	9,507	9,229	9,260	10,001
9 Latin America and Caribbean	9,313	21,159	23,708	24,639	25,355	27,732	29,415	30,032	31,427
10 Asia	153,338	138,096	146,176	139,759	137,662	136,510	133,764	134,260	134,359
11 Africa	1,030	1,434	1,439	1,802	1,171	1,184	1,254	1,178	1,197
12 Other countries ⁶	6,469	7,955	8,897	8,814	8,953	9,073	8,851	8,771	9,051

- 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; zero coupon bonds are included at current value.

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.

SOURCE: 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 and on the 1984 benchmark survey of foreign portfolio investment in the United States.

3.16 LIABILITIES TO AND CLAIMS ON FOREIGNERS Reported by Banks in the United States Payable in Foreign Currencies¹

Millions of dollars, end of period

Item	1987	1988	1989	1990		1991	
				Sept.	Dec. ^f	Mar. ^f	June ^f
1 Banks' own liabilities	55,438	74,980	67,835	71,028	70,413	64,347	59,179
2 Banks' own claims	51,271	68,983	65,127	68,675	66,855	67,309	61,442
3 Deposits	18,861	25,100	20,491	27,206	29,672	27,510	27,545
4 Other claims	32,410	43,884	44,636	41,470	37,182	39,799	33,897
5 Claims of banks' domestic customers ²	551	364	3,507	2,843	10,594	7,357	13,191

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

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 the domestic customers.

3.17 LIABILITIES TO FOREIGNERS Reported by Banks in the United States¹
Payable in U.S. dollars
Millions of dollars, end of period

Holder and type of liability	1988	1989	1990 ^f	1991							
				Feb. ^f	Mar. ^f	Apr. ^f	May ^f	June ^f	July ^f	Aug. ^p	
1 All foreigners	685,339	736,878	754,005	759,593	749,186	732,847	727,365	723,281	722,306	728,087	
2 Banks' own liabilities	514,532	577,498	577,190	576,507	570,187	562,129	556,510	549,382	547,578	551,373	
3 Demand deposits	21,863	22,032	21,723	20,144	20,217	19,751	18,863	18,796	17,918	18,403	
4 Time deposits ²	152,164	168,780	168,003	162,349	163,986	157,148	151,772	148,452	148,443	148,226	
5 Other ³	51,366	67,823	65,809	75,217	71,785	73,718	72,632	65,438	66,981	71,881	
6 Own foreign offices ⁴	289,138	318,864	321,655	318,797	314,199	311,512	313,244	316,696	314,236	312,863	
7 Banks' custody liabilities ⁵	170,807	159,380	176,815	183,087	178,999	170,718	170,855	173,899	174,728	176,714	
8 U.S. Treasury bills and certificates ⁶	115,056	91,100	96,796	103,934	102,120	97,311	98,019	100,876	101,736	104,919	
9 Other negotiable and readily transferable instruments ⁷	16,426	19,526	17,578	18,288	17,633	16,475	16,959	17,944	17,287	16,381	
10 Other	39,325	48,754	62,441	60,865	59,246	56,933	55,876	55,079	55,705	55,414	
11 Nonmonetary international and regional organizations⁸	3,224	4,894	5,918	6,555	6,669	6,237	6,057	5,917	6,218	6,884	
12 Banks' own liabilities	2,527	3,279	4,540	4,092	4,806	5,061	4,675	3,863	4,109	4,910	
13 Demand deposits	71	96	36	40	22	76	24	26	44	28	
14 Time deposits ²	1,183	927	1,050	1,684	2,034	1,980	2,151	2,010	1,732	1,540	
15 Other ³	1,272	2,255	3,455	2,368	2,750	3,006	2,501	1,827	2,333	3,342	
16 Banks' custody liabilities ⁵	698	1,616	1,378	2,462	1,863	1,176	1,381	2,054	2,109	1,974	
17 U.S. Treasury bills and certificates ⁶	57	197	364	1,620	1,103	275	662	1,287	1,404	1,269	
18 Other negotiable and readily transferable instruments ⁷	641	1,417	1,014	842	760	901	719	767	705	705	
19 Other	0	2	0	0	0	0	0	0	0	0	
20 Official institutions⁹	135,241	113,481	119,278	128,501	126,230	120,144	124,311	125,682	129,313	135,923	
21 Banks' own liabilities	27,109	31,108	34,885	40,134	38,570	36,096	38,545	36,788	38,711	42,973	
22 Demand deposits	1,917	2,196	1,924	1,579	1,643	1,633	1,448	1,542	1,398	1,684	
23 Time deposits ²	9,767	10,495	14,334	13,406	13,926	13,546	14,346	14,638	14,912	14,765	
24 Other ³	15,425	18,417	18,628	25,150	23,000	20,917	22,751	20,608	22,401	26,524	
25 Banks' custody liabilities ⁵	108,132	82,373	84,393	88,366	87,661	84,408	85,766	88,894	90,602	92,950	
26 U.S. Treasury bills and certificates ⁶	103,722	76,985	79,424	83,939	83,990	81,087	82,421	84,526	86,071	88,603	
27 Other negotiable and readily transferable instruments ⁷	4,130	5,028	4,766	4,054	3,578	2,831	3,194	4,101	4,324	4,172	
28 Other	280	361	203	374	92	130	152	267	207	175	
29 Banks¹⁰	459,523	515,275	535,202	528,235	521,431	510,795	500,983	499,494	494,397	495,040	
30 Banks' own liabilities	409,501	454,273	458,457	451,394	446,766	440,068	432,311	431,592	427,307	427,766	
31 Unaffiliated foreign banks	120,362	135,409	136,802	132,598	132,567	128,555	119,068	114,896	113,071	114,903	
32 Demand deposits	9,948	10,279	10,053	9,521	10,052	9,073	8,674	8,584	8,423	8,248	
33 Time deposits ²	80,189	90,557	88,558	82,509	84,205	79,232	72,355	69,826	70,085	71,467	
34 Other ³	30,226	34,573	38,192	40,567	38,310	40,250	38,038	36,486	34,563	35,188	
35 Own foreign offices ⁴	289,138	318,864	321,655	318,797	314,199	311,512	313,244	316,696	314,236	312,863	
36 Banks' custody liabilities ⁵	50,022	61,002	76,745	76,841	74,666	70,728	68,672	67,903	67,090	67,274	
37 U.S. Treasury bills and certificates ⁶	7,602	9,367	10,669	11,169	10,674	10,030	8,712	8,666	7,970	8,242	
38 Other negotiable and readily transferable instruments ⁷	5,725	5,124	5,341	6,450	6,449	6,116	5,877	5,833	5,408	5,184	
39 Other	36,694	46,510	60,735	59,222	57,543	54,582	54,083	53,404	53,712	53,848	
40 Other foreigners	87,351	103,228	93,606	96,303	94,856	95,671	96,014	92,188	92,378	90,240	
41 Banks' own liabilities	75,396	88,839	79,307	80,886	80,046	80,905	80,978	77,139	77,451	75,724	
42 Demand deposits	9,928	9,460	9,711	9,004	8,500	8,969	8,717	8,644	8,053	8,443	
43 Time deposits ²	61,025	66,801	64,062	64,749	63,820	62,391	62,920	61,977	61,714	60,454	
44 Other ³	4,443	12,577	5,534	7,132	7,725	9,545	9,341	6,518	7,684	6,827	
45 Banks' custody liabilities ⁵	11,956	14,389	14,299	15,417	14,810	14,766	15,035	15,049	14,927	14,516	
46 U.S. Treasury bills and certificates ⁶	3,675	4,551	6,339	7,206	6,354	5,919	6,224	6,397	6,291	6,805	
47 Other negotiable and readily transferable instruments ⁷	5,929	7,958	6,457	6,943	6,845	6,626	7,170	7,244	6,850	6,320	
48 Other	2,351	1,880	1,503	1,269	1,611	2,221	1,642	1,408	1,786	1,391	
49 MEMO: Negotiable time certificates of deposit in custody for foreigners	6,425	7,203	7,073	6,770	7,209	7,321	7,563	7,934	6,813	6,569	

1. Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.

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

3. Includes borrowing under repurchase agreements.

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

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

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

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

8. Principally the International Bank for Reconstruction and Development and the Inter-American and Asian Development Banks. Data exclude "holdings of dollars" of the International Monetary Fund.

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

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

3.17—Continued

Area and country	1988	1989	1990	1991						
				Feb.	Mar.	Apr.	May	June	July ¹	Aug. ²
1 Total	685,339	736,878	754,005^f	759,593^f	749,186^f	732,847^f	727,365^f	723,281^f	722,306	728,087
2 Foreign countries	682,115	731,984	748,087^f	753,039^f	742,517^f	726,610^f	721,308^f	717,364^f	716,088	721,203
3 Europe	231,912	237,501	254,452 ^f	251,531 ^f	250,208 ^f	241,708 ^f	238,174 ^f	236,448 ^f	228,711	234,483
4 Austria	1,155	1,233	1,229	1,522	1,493 ^f	1,147	1,100	1,067	1,235	961
5 Belgium-Luxembourg	10,022	10,648	12,382 ^f	12,542 ^f	12,221 ^f	12,393 ^f	11,593 ^f	11,854 ^f	12,290	11,164
6 Denmark	2,200	1,415	1,399	1,013	983	945	988	1,370	1,197	1,065
7 Finland	285	570	602	489	662	724	453	732	1,223	1,170
8 France	24,777	26,903	30,946	27,891 ^f	28,210 ^f	26,969 ^f	26,270	26,382 ^f	26,746	26,587
9 Germany	6,772	7,578	7,485 ^f	9,742 ^f	9,133 ^f	8,436 ^f	8,488 ^f	7,822 ^f	7,043	7,064
10 Greece	4,672	1,028	934	797	747	809	785	791	830	851
11 Italy	14,599	16,169	17,735 ^f	17,504 ^f	17,366 ^f	15,043 ^f	14,723 ^f	14,345 ^f	13,882	12,506
12 Netherlands	5,316	6,613	5,350 ^f	6,397	6,204	6,773	6,686	6,100	6,069	5,645
13 Norway	1,559	2,401	2,357 ^f	2,077 ^f	2,120 ^f	1,098 ^f	1,167 ^f	1,926 ^f	1,653	1,279
14 Portugal	903	2,418	2,958	2,684	2,778	2,628	2,410	2,392	2,279	2,313
15 Spain	5,494	4,364	7,544	8,073	9,784	10,006	10,095	9,392	10,496	10,396
16 Sweden	1,284	1,491	1,837	759	1,159	720	525	745	858	1,424
17 Switzerland	34,199	34,496	36,690 ^f	37,216 ^f	38,200 ^f	36,716 ^f	34,884 ^f	36,124 ^f	34,818	36,047
18 Turkey	1,012	1,818	1,169	195	480	490	1,535	1,806 ^f	1,720	1,780
19 United Kingdom	111,811	102,362	109,555 ^f	103,919 ^f	103,101 ^f	101,567 ^f	99,879 ^f	98,199 ^f	89,580	98,931
20 Yugoslavia	529	1,474	928	959	848	1,034	953	925 ^f	1,016	955
21 Other Western Europe ¹¹	8,598	13,563	11,689	14,050 ^f	10,891 ^f	10,335 ^f	12,797 ^f	11,371 ^f	12,423	14,915
22 U.S.S.R.	138	350	119	88	106	138	129	778	75	180
23 Other Eastern Europe ¹²	591	608	1,545 ^f	2,613 ^f	2,722	2,739 ^f	2,713 ^f	2,925 ^f	2,878	3,248
24 Canada	21,062	18,865	20,349^f	23,849^f	23,447^f	23,264^f	22,740^f	23,850^f	22,522	23,870
25 Latin America and Caribbean	271,146	311,028	327,370^f	335,841^f	325,968^f	325,444^f	328,845^f	328,380^f	335,216	333,834
26 Argentina	7,804	7,304	7,365 ^f	7,675 ^f	7,868 ^f	7,704 ^f	7,591 ^f	7,519 ^f	7,110	7,042
27 Bahamas	86,863	99,341	107,386	102,264	96,313 ^f	96,707	97,485	96,855	97,976	93,894
28 Bermuda	2,621	2,884	2,822 ^f	3,008	2,885 ^f	2,753	3,054	2,919	3,110	3,505
29 Brazil	5,314	6,351	5,834 ^f	6,291 ^f	6,472 ^f	5,806 ^f	5,749 ^f	5,766 ^f	5,806	6,050
30 British West Indies	113,840	138,309	141,719 ^f	154,518 ^f	150,752 ^f	150,993 ^f	151,629 ^f	150,939 ^f	157,246	158,828
31 Chile	2,936	3,212	3,145	3,063	2,995	3,107	3,240	3,233	3,308	3,178
32 Colombia	4,374	4,653	4,492	4,437	3,785 ^f	4,307 ^f	4,408 ^f	4,448	4,422	4,737
33 Cuba	10	10	8	8	7	8	7	7	9	9
34 Ecuador	1,379	1,391	1,379	1,332	1,319	1,260	1,293	1,288	1,270	1,239
35 Guatemala	1,195	1,312	1,541	1,580	1,617	1,771	1,595	1,664	1,641	1,613
36 Jamaica	269	209	257	256	268	233	237	273	219	227
37 Mexico	15,185	15,423	16,625	17,156 ^f	17,405	17,508	18,657	19,552	20,008	20,449
38 Netherlands Antilles	6,420	6,310	7,357 ^f	6,934 ^f	6,577 ^f	6,874 ^f	5,962 ^f	5,935 ^f	5,830	5,740
39 Panama	4,353	4,362	4,574 ^f	4,349 ^f	4,450 ^f	4,290 ^f	4,549 ^f	4,672 ^f	4,438	4,560
40 Peru	1,671	1,984	1,294 ^f	1,222 ^f	1,362 ^f	1,427 ^f	1,412 ^f	1,341 ^f	1,334	1,288
41 Uruguay	1,898	2,284	2,520	2,639	2,509	2,463	2,488	2,573	2,452	2,441
42 Venezuela	9,147	9,482	12,271 ^f	12,094 ^f	12,266	11,833	12,665 ^f	12,585 ^f	12,176	12,254
43 Other	5,868	6,206	6,779	7,045 ^f	7,117 ^f	6,959 ^f	6,815 ^f	6,828 ^f	6,868	6,780
44 Asia	147,838	156,201	136,842^f	132,441^f	133,878^f	127,737^f	122,893^f	120,618^f	121,770	121,060
45 China	1,895	1,773	2,421	2,720	3,030	2,415	2,446	2,412	2,408	2,247
46 Taiwan	26,058	19,588	11,246 ^f	11,142 ^f	11,296 ^f	11,001	10,649	9,838	11,178	11,537
47 Hong Kong	12,248	12,416	12,754 ^f	14,851 ^f	15,794 ^f	16,141 ^f	15,035 ^f	14,582 ^f	14,570	14,208
48 India	699	780	1,233	1,628	1,948 ^f	1,895 ^f	1,968	1,959	2,122	2,373
49 Indonesia	1,180	1,281	1,238	1,719	1,941	1,309	1,303	1,612	1,163	1,192
50 Israel	1,461	1,243	2,767	2,509	2,966 ^f	2,849	2,564	2,355	2,376	2,718
51 Japan	74,015	81,184	67,074 ^f	61,096 ^f	56,831 ^f	53,172	52,031	51,482	50,009	48,474
52 Korea	2,541	3,215	2,287 ^f	2,186	2,215 ^f	2,887	2,193	2,102	2,326	2,134
53 Philippines	1,163	1,766	1,585	1,655	1,609	1,681	1,521	1,587	1,537	1,465
54 Thailand	1,236	2,093	1,443	2,148	2,403	2,571	2,502	2,386	2,367	2,650
55 Middle-East oil-exporting countries ¹³	12,083	13,370	15,829	13,693	15,642	14,655	14,122 ^f	13,355	15,738	14,816
56 Other	13,260	17,491	16,965	17,094 ^f	18,204 ^f	17,162	16,560	16,949 ^f	15,976	17,246
57 Africa	3,991	3,824	4,630	5,153	4,908	4,495	4,695	4,188^f	3,929	4,017
58 Egypt	911	686	1,425	1,416	1,449	927	1,364	1,017	999	956
59 Morocco	68	78	104	90	91	89	97	122	81	91
60 South Africa	437	206	228	317	312	220	202	241	221	138
61 Zaire	85	86	53	50	52	50	52	45	24	58
62 Oil-exporting countries ¹⁴	1,017	1,121	1,110	1,528	1,370	1,434	1,140	1,105	960	983
63 Other	1,474	1,648	1,710	1,751	1,634	1,776	1,840	1,658 ^f	1,644	1,791
64 Other countries	6,165	4,564	4,444^f	4,224	4,109	3,962^f	3,962	3,879	3,940	3,939
65 Australia	5,293	3,867	3,807	3,434	3,131	3,118	3,232	3,097	3,168	3,084
66 All other	872	697	637	789 ^f	978	845	730	781 ^f	772	855
67 Nonmonetary international and regional organizations	3,224	4,894	5,918	6,555	6,669	6,237	6,057	5,917	6,218	6,884
68 International ¹⁵	2,503	3,947	4,390	4,880	5,108	4,895	4,641	4,025	4,338	4,310
69 Latin American regional	589	684	1,048	1,235	1,170	913	802	1,410	1,273	1,531
70 Other regional ¹⁶	133	263	479	440	391	429	614	482	607	1,043

11. Includes the Bank for International Settlements and Eastern European countries not listed in line 23.

12. Comprises Bulgaria, Czechoslovakia, Hungary, Poland, and Romania.

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

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

15. Excludes "holdings of dollars" of the International Monetary Fund.

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

3.18 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States¹
Payable in U.S. Dollars
Millions of dollars, end of period

Area and country	1988	1989	1990	1991 ²						
				Feb.	Mar.	Apr.	May	June	July	Aug. ³
1 Total	491,165	534,492	511,543 ⁴	511,492 ⁵	498,454	508,419	503,064	504,738	496,498	502,027
2 Foreign countries	489,094	530,630	506,750 ⁶	507,647 ⁶	495,953	505,558	500,134	500,656	494,770	499,605
3 Europe	116,928	119,025	113,093 ⁶	107,695 ⁶	104,309	100,367	99,221	99,001	97,746	98,605
4 Austria	483	415	362	399 ⁶	270	392	220	303	269	185
5 Belgium-Luxembourg	8,515	6,478	5,473 ⁶	5,920 ⁶	5,685	5,472	7,841	6,721	5,951	6,514
6 Denmark	483	582	497	472	598	765	909	896	898	945
7 Finland	1,065	1,027	1,047	1,360 ⁶	1,152	1,168	862	668	642	766
8 France	13,243	16,146	14,468 ⁶	14,422 ⁶	14,961	13,934	13,578	14,302	14,327	13,826
9 Germany	2,329	2,865	3,343	3,618 ⁶	3,305	3,236	2,631	2,782	2,690	3,222
10 Greece	433	788	727	652	667	688	762	654	619	495
11 Italy	7,936	6,662	6,052 ⁶	5,672 ⁶	6,617	5,429	5,827	6,329	6,001	5,931
12 Netherlands	2,541	1,904	1,761 ⁶	2,123 ⁶	2,134	2,222	1,960	2,122	2,234	2,106
13 Norway	455	609	782	670	765	679	695	701	661	594
14 Portugal	261	376	292	292	384	293	322	378	260	308
15 Spain	1,823	1,930	2,668	2,526	3,334	3,344	3,082	2,056	2,582	1,995
16 Sweden	1,977	1,773	2,094 ⁶	2,336	2,314	1,944	1,937	1,968	1,848	1,633
17 Switzerland	3,895	6,141	4,202 ⁶	2,448 ⁶	3,167	3,240	3,487	2,969	3,627	3,596
18 Turkey	1,233	1,071	1,405	1,509	1,537	1,440	1,445	1,593	1,459	1,407
19 United Kingdom	65,706	65,527	65,151 ⁶	60,403 ⁶	53,948	52,555	50,159	51,365	50,592	51,573
20 Yugoslavia	1,390	1,329	1,142	980	991	1,012	965	932	877	820
21 Other Western Europe ²	1,152	1,302	597	851	1,141	1,118	999	734	841	1,032
22 U.S.S.R.	1,255	1,179	530	501	781	904	956	911	782	1,015
23 Other Eastern Europe ³	754	921	499	545	558	533	585	618	586	642
24 Canada	18,889	15,451	16,091 ⁶	19,374 ⁶	17,077	17,600	17,713	17,431	16,699	14,465
25 Latin America and Caribbean	214,264	230,438	231,506 ⁶	238,887 ⁶	235,487	240,899	244,314	248,511	245,773	248,936
26 Argentina	11,826	9,270	6,967 ⁶	6,694 ⁶	6,574	6,420	6,363	6,128	5,955	5,839
27 Bahamas	66,954	77,921	76,525 ⁶	81,098 ⁶	74,111	77,231	79,429	78,024	81,250	78,330
28 Bermuda	483	1,315	4,056 ⁶	3,702 ⁶	4,133	4,935	7,182	3,893	5,813	11,773
29 Brazil	25,735	23,749	17,995 ⁶	17,939 ⁶	18,324	16,524	15,594	15,249	12,351	12,336
30 British West Indies	55,888	68,749	88,565 ⁶	99,035 ⁶	102,240	105,220	105,686	114,954	110,379	109,957
31 Chile	5,217	4,353	3,271	3,237	3,169	3,050	3,032	2,917	2,823	3,425
32 Colombia	2,944	2,784	2,587 ⁶	2,528	2,443	2,334	2,281	2,349	2,202	2,369
33 Cuba	1	1	0	0	0	0	0	0	0	0
34 Ecuador	2,075	1,688	1,387	1,361	1,325	1,326	1,339	1,344	1,263	1,238
35 Guatemala	198	197	191	192 ⁶	212	222	220	203	190	182
36 Jamaica	212	297	238	171	224	197	181	187	144	150
37 Mexico	24,637	23,376	14,851 ⁶	14,828 ⁶	15,091	15,609	15,177	15,411	15,540	15,354
38 Netherlands Antilles	1,306	1,921	7,998	1,599	1,298	1,496	1,589	1,639	1,563	1,540
39 Panama	2,521	1,740	1,471	1,502	1,479	1,475	1,410	1,423	1,501	1,490
40 Peru	1,013	771	663	691	697	670	722	726	712	728
41 Uruguay	910	929	786	626	588	620	615	590	577	571
42 Venezuela	10,733	9,652	2,571 ⁶	2,256 ⁶	2,170	2,211	2,223	2,222	2,405	2,397
43 Other	1,612	1,726	1,384 ⁶	1,429 ⁶	1,409	1,360	1,271	1,252	1,195	1,257
44 Asia	130,881	157,474	138,722 ⁶	134,211 ⁶	131,514	139,243	131,465	128,051	127,229	130,117
45 China	762	634	620	497	723	641	567	992	659	575
46 Mainland	4,184	2,776	1,952 ⁶	1,486 ⁶	1,277	1,685	1,390	2,019	1,696	1,522
47 Taiwan	10,143	11,128	10,648 ⁶	8,798 ⁶	9,737	10,891	9,870	9,217	8,871	9,099
48 Hong Kong	560	621	655	590	556	574	478	432	409	425
49 India	674	651	933	1,081	1,136	1,029	982	891	874	860
50 Indonesia	1,136	813	774	842	952	871	829	851	815	904
51 Israel	90,149	111,300	90,699 ⁶	90,040 ⁶	84,810	91,482	88,821	85,689	88,075	90,599
52 Japan	5,213	5,323	5,766 ⁶	6,042 ⁶	6,224	6,193	5,584	5,924	5,597	5,383
53 Korea	1,876	1,344	1,247	1,261	1,445	1,478	1,452	1,506	1,647	1,682
54 Philippines	848	1,140	1,573	1,791	1,764	1,662	1,747	1,977	1,975	1,870
55 Thailand	6,213	10,149	10,749	12,096	12,386	12,286	9,636	10,468	9,771	9,741
56 Middle East oil-exporting countries ⁴	9,122	11,594	13,106 ⁶	9,688	10,504	10,449	10,110	8,087	6,840	7,457
57 Africa	5,718	5,890	5,445	5,424	5,488	5,355	5,464	5,429	5,417	5,337
58 Egypt	507	502	380	314	304	304	305	315	324	315
59 Morocco	511	559	513	511	538	538	603	590	597	576
60 South Africa	1,681	1,628	1,525	1,518	1,628	1,627	1,641	1,626	1,627	1,610
61 Zaire	17	16	16	21	17	18	18	12	9	9
62 Oil-exporting countries ⁵	1,523	1,648	1,486	1,478	1,452	1,372	1,365	1,336	1,285	1,273
63 Other	1,479	1,537	1,525	1,582	1,547	1,497	1,533	1,550	1,575	1,554
64 Other countries	2,413	2,354	1,892 ⁶	2,056 ⁶	2,078	2,093	1,957	2,233	1,906	2,145
65 Australia	1,520	1,781	1,413	1,546 ⁶	1,467	1,569	1,470	1,621	1,384	1,464
66 All other	894	573	479	510 ⁶	611	524	487	611	522	681
67 Nonmonetary international and regional organizations ⁶	2,071	3,862	4,793	3,844	2,501	2,861	2,930	4,081	1,728	2,422

1. Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.

2. Includes the Bank for International Settlements and Eastern European countries not listed in line 23.

3. Comprises Bulgaria, Czechoslovakia, Hungary, Poland, and Romania.

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."

3.19 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States¹

Payable in U.S. Dollars

Millions of dollars, end of period

Type of claim	1988	1989	1990 ¹	1991 ¹						
				Feb.	Mar.	Apr.	May	June	July	Aug. ²
1 Total	538,689	593,087	577,213		561,441			570,476		
2 Banks' own claims on foreigners	491,165	534,492	511,543	511,492	498,454	508,419	503,064	504,738	496,498	502,027
3 Foreign public borrowers	62,658	60,511	41,838	43,781	43,946	42,960	38,928	39,315	34,511	35,356
4 Own foreign offices ³	257,436	296,011	304,315	307,386	299,045	304,028	298,517	305,914	305,150	300,603
5 Unaffiliated foreign banks	129,425	134,885	117,860	116,613	110,605	112,640	117,674	114,858	115,035	116,949
6 Deposits	65,898	78,185	65,252	69,105	63,100	64,748	68,822	68,695	68,596	70,695
7 Other	63,527	56,700	52,608	47,508	47,505	47,892	48,852	46,162	46,439	46,254
8 All other foreigners	41,646	43,085	47,530	43,712	44,858	48,791	47,945	44,650	41,802	49,119
9 Claims of banks' domestic customers ³	47,524	58,594	65,670		62,987			65,738		
10 Deposits	8,289	13,019	14,375		17,043			19,380		
11 Negotiable and readily transferable instruments ⁴	25,700	30,983	40,987		34,950			35,404		
12 Outstanding collections and other claims	13,535	14,592	10,307		10,994			10,953		
13 MEMO: Customer liability on acceptances	19,596	12,899	13,659		11,761			10,468		
14 Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States ⁵	45,360	45,744 ^f	44,562	44,002	43,731	42,700	40,087	36,128	40,370	n.a.

1. 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.

Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.

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

subsidiaries of head office or parent foreign bank.

3. 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.

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

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.

3.20 BANKS' OWN CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Banks in the United States¹

Payable in U.S. Dollars

Millions of dollars, end of period

Maturity, by borrower and area	1987	1988	1989	1990		1991	
				Sept.	Dec. ¹	Mar. ¹	June
1 Total	235,130	233,184	238,123	213,853 ^f	207,035	199,171	198,319
<i>By borrower</i>							
2 Maturity of one year or less ²	163,997	172,634	178,346	166,634 ^l	165,773	158,146	158,002
3 Foreign public borrowers	25,889	26,562	23,916	21,707 ^l	19,310	21,205	18,442
4 All other foreigners	138,108	146,071	154,430	144,927 ^l	146,463	136,941	139,560
5 Maturity of more than one year ²	71,133	60,550	59,776	47,218	41,262	41,025	40,317
6 Foreign public borrowers	38,625	35,291	36,014	26,354	22,406	22,435	20,613
7 All other foreigners	32,507	25,259	23,762	20,864	18,855	18,590	19,704
<i>By area</i>							
8 Maturity of one year or less ²							
9 Europe	59,027	55,909	53,913	51,202 ^f	49,157	49,593	49,509
10 Canada	5,680	6,282	5,910	5,499	5,439	5,909	7,196
11 Latin America and Caribbean	56,535	57,991	53,003	44,512 ^f	49,731	42,686	40,563
12 Asia	35,919	46,224	57,755	56,138 ^f	53,134	54,032	52,921
13 Africa	2,833	3,337	3,225	2,954	3,040	3,008	2,945
14 All other ³	4,003	2,891	4,541	6,330	5,272	2,918	4,868
15 Maturity of more than one year ²							
16 Europe	6,696	4,666	4,121	4,424	3,869	4,329	4,308
17 Canada	2,661	1,922	2,353	3,033	3,291	3,387	3,891
18 Latin America and Caribbean	53,817	47,547	45,816	31,284	25,977	24,962	23,758
19 Asia	3,830	3,613	4,172	5,664	5,189	5,404	5,709
20 Africa	1,747	2,301	2,630	2,546	2,374	2,426	2,456
21 All other ³	2,381	501	684	266	561	517	195

1. Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.

2. Remaining time to maturity.

3. Includes nonmonetary international and regional organizations.

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

Billions of dollars, end of period

Area or country	1987	1988	1989			1990				1991	
			June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June
1 Total	382.4	346.3	340.0	346.5	338.8	333.9 ^f	321.7 ^f	332.1 ^f	317.8 ^f	324.8 ^f	319.8 ^f
2 G-10 countries and Switzerland	159.7	152.7	145.1	146.4	152.9	146.6 ^f	139.3	144.3	132.1	129.6	129.7
3 Belgium-Luxembourg	10.0	9.0	7.8	6.9	6.3	6.7 ^f	6.2	6.5	5.9	6.2	6.1
4 France	13.7	10.5	10.8	11.1	11.7	10.4	10.2	11.1	10.4	9.7	10.5
5 Germany	12.6	10.3	10.6	10.4	10.5	11.2	11.2	11.1	10.6	8.8	8.1
6 Italy	7.5	6.8	6.1	6.8	7.4	5.9	5.4	4.4	5.0	4.0	3.6
7 Netherlands	4.1	2.7	2.8	2.4	3.1	3.1	2.7	3.8	3.0	3.3	3.3
8 Sweden	2.1	1.8	1.8	2.0	2.0	2.1	2.3	2.3	2.2	2.0 ^f	2.4
9 Switzerland	5.6	5.4	5.4	6.1	7.1	6.2	6.3	5.6	4.4	3.7	3.3
10 United Kingdom	68.8	66.2	64.5	63.7	67.2	64.0 ^f	59.9 ^f	62.5	60.8	62.0	59.8
11 Canada	5.5	5.0	5.1	5.9	5.4	4.8 ^f	5.1	5.1	5.9	6.7	8.1 ^f
12 Japan	29.8	34.9	30.2	31.0	32.2	32.2	30.1	32.0	23.9 ^f	23.2	24.6
13 Other developed countries	26.4	21.0	21.2	21.0	20.7	23.0	22.4	23.1	22.6	23.1	21.2
14 Austria	1.9	1.5	1.7	1.5	1.5	1.5	1.6	1.4	1.4	1.4	1.1
15 Denmark	1.7	1.1	1.4	1.1	1.1	1.2	1.1	1.1	1.1	1.1	1.2
16 Finland	1.2	1.1	1.0	1.1	1.0	1.1	.9	.8	.7	1.0	.8
17 Greece	2.0	1.8	2.3	2.4	2.5	2.6	2.7	2.8	2.7	2.5	2.4
18 Norway	2.2	1.8	1.8	1.4	1.4	1.7	1.4	1.6	1.6	1.5	1.5
19 Portugal	.6	.4	.6	.4	.4	.4	.8	.6	.6	.6	.6
20 Spain	8.0	6.2	6.2	6.9	7.1	8.2	7.8	8.4	8.3	9.0	7.0
21 Turkey	2.0	1.5	1.1	1.2	1.2	1.3	1.4	1.6	1.7	1.7	1.9
22 Other Western Europe	1.6	1.3	1.1	1.0	.7	1.0	1.1	.7	.9	.8	1.0
23 South Africa	2.9	2.4	2.1	2.1	2.0	2.0	1.9	1.9	1.8	1.8	1.8
24 Australia	2.4	1.8	1.9	2.1	1.6	2.1	1.8	2.0	1.8	1.9	2.0
25 OPEC countries ²	17.4	16.6	16.1	16.2	17.1	15.5	15.3	14.4	12.8	17.1	13.9 ^f
26 Ecuador	1.9	1.7	1.5	1.5	1.3	1.2	1.1	1.1	1.0	.9	.9
27 Venezuela	8.1	7.9	7.5	7.4	7.0	6.1	6.0	6.0	5.0	5.1	5.2 ^f
28 Indonesia	1.9	1.7	1.9	2.0	2.0	2.1	2.0	2.3	2.7	2.8	2.6
29 Middle East countries	3.6	3.4	3.4	3.5	5.0	4.3	4.4	3.3	2.5	6.6	3.7
30 African countries	1.9	1.9	1.6	1.9	1.7	1.8	1.8	1.7	1.7	1.6	1.5
31 Non-OPEC developing countries	97.8	85.3	83.4	81.2	77.5	68.8	66.7	67.1	65.4 ^f	66.3	64.9 ^f
<i>Latin America</i>											
32 Argentina	9.5	9.0	7.9	7.6	6.3	5.6	5.2	5.0	5.0 ^f	4.7	4.6
33 Brazil	24.7	22.4	22.1	20.9	19.0	17.5	16.7	15.4	14.4	13.9	11.6
34 Chile	6.9	5.6	5.2	4.9	4.6	4.3	3.7	3.6	3.5	3.6	3.6
35 Colombia	2.0	2.1	1.7	1.6	1.8	1.8	1.7	1.8	1.8	1.7	1.6
36 Mexico	23.5	18.8	17.7	17.2	17.7	12.8	12.6	12.8	13.0	13.7	14.3
37 Peru	1.1	.8	.6	.6	.6	.5	.5	.5	.5	.5	.5
38 Other Latin America	2.8	2.6	2.6	2.9	2.8	2.8	2.3	2.4	2.3	2.2	2.0 ^f
<i>Asia</i>											
39 China											
40 Mainland	.3	.3	.3	.3	.3	.3	.2	.2	.2	.4	.6
41 Taiwan	8.2	3.7	5.2	5.0	4.5	3.8	3.6	4.0	3.5	3.6	4.1
42 India	1.9	2.1	2.4	2.7	3.1	3.5	3.6	3.6	3.3	3.5	3.0
43 Israel	1.0	1.2	.8	.7	.7	.6	.7	.6	.5	.5	.5
44 Korea (South)	5.0	6.1	6.6	6.5	5.9	5.3	5.6	6.2	6.2 ^f	6.8 ^f	6.9
45 Malaysia	1.5	1.6	1.6	1.7	1.7	1.8	1.8	1.8	1.9	2.0	2.1
46 Philippines	5.2	4.5	4.4	4.0	4.1	3.7	3.9	3.9	3.8	3.7	3.7 ^f
47 Thailand	.7	1.1	1.0	1.3	1.3	1.1	1.3	1.5	1.5	1.6	1.7
48 Other Asia ³	.7	.9	.8	1.0	1.0	1.2	1.1	1.6	1.7	2.1	2.3
<i>Africa</i>											
49 Egypt	.6	.4	.6	.5	.4	.4	.5	.4	.4	.4	.4
50 Morocco	.9	.9	.9	.8	.9	.9	.9	.8	.8	.8	.7
51 Zaire	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
52 Other Africa ³	1.3	1.1	1.1	1.0	1.0	.9	.8	.8	1.0	.8	.8
53 Eastern Europe	3.2	3.6	3.4	3.5	3.5	3.3	2.9	2.7	2.3	2.1	2.1
54 U.S.S.R.	.3	.7	.6	.8	.7	.8	.4	.4	.2	.3	.4
55 Yugoslavia	1.8	1.8	1.7	1.7	1.6	1.4	1.4	1.3	1.2	1.0	1.0
56 Other	1.1	1.1	1.1	1.1	1.3	1.2	1.1	1.1	.9	.8	.7
56 Offshore banking centers	54.5	44.2	43.2	49.2	36.6	43.1 ^f	40.3 ^f	42.2 ^f	42.5 ^f	49.8 ^f	48.4 ^f
57 Bahamas	17.3	11.0	11.0	11.4	5.5	9.2	8.5	8.9	2.8	8.3 ^f	6.8
58 Bermuda	.6	.9	.7	1.3	1.7	1.2 ^f	2.5 ^f	4.5 ^f	4.4 ^f	4.4 ^f	4.2
59 Cayman Islands and other British West Indies	13.5	12.9	10.8	15.3	9.0	10.9	8.5	9.0	11.5 ^f	13.9 ^f	15.1
60 Netherlands Antilles	1.2	1.0	1.0	1.1	2.3	2.6	2.3	2.2	7.9	1.1	1.4 ^f
61 Panama ⁴	3.7	2.5	1.9	1.5	1.4	1.3	1.4	1.5	1.4	1.4	1.3
62 Lebanon	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1
63 Hong Kong	11.2	9.6	10.4	10.7	9.7	9.8	10.0	8.7	7.7	11.5	12.3
64 Singapore	7.0	6.1	7.3	7.8	7.0	8.0	7.0	7.5	6.6	8.9	7.2
65 Others ⁵	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
66 Miscellaneous and unallocated ⁶	23.2	22.6	27.4	28.7	30.3	33.3	34.5	38.1	39.8	36.6	39.4

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

Since June 1984, reported claims held by foreign branches have been reduced by an increase in the reporting threshold for "shell" branches from \$50 million to

\$150 million equivalent in total assets, the threshold now applicable to all reporting branches.

2. This group comprises the Organization of Petroleum Exporting Countries shown individually, other members of OPEC (Algeria, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, and United Arab Emirates), and Bahrain and Oman (not formally members of OPEC).

3. Excludes Liberia.

4. Includes Canal Zone beginning December 1979.

5. Foreign branch claims only.

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

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

Millions of dollars, end of period

Type and area or country	1987	1988	1989 ^f	1990				1991	
				Mar. ^f	June	Sept.	Dec. ^f	Mar.	June ^p
1 Total	28,302	32,952	38,198	38,400	39,407 ^e	44,156 ^e	42,299	39,665 ^e	38,319
2 Payable in dollars	22,785	27,335	33,393	34,030	34,911 ^f	39,015 ^f	37,894	35,615 ^f	34,557
3 Payable in foreign currencies	5,517	5,617	4,805	4,371	4,496	5,140	4,405	4,049 ^f	3,762
<i>By type</i>									
4 Financial liabilities	12,424	14,507	17,907	17,461	19,043 ^f	19,909 ^f	17,986	16,807 ^f	16,486
5 Payable in dollars	8,643	10,608	14,047	14,169	15,663 ^f	16,059 ^f	14,731	14,082 ^f	13,772
6 Payable in foreign currencies	3,781	3,900	3,860	3,292	3,380	3,850	3,255	2,725 ^f	2,715
7 Commercial liabilities	15,878	18,445	20,292	20,939	20,365 ^f	24,247 ^f	24,313	22,858 ^f	21,833
8 Trade payables	7,305	6,505	7,590	7,443	6,935 ^f	10,040 ^f	9,945	8,224 ^f	7,880
9 Advance receipts and other liabilities	8,573	11,940	12,701	13,496	13,430 ^f	14,206 ^f	14,368	14,634 ^f	13,953
10 Payable in dollars	14,142	16,727	19,346	19,861	19,248 ^f	22,956 ^f	23,163	21,533 ^f	20,786
11 Payable in foreign currencies	1,737	1,717	945	1,078	1,117	1,291	1,150	1,325	1,047
<i>By area or country</i>									
<i>Financial liabilities</i>									
12 Europe	8,320	9,962	11,702	11,179	11,840 ^f	11,294 ^f	9,852	9,210 ^f	9,242
13 Belgium-Luxembourg	213	289	340	318	332	350	344	285	297
14 France	382	359	258	271	171	470	703	644 ^f	535
15 Germany	551	699	475	442	557	615	630	570	664
16 Netherlands	866	880	944	900	932	945	993	948	917
17 Switzerland	558	1,033	541	528	552	632	576	577	535
18 United Kingdom	5,557	6,533	8,846	8,388	8,851	7,651	5,995	5,548 ^f	5,704
19 Canada	360	388	610	352	306 ^f	309 ^f	223	272	287
20 Latin America and Caribbean	1,189	839	1,342	2,003	2,753 ^f	3,537 ^f	3,380	3,509	3,175
21 Bahamas	318	184	157	354	312 ^f	395 ^f	371	456	375
22 Bermuda	0	0	17	2	0	0	0	0	12
23 Brazil	25	0	0	0	0	0	0	0	0
24 British West Indies	778	645	709	1,166	1,899 ^f	2,524 ^f	2,388	2,483	2,186
25 Mexico	13	1	6	5	4	4	5	6	6
26 Venezuela	0	0	0	0	0	0	4	4	4
27 Asia	2,451	3,312	4,151	3,821	4,085 ^f	4,288 ^f	4,120	3,812 ^f	3,772
28 Japan	2,042	2,563	3,299	2,783	2,883 ^f	3,152 ^f	2,919	2,739 ^f	2,743
29 Middle East oil-exporting countries ²	8	3	2	3	5	4	5	1	4
30 Africa	4	2	2	3	3	2	2	2	9
31 Oil-exporting countries ³	1	0	0	0	1	0	0	0	7
32 All other ⁴	100	4	100	103	55	479	409	2	2
<i>Commercial liabilities</i>									
33 Europe	5,516	7,319	8,944	9,203	8,559 ^f	9,831 ^f	10,232	9,605	8,776
34 Belgium-Luxembourg	132	158	175	232	291 ^f	245 ^f	275	261	248
35 France	426	455	877	888	1,049	1,263	1,197	1,209	1,182
36 Germany	909	1,699	1,392	1,176	990	1,051 ^f	1,269	1,380	1,035
37 Netherlands	423	587	697	687	606 ^f	699 ^f	837	715	743
38 Switzerland	559	417	641	604	628	729 ^f	761	656	477
39 United Kingdom	1,599	2,079	2,620	2,927	2,440 ^f	2,778 ^f	2,792	2,734	2,746
40 Canada	1,301	1,217	1,124	1,151	1,178 ^f	1,263	1,250	1,230	1,185
41 Latin America and Caribbean	864	1,090	1,187	1,310	1,285 ^f	1,559 ^f	1,616	1,544	1,516
42 Bahamas	18	49	41	37	22	18	12	21	11
43 Bermuda	168	286	308	516	412	371	538	494	502
44 Brazil	46	95	100	121	109 ^f	129 ^f	145	214	176
45 British West Indies	19	34	27	18	29	42	30	35	42
46 Mexico	189	217	304	241	288 ^f	506	429	304	307
47 Venezuela	162	114	154	86	119	120	122	109	90
48 Asia	6,565	6,915	7,166	7,000	7,065 ^f	8,868 ^f	8,977	8,235	8,385
49 Japan	2,578	3,094	2,914	2,748	3,189	3,283	3,617	3,467	3,358
50 Middle East oil-exporting countries ^{2,5}	1,964	1,385	1,401	1,394	1,125	2,321	1,730	1,268 ^f	1,420
51 Africa	574	576	844	759	889 ^f	1,318 ^f	841	650	535
52 Oil-exporting countries ³	135	202	307	264	277	594 ^f	422	225	176
53 All other ⁴	1,057	1,328	1,027	1,517	1,390	1,408	1,398	1,594 ^f	1,436

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

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

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

4. Includes nonmonetary international and regional organizations.

5. Revisions include a reclassification of transactions, which also affects the totals for Asia and the grand totals.

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

Millions of dollars, end of period

Type, and area or country	1987	1988	1989 ^f	1990				1991	
				Mar. ^f	June	Sept.	Dec. ^f	Mar.	June ^p
1 Total	30,964	34,035	31,537	29,918 ^f	31,736	31,114	33,434	34,317 ^f	36,168
2 Payable in dollars	28,502	31,654	29,204	27,764 ^f	29,407	28,719	31,013	32,093 ^f	34,227
3 Payable in foreign currencies	2,462	2,381	2,334	2,154	2,329	2,395	2,421	2,223	1,941
<i>By type</i>									
4 Financial claims	20,363	21,869	17,728	16,622	18,105	16,663	18,142	18,659 ^f	20,222
5 Deposits	14,894	15,643	10,421	10,461	9,901	10,359	11,513	11,448 ^f	11,170
6 Payable in dollars	13,765	14,544	9,495	9,583	8,820	9,165	10,501	10,533 ^f	10,492
7 Payable in foreign currencies	1,128	1,099	927	878	1,082	1,193	1,012	915	678
8 Other financial claims	5,470	6,226	7,307	6,161	8,204	6,304	6,629	7,211 ^f	9,052
9 Payable in dollars	4,656	5,450	6,553	5,471	7,470	5,652	5,762	6,495 ^f	8,383
10 Payable in foreign currencies	814	777	754	690	733	652	866	716	669
11 Commercial claims	10,600	12,166	13,809	13,296 ^f	13,631	14,450	15,292	15,658 ^f	15,946
12 Trade receivables	9,535	11,091	12,191	11,691 ^f	11,924	12,674	13,415	13,595 ^f	13,762
13 Advance payments and other claims	1,065	1,075	1,618	1,605 ^f	1,707	1,776	1,877	2,063 ^f	2,183
14 Payable in dollars	10,081	11,660	13,156	12,710 ^f	13,117	13,901	14,749	15,066 ^f	15,352
15 Payable in foreign currencies	519	505	653	586	514	549	543	593	594
<i>By area or country</i>									
16 Financial claims									
17 Europe	9,531	10,279	7,046	6,982	9,634	8,004	7,994	9,587 ^f	10,846
18 Belgium-Luxembourg	7	18	28	22	126	27	76	86	76
19 France	332	203	153	203	141	153	366	249 ^f	274
20 Germany	102	120	192	508	93	102	371	481	388
21 Netherlands	350	348	303	316	340	329	333	453 ^f	507
22 Switzerland	65	218	95	122	137	176	325	405	434
23 United Kingdom	8,467	9,039	6,030	5,589	8,571	6,991	6,276	7,590 ^f	8,917
24 Canada	2,844	2,325	1,904	1,758	2,036	1,989	2,887	1,833	2,029
25 Latin America and Caribbean	7,012	8,160	7,590	6,984	5,490	5,642	5,757	5,961 ^f	5,765
26 Bahamas	1,994	1,846	1,461	1,662	992	977	1,261	1,714 ^f	1,056
27 Bermuda	7	19	7	4	3	4	3	6	4
28 Brazil	63	47	224	79	84	70	68	68	67
29 British West Indies	4,433	5,763	5,486	4,824	4,003	4,191	4,021	3,743 ^f	4,258
30 Mexico	172	151	94	152	164	158	177	179	161
31 Venezuela	19	21	20	21	20	23	25	28	29
32 Asia	879	844	852	806	843	800	1,240	934 ^f	1,234
33 Japan	605	574	461	459	486	472	902	607 ^f	874
34 Middle East oil-exporting countries ²	8	5	8	7	6	9	8	11	9
35 Africa	65	106	140	67	62	49	37	62	64
36 Oil-exporting countries ³	7	10	12	11	8	7	0	3	1
37 All other ⁴	33	155	195	25	41	179	226	281 ^f	285
<i>Commercial claims</i>									
38 Europe	4,180	5,181	6,193	6,035 ^f	6,072	6,490	7,046	7,005 ^f	7,341
39 Belgium-Luxembourg	178	189	242	220	209	188	211	221	214
40 France	650	672	963	964	924	1,206	1,240	1,267	1,381
41 Germany	562	669	696	699 ^f	670	638	803	859	917
42 Netherlands	133	212	479	453	478	491	551	591 ^f	710
43 Switzerland	185	344	305	270	234	300	298	323	297
44 United Kingdom	1,073	1,324	1,572	1,688 ^f	1,582	1,673	1,796	1,645 ^f	1,766
45 Canada	936	983	1,076	1,145 ^f	1,145	1,144	1,049	1,194	1,242
46 Latin America and Caribbean	1,930	2,241	2,174	2,053 ^f	2,198	2,393	2,305	2,305 ^f	2,401
47 Bahamas	19	36	57	22	17	25	14	15	23
48 Bermuda	170	230	323	243	284	340	246	232	234
49 Brazil	226	299	293	228 ^f	232	251	320	308	287
50 British West Indies	26	22	36	38	47	35	40	49	43
51 Mexico	368	461	507	521 ^f	575	649	636	657 ^f	705
52 Venezuela	283	227	147	188 ^f	223	224	189	190	194
53 Asia	2,915	2,993	3,555	3,271 ^f	3,463	3,621	4,044	4,292 ^f	4,088
54 Japan	1,158	946	1,197	1,072 ^f	1,096	1,221	1,396	1,749 ^f	1,572
55 Middle East oil-exporting countries ²	450	453	518	433 ^f	418	407	459	548	500
56 Africa	401	435	419	419 ^f	387	371	486	390	425
57 Oil-exporting countries ³	144	122	108	89	97	72	67	68	59
58 All other ⁴	238	333	392	372	365	432	362	472 ^f	449

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

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

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

4. Includes nonmonetary international and regional organizations.

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transaction and area or country	1989	1990 ^f	1991 ^f							
			Jan. - Aug.	Feb.	Mar.	Apr.	May	June	July	Aug. ^g
U.S. corporate securities										
STOCKS										
1 Foreign purchases	214,071 ^f	173,293	145,219	21,715	21,779	20,577	19,218	17,342	16,457	17,865
2 Foreign sales	204,129 ^f	188,419	132,035	20,629	19,447	17,440	15,886	16,107	15,296	16,161
3 Net purchases, or sales (-)	9,941 ^f	-15,126	13,184	1,085	2,332	3,137	3,332	1,234	1,161	1,704
4 Foreign countries	10,175 ^f	-15,197	12,790	1,029	2,332	3,059	3,278	1,191	1,138	1,568
5 Europe	476 ^f	-8,479	3,264	-1,252	837	1,639	1,218	713	8	703
6 France	-708	-1,234	309	-27	100	-45	83	170	-41	39
7 Germany	-830	-367	-222	-204	0	13	24	45	8	21
8 Netherlands	79	397	-176	-104	120	30	25	64	49	-217
9 Switzerland	-3,277	-2,866	520	-943	356	552	290	346	43	98
10 United Kingdom	3,683 ^f	-2,980	1,834	23	114	686	585	-149	-130	787
11 Canada	-881	886	2,599	470	288	111	712	383	159	450
12 Latin America and Caribbean	3,042	-1,330	2,256	938	-30	120	240	285	160	316
13 Middle East ¹	3,531	-2,435	278	675	-30	-174	207	460	272	67
14 Other Asia	3,577	-3,477	3,711	446	1,223	1,236	829	96	110	-33
15 Japan	3,330	-2,891	1,156	-366	-2	1,163	669	74	-15	-96
16 Africa	131	-63	119	31	16	0	21	9	6	4
17 Other countries	299	-298	564	-279	28	128	51	165	423	61
18 Nonmonetary international and regional organizations	-234	71	393	56	1	78	55	44	23	136
BONDS ²										
19 Foreign purchases	120,550	118,764	93,297	8,468	14,764	10,291	14,323	12,242	9,768	14,582
20 Foreign sales	87,533 ^f	102,027	76,500	9,345	10,630	9,083	11,645	8,637	7,673	10,762
21 Net purchases, or sales (-)	33,017 ^f	16,737	16,797	-877	4,134	1,207	2,678	3,605	2,095	3,820
22 Foreign countries	32,664 ^f	17,208	16,969	-799	4,066	1,307	2,736	3,666	2,122	3,917
23 Europe	18,907 ^f	10,079	9,235	-1,141	3,271	1,189	1,667	2,113	786	1,631
24 France	372	373	581	68	392	34	86	2	-5	-26
25 Germany	-238	-377	761	78	238	114	400	-120	-1	106
26 Netherlands	850	172	173	1	20	84	21	45	28	-17
27 Switzerland	-511	284	983	-217	318	-56	162	318	-7	105
28 United Kingdom	17,965 ^f	10,383	5,993	961	1,633	789	896	1,784	559	1,395
29 Canada	1,116	1,906	1,244	106	385	247	374	68	34	-40
30 Latin America and Caribbean	3,686	4,291	1,654	439	351	188	-142	524	309	1
31 Middle East ¹	-182	76	1,087	-2	-13	25	20	160	430	449
32 Other Asia	9,025	1,104	3,873	-209	54	301	831	898	544	1,925
33 Japan	6,292	747	3,231	-214	135	240	544	685	280	1,733
34 Africa	56	96	22	10	7	8	10	-1	-1	4
35 Other countries	57	-344	-147	-2	10	3	-23	-96	20	53
36 Nonmonetary international and regional organizations	353	-471	-173	-78	68	-100	-58	-62	-27	-97
Foreign securities										
37 Stocks, net purchases, or sales (-) ³	-13,062 ^f	-9,205	-23,060	-3,180	-3,421	-2,540	-3,312	-3,592	-3,075	-3,535
38 Foreign purchases	109,850 ^f	122,641	73,973	10,564	11,108	7,942	8,558	9,973	10,107	9,490
39 Foreign sales	122,912	131,846	97,033	13,745	14,528	10,482	11,871	13,565	13,182	13,025
40 Bonds, net purchases, or sales (-)	-5,493 ^f	22,487	-9,815	-1,977	-1,000	-254	-1,987	-1,547	-818	-1,963
41 Foreign purchases	234,770 ^f	314,545	210,077	37,206	40,177	20,779	20,642	19,916	22,030	22,176
42 Foreign sales	240,263	337,032	219,891	39,182	41,176	21,033	22,629	21,462	22,848	24,139
43 Net purchases, or sales (-), of stocks and bonds	-18,556 ^f	-31,692	-32,875	-5,157	-4,420	-2,793	-5,299	-5,138	-3,893	-5,498
44 Foreign countries	-18,594 ^f	-29,019	-31,921	-5,201	-2,969	-2,917	-4,770	-5,418	-4,407	-5,603
45 Europe	-17,663 ^f	-8,418	17,669	-3,171	-472	348	-1,918	-3,030	-4,969	-4,685
46 Canada	-3,730 ^f	-7,502	-6,263	-799	3	-2,290	-943	-1,011	278	-927
47 Latin America and Caribbean	426	-8,954	-618	313	123	8	-1,652	-26	133	133
48 Asia	2,532	-3,828	-7,582	1,793	-2,495	987	-159	-1,172	105	-304
49 Africa	93	137	-129	30	2	10	4	-198	8	-7
50 Other countries	-251	-180	339	218	-130	-4	-101	19	38	187
51 Nonmonetary international and regional organizations	38	-2,673	-953	44	-1,451	123	-529	280	514	105

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 securi-

ties sold abroad by U.S. corporations organized to finance direct investments abroad.

3. As a result of the merger of a U.S. and U.K. company in July 1989, the former stockholders of the U.S. company received \$5,453 million in shares of the new combined U.K. company. This transaction is not reflected in the data.

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

Millions of dollars

Country or area	1989	1990	1991 ^r							
			Jan. - Aug.	Feb.	Mar.	Apr.	May	June	July	Aug. ^p
Transactions, net purchases or sales (-) during period ¹										
1 Estimated total ²	54,203	19,439 ^r	16,017	12,938	-14,958	2,826	15,421	-5,830	728	1,691
2 Foreign countries ²	52,301	19,276 ^r	16,264	11,460	-14,139	2,583	15,404	-5,337	410	1,051
3 Europe ²	36,286	19,040 ^r	1,942	2,934	-4,089	-1,358	4,519	-4,250	-1,079	1,906
4 Belgium-Luxembourg.....	1,048	10	538	149	115	37	121	-102	-109	67
5 Germany ²	7,904	5,880 ^r	-5,824	-1,691	-3,340	-549	1,433	-1,458	684	-360
6 Netherlands.....	-1,141	1,077	-2,538	-85	-607	-292	-61	-794	-994	-4
7 Sweden.....	693	1,152	-1,219	43	-244	-410	560	31	-299	-239
8 Switzerland ²	1,098	112	660	139	470	-622	230	207	-218	285
9 United Kingdom.....	20,198	-1,414 ^r	3,992	-53	513	260	1,699	-1,249	-398	388
10 Other Western Europe.....	6,508	12,202	6,325	4,432	-996	214	540	-886	258	1,769
11 Eastern Europe.....	-21	13	8	0	0	5	-3	3	-3	0
12 Canada.....	698	-4,617 ^r	286	-171	182	566	342	-114	395	-118
13 Latin America and Caribbean.....	464	14,730 ^r	17,469	2,799	292	5,561	10,481	161	1,669	1,435
14 Venezuela.....	311	33	-137	-1	6	2	2	20	7	-20
15 Other Latin America and Caribbean.....	-322	3,939 ^r	8,804	1,590	931	2,969	5,687	-233	242	-2,011
16 Netherlands Antilles.....	475	10,757 ^r	8,802	1,210	-645	2,590	4,793	374	1,420	3,466
17 Asia.....	13,297	-11,031 ^r	-3,101	5,517	-9,985	-2,179	12	-879	-491	-2,115
18 Japan.....	1,681	-14,864 ^r	-4,422	1,915	-7,016	-3,379	711	1,422	45	-364
19 Africa.....	116	313	321	110	0	16	1	104	7	5
20 All other.....	1,439	842	-654	269	-540	-22	48	-358	-91	-62
21 Nonmonetary international and regional organizations.....	1,902	163	-247	1,478	-819	243	17	-493	318	640
22 International.....	1,473	287	-432	1,122	-845	35	42	-21	168	638
23 Latin American regional.....	231	-2	-7	156	5	225	-186	-9	150	-146
MEMO										
24 Foreign countries ²	52,301	19,276 ^r	16,264	11,460	-14,139	2,583	15,404	-5,337	410	1,051
25 Official institutions.....	26,840	23,218 ^r	-6,202	7,009	-12,000	886	2,020	-5,832	-704	-288
26 Other foreign ²	25,461	-3,942 ^r	22,465	4,451	-2,139	1,698	13,383	495	1,114	1,339
Oil-exporting countries										
27 Middle East.....	8,148	-387	-6,273	644	-1,486	-513	-562	-505	-643	-3,731
28 Africa ⁴	-1	0	-2	21	-6	5	0	0	0	-22

1. Estimated official and private transactions in marketable U.S. Treasury securities having an original maturity of more than one year. Data are based on monthly transactions reports. Excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries.

2. Includes U.S. Treasury notes, denominated in foreign currencies, publicly issued to private foreign residents.

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

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

3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Percent per year

Country	Rate on Oct. 31, 1991		Country	Rate on Oct. 31, 1991		Country	Rate on Oct. 31, 1991	
	Percent	Month effective		Percent	Month effective		Percent	Month effective
Austria	7.5	Aug. 1991	Germany, Fed. Rep. of ...	7.5	Aug. 1991	Norway	10.50	July 1990
Belgium	8.0	Aug. 1991	Italy	11.5	May 1991	Switzerland	7.0	Aug. 1991
Canada	8.04	Sept. 1991	Japan	5.5	July 1991	United Kingdom ²		
Denmark	9.0	May 1991	Netherlands	8.0	Aug. 1991			
France ¹	8.75	Oct. 1991						

1. Since Feb. 1981, the rate has been that at which the Bank of France discounts Treasury bills for seven to ten days.

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

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

or makes advances against eligible commercial paper 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

Averages of daily figures, percent per year

Type or country	1988	1989	1990	1991						
				Apr.	May	June	July	Aug.	Sept.	Oct.
1 Eurodollars	7.85	9.16	8.16	6.11	5.94	6.08	6.01	5.65	5.50	5.34
2 United Kingdom	10.28	13.87	14.73	11.90	11.48	11.21	11.04	10.85	10.24	10.38
3 Canada	9.63	12.20	13.00	9.67	9.12	8.83	8.78	8.73	8.59	8.29
4 Germany	4.28	7.04	8.41	9.08	8.98	8.95	9.06	9.23	9.16	9.28
5 Switzerland	2.94	6.83	8.71	8.26	8.10	7.89	7.74	7.80	7.90	8.09
6 Netherlands	4.72	7.28	8.57	9.11	9.05	9.08	9.09	9.27	9.21	9.27
7 France	7.80	9.27	10.20	9.21	9.13	9.59	9.46	9.46	9.30	9.20
8 Italy	11.04	12.44	12.11	11.90	11.46	11.48	11.74	11.86	11.63	11.44
9 Belgium	6.69	8.65	9.70	9.20	9.00	9.08	9.12	9.25	9.01 [†]	9.22
10 Japan	4.43	5.39	7.75	7.96	7.82	7.79	7.56	7.31	6.70	6.41

NOTE: Rates are for three-month interbank loans, with the following exceptions: Canada, finance company paper; Belgium, three-month Treasury bills; and Japan, CD rate.

3.28 FOREIGN EXCHANGE RATES¹

Currency units per dollar

Country/currency	1988	1989	1990	1991					
				May	June	July	Aug.	Sept.	Oct.
1 Australia/dollar ²	78.409	79.186	78.069	77.427	75.982	77.156	78.235	79.369	79.251
2 Austria/schilling	12.357	13.236	11.331	12.104	12.538	12.562	12.267	11.910	11.887
3 Belgium/franc	36.785	39.409	33.424	35.363	36.689	36.751	35.890	34.878	34.787
4 Canada/dollar	1.2306	1.1842	1.1668	1.1499	1.1439	1.1493	1.1452	1.1370	1.1279
5 China, P.R./yuan	3.7314	3.7673	4.7921	5.3257	5.3667	5.3693	5.3725	5.3869	5.3917
6 Denmark/krone	6.7412	7.3210	6.1899	6.5793	6.8634	6.9030	6.7396	6.5367	6.5246
7 Finland/markka	4.1933	4.2963	3.8300	4.0431	4.2189	4.3295	4.2325	4.1241	4.1155
8 France/franc	5.9595	6.3802	5.4467	5.8282	6.0483	6.0596	5.9244	5.7621	5.7583
9 Germany/deutsche mark	1.7570	1.8808	1.6166	1.7199	1.7828	1.7852	1.7435	1.6933	1.6893
10 Greece/drachma	142.00	162.60	158.59	188.14	195.03	195.46	192.69	188.07	188.50
11 Hong Kong/dollar	7.8072	7.8008	7.7899	7.7798	7.7341	7.7610	7.7646	7.7524	7.7542
12 India/rupee	13.900	16.213	17.492	20.519	21.062	25.613	25.846	25.834	25.797
13 Ireland/pound ²	152.49	141.80	165.76	155.68	142.66	136.48	153.38	157.87	158.21
14 Italy/lira	1,302.39	1,372.28	1,198.27	1,275.67	1,325.09	1,329.55	1,303.31	1,266.25	1,263.20
15 Japan/yen	128.17	138.07	145.00	138.22	139.75	137.83	136.82	134.30	130.77
16 Malaysia/ringgit	2.6190	2.7079	2.7057	2.7573	2.7810	2.7868	2.7806	2.7577	2.7469
17 Netherlands/guilder	1.9778	2.1219	1.8215	1.9379	2.0085	2.0114	1.9650	1.9084	1.9039
18 New Zealand/dollar ²	65.560	59.561	59.619	58.647	57.645	56.681	57.353	57.989	56.306
19 Norway/krone	6.5243	6.9131	6.2541	6.6953	6.9542	6.9627	6.8118	6.6266	6.6136
20 Portugal/escudo	144.27	157.53	142.70	149.59	156.37	154.20	149.72	145.64	145.41
21 Singapore/dollar	2.0133	1.9511	1.8134	1.7688	1.7782	1.7555	1.7269	1.7002	1.6940
22 South Africa/rand	2.2770	2.6214	2.5885	2.7975	2.8625	2.8819	2.8704	2.8316	2.8314
23 South Korea/won	734.52	674.29	710.64	727.99	727.97	731.76	733.90	744.18	753.54
24 Spain/peseta	116.53	118.44	101.96	106.45	111.18	111.81	108.92	106.28	106.54
25 Sri Lanka/rupee	31.820	35.947	40.078	40.988	41.211	41.213	41.723	41.935	42.179
26 Sweden/krona	6.1370	6.4559	5.9231	6.1578	6.4235	6.4609	6.3311	6.1652	6.1552
27 Switzerland/franc	1.4643	1.6369	1.3901	1.4574	1.5297	1.5481	1.5201	1.4803	1.4781
28 Taiwan/dollar	28.636	26.407	26.918	27.282	27.166	26.982	26.730	26.559	26.406
29 Thailand/baht	25.312	25.725	25.609	25.645	25.766	25.745	25.720	25.617	25.397
30 United Kingdom/pound ²	178.13	163.82	178.41	172.38	164.97	165.13	168.41	172.65	172.31
MEMO									
31 United States/dollar ³	92.72	98.60	89.09	92.29	95.18	95.19	93.47	91.18	90.69

1. Averages of certified noon buying rates in New York for cable transfers. Data in this table also appear in the Board's G.5 (405) monthly statistical release. For ordering address, see inside front cover.

2. Value in U.S. cents.

3. Index of weighted-average exchange value of U.S. dollar against the

currencies of ten industrial countries. The weight for each of the ten countries is the 1972-76 average world trade of that country divided by the average world trade of all ten countries combined. Series revised as of August 1978 (see *Federal Reserve Bulletin*, vol. 64 (August 1978), p. 700).

Guide to Tabular Presentation, Statistical Releases, and Special Tables

GUIDE TO TABULAR PRESENTATION

Symbols and Abbreviations

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

General Information

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

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

tions of the Treasury. “State and local government” also includes municipalities, special districts, and other political subdivisions.

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

STATISTICAL RELEASES—List Published Semiannually, with Latest BULLETIN Reference

Anticipated schedule of release dates for periodic releases	December 1991	Issue Page A86
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SPECIAL TABLES—Published Irregularly, with Latest BULLETIN Reference

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<i>Assets and liabilities of U.S. branches and agencies of foreign banks</i>		
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<i>Assets and liabilities of credit unions and life insurance companies</i>		
June 30, 1991	December 1991	A79

Special tables follow.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, August 5-9, 1991¹

A. Commercial and Industrial Loans

Characteristic	Amount of loans (thousands of dollars)	Average size (thousands of dollars)	Weighted average maturity ²		Loan rate (percent)		Loans secured by collateral (percent)	Loans made under commitment (percent)	Participation loans (percent)	Most common base pricing rate ⁵
			Days	Months	Weighted average effective ³	Standard error ⁴				
ALL BANKS										
1 Overnight ⁶	7,132,014	5,339	*		6.76	.20	13.0	59.2	1.3	Fed funds
2 One month and under (excluding overnight)	4,755,173	556	15		7.16	.20	31.8	85.5	4.5	Domestic
3 Fixed rate	3,345,085	708	14		6.94	.30	26.2	86.9	4.1	Other
4 Floating rate	1,410,088	369	17		7.68	.24	45.3	82.4	5.2	Prime
5 Over one month and under a year	9,564,387	148	130		8.28	.16	52.7	75.9	11.0	Prime
6 Fixed rate	4,727,065	157	93		7.67	.25	37.9	67.5	9.1	Other
7 Floating rate	4,837,322	140	166		8.88	.20	67.2	84.0	12.9	Prime
8 Demand ⁷	12,900,098	246	*		8.29	.15	60.2	77.2	13.0	Prime
9 Fixed rate	3,425,965	728	*		7.37	.23	31.0	83.1	29.7	Other
10 Floating rate	9,474,133	199	*		8.63	.17	70.8	75.1	7.0	Prime
11 Total short term	34,351,673	271	61		7.82	.16	44.4	74.3	8.9	Prime
12 Fixed rate (thousands of dollars)	18,629,152	455	32		7.13	.26	25.0	70.7	9.0	Other
13 1-99	423,305	12	124		11.20	.15	73.0	32.2	.5	Other
14 100-499	447,685	207	129		9.17	.26	70.7	54.0	3.2	Prime
15 500-999	342,370	679	59		7.89	.14	40.8	83.4	10.5	Other
16 1,000-4,999	3,833,407	2,376	36		7.27	.06	33.8	75.3	9.4	Other
17 5,000-9,999	3,625,025	6,752	27		7.16	.14	21.4	73.6	8.2	Other
18 10,000 and over	9,957,370	19,379	25		6.78	.11	18.3	69.8	9.8	Other
19 Floating rate (thousands of dollars)	15,722,511	183	132		8.62	.18	67.4	78.5	8.7	Prime
20 1-99	1,641,747	25	166		10.16	.03	82.4	83.2	1.8	Prime
21 100-499	2,933,890	197	177		9.65	.04	78.6	85.8	7.7	Prime
22 500-999	1,485,031	661	177		9.48	.11	68.0	87.5	9.5	Prime
23 1,000-4,999	3,650,884	2,004	134		8.72	.14	60.8	88.6	8.4	Prime
24 5,000-9,999	1,312,643	6,678	97		8.16	.29	49.4	78.2	6.2	Prime
25 10,000 and over	4,698,315	20,918	89		7.22	.30	65.1	61.7	12.2	Fed funds
26 Total long term	3,687,750	178	40		9.13	.16	64.2	67.5	8.9	Prime
27 Fixed rate (thousands of dollars)	1,329,657	125	44		8.53	.30	51.2	58.3	5.7	Other
28 1-99	123,590	13	38		11.26	.12	83.4	18.9	.4	Other
29 100-499	189,319	202	36		10.28	.12	74.0	57.9	7.8	Other
30 500-999	107,574	650	89		9.03	.46	84.8	31.4	.0	Foreign
31 1,000 and over	909,174	6,717	41		7.74	.29	38.0	66.9	6.7	Fed funds
32 Floating rate (thousands of dollars)	2,358,093	233	37		9.47	.12	71.6	72.8	10.8	Prime
33 1-99	195,638	29	44		10.37	.04	84.7	43.9	3.4	Prime
34 100-499	504,873	204	38		9.88	.13	78.6	65.9	12.5	Prime
35 500-999	279,885	668	42		9.86	.22	80.0	66.9	13.2	Prime
36 1,000 and over	1,377,697	3,178	*		9.12	.24	65.5	80.6	10.7	Prime
										8.50
										Prime rate ⁹
LOANS MADE BELOW PRIME¹⁰										
37 Overnight ⁶	6,897,561	6,586	*		6.67	6.45	12.2	59.0	.9	8.50
38 One month and under (excluding overnight)	4,179,582	3,375	13		6.79	6.58	26.9	86.4	3.8	8.50
39 Over one month and under a year	5,780,243	570	101		7.19	6.98	39.1	77.2	13.5	8.59
40 Demand ⁷	5,639,330	2,482	*		6.60	6.49	43.0	60.7	18.2	8.52
41 Total short term	22,496,716	1,530	38		6.81	6.62	29.6	69.2	9.0	8.53
42 Fixed rate	16,503,521	2,038	26		6.80	6.61	20.5	71.1	9.7	8.51
43 Floating rate	5,993,195	907	98		6.84	6.66	54.5	64.1	7.0	8.58
44 Total long term	1,134,473	532	40		7.30	7.13	36.0	67.4	12.4	8.64
45 Fixed rate	783,127	573	40		7.35	7.21	27.2	59.1	6.1	8.60
46 Floating rate	351,346	459	39		7.18	6.97	55.6	85.8	26.4	8.73

For notes see end of table.

4.23—Continued

A.—Continued

Characteristic	Amount of loans (thousands of dollars)	Average size (thousands of dollars)	Weighted average maturity ²	Loan rate (percent)		Loans secured by collateral (percent)	Loans made under commitment (percent)	Participation loans (percent)	Most common base pricing rate ³
				Days	Weighted average effective ³					Standard error^{4}
			Months								Effective^{4}	Nominal^{5}
LARGE BANKS									
1 Overnight ⁶	5,272,413	7,638	*	6.80	.25	13.0	52.8	1.4	Fed funds
2 One month and under (excluding overnight)	3,706,097	3,747	14	6.93	.17	31.8	85.4	4.3	Domestic
3 Fixed rate	2,649,922	6,099	13	6.87	.18	26.2	86.2	4.2	Domestic
4 Floating rate	1,056,175	1,904	15	7.08	.24	45.3	83.5	4.4	Domestic
5 Over one month and under a year	5,660,339	1,069	109	7.68	.14	52.7	80.5	11.9	Foreign
6 Fixed rate	3,356,690	2,816	81	7.25	.17	37.9	73.1	7.0	Other
7 Floating rate	2,303,649	561	150	8.31	.18	67.2	91.4	19.2	Prime
8 Demand ⁷	8,410,643	483	*	7.95	.13	60.2	68.2	17.8	Prime
9 Fixed rate	2,933,711	1,437	*	7.31	.16	31.0	81.7	33.6	Other
10 Floating rate	5,476,932	357	*	8.28	.18	70.8	60.9	9.3	Prime
11 Total short term	23,049,493	946	46	7.45	.13	44.4	70.5	10.4	Fed funds
12 Fixed rate (thousands of dollars)	14,211,768	3,263	28	7.03	.16	25.0	69.8	9.9	Other
13 1-99	40,303	29	146	9.53	.19	73.0	61.6	1.2	Prime
14 100-499	168,664	230	76	8.56	.21	70.7	77.2	4.7	Prime
15 500-999	225,659	674	59	8.03	.07	40.8	86.6	7.0	Other
16 1,000-4,999	2,374,528	2,286	35	7.38	.10	33.8	78.2	10.3	Other
17 5,000-9,999	2,817,956	6,848	25	7.12	.12	21.4	71.0	9.4	Other
18 10,000 and over	8,584,658	20,079	26	6.83	.11	18.3	66.5	10.2	Other
19 Floating rate (thousands of dollars)	8,837,725	442	108	8.15	.19	67.4	71.6	11.3	Prime
20 1-99	387,553	30	175	9.87	.06	82.4	88.0	1.6	Prime
21 100-499	1,011,075	203	167	9.48	.07	78.6	89.2	5.2	Prime
22 500-999	562,390	664	162	9.24	.10	68.0	90.7	9.7	Prime
23 1,000-4,999	1,876,541	2,134	116	8.60	.20	60.8	83.4	12.4	Prime
24 5,000-9,999	965,049	6,860	79	7.89	.45	49.4	77.5	8.4	Prime
25 10,000 and over	4,035,115	22,934	91	7.34	.47	65.1	56.0	14.2	Fed funds
				Months					
26 Total long term	2,102,319	790	36	8.71	.14	64.2	77.2	11.2	Prime
27 Fixed rate (thousands of dollars)	681,597	1,574	39	7.90	.26	51.2	61.4	5.0	Fed funds
28 1-99	5,446	27	42	10.63	.28	83.4	35.7	.0	Other
29 100-499	26,904	253	36	9.17	.22	74.0	73.0	2.9	Other
30 500-999	33,637	631	39	7.80	.53	84.8	86.9	.0	Foreign
31 1,000 and over	615,610	8,729	40	7.83	.34	38.0	59.7	5.4	Fed funds
32 Floating rate (thousands of dollars)	1,420,722	617	35	9.10	.13	71.6	84.8	14.2	Prime
33 1-99	32,290	40	38	9.92	.10	84.7	77.9	11.3	Prime
34 100-499	210,390	224	37	9.63	.09	78.6	82.5	15.8	Prime
35 500-999	141,383	668	38	9.43	.20	65.5	90.3	21.2	Prime
36 1,000 and over	1,036,660	3,723	34	8.92	.39	62.1	84.7	13.0	8.50
				Days					
				Loan rate (percent)					
				Effective ⁴					
				Nominal ⁵					
LOANS MADE BELOW PRIME¹⁰									
37 Overnight ⁶	5,146,852	7,954	*	6.72	6.51	7.8	53.1	.8	8.50
38 One month and under (excluding overnight)	3,488,662	7,160	13	6.78	6.56	26.3	85.3	3.8	8.50
39 Over one month and under a year	4,419,866	4,182	95	7.13	6.92	37.2	77.7	11.6	8.50
40 Demand ⁷	4,414,070	4,579	*	6.57	6.46	48.6	49.8	22.0	8.50
41 Total short term	17,469,450	5,537	36	6.80	6.61	29.2	64.9	9.5	8.50
42 Fixed rate	13,002,272	5,728	26	6.82	6.64	17.1	68.2	10.2	8.50
43 Floating rate	4,467,178	5,047	86	6.72	6.55	64.7	55.5	7.4	8.50
				Months					
44 Total long term	764,119	3,019	33	7.16	7.04	33.2	64.5	13.6	8.50
45 Fixed rate	486,420	3,908	30	7.37	7.31	25.4	48.8	7.0	8.50
46 Floating rate	277,700	2,159	38	6.78	6.58	46.9	92.1	25.1	8.50

For notes see end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, August 5-9, 1991¹—Continued

A. Commercial and Industrial Loans—Continued

Characteristic	Amount of loans (thousands of dollars)	Average size (thousands of dollars)	Weighted average maturity ²		Loan rate (percent)		Loans secured by collateral (percent)	Loans made under commitment (percent)	Participation loans (percent)	Most common base pricing rate ⁵
			Days	Months	Weighted average effective ³	Standard error ⁴				
OTHER BANKS										
1 Overnight ⁶	1,859,601	2,880	*		6.65	.34	24.5	77.4	1.1	Other
2 One month and under (excluding overnight)	1,049,076	139	18		7.97	.25	46.0	85.9	5.1	Prime
3 Fixed rate	695,163	162	16		7.20	.39	31.7	89.5	3.8	Other
4 Floating rate	353,913	108	22		9.49	.26	74.1	78.9	7.7	Prime
5 Over one month and under a year	3,904,048	66	159		9.16	.18	61.7	69.1	9.7	Prime
6 Fixed rate	1,370,375	47	120		8.70	.27	62.2	54.0	14.3	Other
7 Floating rate	2,533,673	83	181		9.41	.18	61.4	77.3	7.2	Prime
8 Demand ⁷	4,489,455	128	*		8.94	.22	66.3	94.1	4.1	Prime
9 Fixed rate	492,254	185	*		7.67	.38	50.6	91.2	6.7	Other
10 Floating rate	3,997,201	124	*		9.10	.21	68.2	94.5	3.8	Prime
11 Total short term	11,302,180	110	94		8.55	.19	55.9	82.0	5.6	Prime
12 Fixed rate (thousands of dollars)	4,417,393	121	45		7.49	.29	40.3	73.6	6.3	Other
13 1-99	383,001	11	123		11.37	.13	74.2	29.1	.4	Other
14 100-499	279,021	196	145		9.55	.26	79.2	39.9	2.3	Prime
15 500-999	116,712	690	59		7.62	.31	34.6	77.4	17.1	Other
16 1,000-4,999	1,458,879	2,540	37		7.09	.09	38.7	70.6	8.0	Other
17 5,000-9,999	807,069	6,436	36		7.30	.38	36.7	82.8	3.8	Other
18 10,000 and over	1,372,712	15,913	20		6.51	.13	27.1	90.2	7.3	Other
19 Floating rate (thousands of dollars)	6,884,787	104	161		9.23	.20	66.0	87.4	5.3	Prime
20 1-99	1,254,194	23	165		10.25	.03	83.0	81.7	1.9	Prime
21 100-499	1,922,815	194	181		9.73	.06	80.9	84.1	9.1	Prime
22 500-999	922,641	660	184		9.63	.16	72.2	85.5	9.4	Prime
23 1,000-4,999	1,774,343	1,882	159		8.85	.34	61.9	94.0	4.3	Prime
24 5,000-9,999	347,594	6,220	127		8.91	.55	38.4	80.2	.0	Prime
25 10,000 and over	663,200	13,629	70		6.49	1.02	7.5	96.2	.0	Other
			Months							
26 Total long term	1,585,431	88	44		9.70	.14	71.9	54.7	6.0	Prime
27 Fixed rate (thousands of dollars)	648,060	63	49		9.20	.27	57.2	55.0	6.5	Other
28 1-99	118,144	13	37		11.29	.12	83.4	18.1	.4	Other
29 100-499	162,415	196	36		10.47	.17	73.8	55.4	8.6	Other
30 500-999	73,937	659	111		9.60	.32	100.0	6.1	.0	Prime
31 1,000 and over	293,565	4,529	45		7.55	.66	26.8	81.9	9.3	Domestic
32 Floating rate (thousands of dollars)	937,370	119	41		10.04	.13	82.0	54.6	5.6	Prime
33 1-99	163,347	27	45		10.45	.05	86.1	37.2	1.9	Prime
34 100-499	294,483	191	39		10.06	.20	82.8	54.1	10.2	Prime
35 500-999	138,502	668	46		10.29	.24	91.3	42.9	5.1	Prime
36 1,000 and over	341,038	2,199	38		9.74	.31	75.6	68.0	3.7	8.50
					Loan rate (percent)					
			Days		Effective ³	Nominal ⁸			Prime rate ⁹	
LOANS MADE BELOW PRIME¹⁰										
37 Overnight ⁶	1,750,710	4,373	*		6.50	6.30	25.1	76.4	1.2	8.53
38 One month and under (excluding overnight)	690,921	920	15		6.85	6.63	29.4	92.1	3.8	8.88
39 Over one month and under a year	1,360,377	150	119		7.41	7.18	45.1	75.7	19.5	8.60
40 Demand ⁷	1,225,260	937	*		6.74	6.61	23.0	99.9	4.5	8.63
41 Total short term	5,027,267	435	46		6.85	6.66	30.6	84.1	7.3	8.54
42 Fixed rate	3,501,250	601	27		6.72	6.51	33.1	81.8	7.9	8.82
43 Floating rate	1,526,017	267	135		7.17	7.00	24.9	89.3	6.0	8.93
			Months							
44 Total long term	370,353	197	55		7.58	7.32	41.6	73.3	9.9	8.93
45 Fixed rate	296,707	239	57		7.30	7.04	30.0	76.1	4.6	8.76
46 Floating rate	73,646	116	46		8.70	8.43	88.6	62.2	31.2	9.61

For notes see following page.

NOTES TO TABLE 4.23

1. As of Sept. 30, 1990, assets of most of the large banks were at least \$7.0 billion. For all insured banks, total assets averaged \$275 million.
2. Average maturities are weighted by loan size and exclude demand loans.
3. Effective (compounded) annual interest rates are calculated from the stated rate and other terms of the loans and weighted by loan size.
4. The chances are about two out of three that the average rate shown would differ by less than this amount from the average rate that would be found by a complete survey of lending at all banks.
5. The most common base rate is that used to price the largest dollar volume of loans. Base pricing rates include the prime rate (sometimes referred to as a bank's "basic" or "reference" rate); the federal funds rate; domestic money market

- rates other than the federal funds rate; foreign money market rates; and other base rates not included in the foregoing classifications.
6. Overnight loans mature on the following business day.
7. Demand loans have no stated date of maturity.
8. Nominal (not compounded) annual interest rates are calculated from the stated rate and other terms of the loans and weighted by loan size.
9. The prime rate reported by each bank is weighted by the volume of loans extended and then averaged.
10. The proportion of loans made at rates below the prime may vary substantially from the proportion of such loans outstanding in banks' portfolios.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, June 30, 1991¹

Millions of dollars

Item	All states		New York		California		Illinois	
	Total including IBF's	IBF's only	Total including IBF's	IBF's only	Total including IBF's	IBF's only	Total including IBF's	IBF's only
1 Total assets⁴	641,789	283,473	473,576	220,398	86,340	35,839	46,814	16,822
2 Claims on nonrelated parties								
3 Cash and balances due from depository institutions	553,088	209,615	400,852	171,338	79,445	18,435	46,468	14,263
4 Cash items in process of collection and unposted debits	153,650	130,513	128,599	107,529	10,798	10,064	12,050	11,606
5 Currency and coin (U.S. and foreign)	1,742	1	1,676	0	35	1	3	0
6 Balances with depository institutions in United States	21	n.a.	15	n.a.	2	n.a.	1	n.a.
7 U.S. branches and agencies of other foreign banks (including their IBFs)	79,279	59,296	66,660	48,241	5,734	5,095	5,933	5,558
8 Other depository institutions in United States (including their IBFs)	71,875	56,302	60,471	45,546	5,168	4,963	5,476	5,416
9 Balances with banks in foreign countries and with foreign central banks	7,404	2,995	6,189	2,694	566	132	457	142
10 Foreign branches of U.S. banks	72,301	71,215	60,095	59,288	5,010	4,967	6,049	6,048
11 Other banks in foreign countries and foreign central banks	3,344	3,299	3,223	3,184	46	46	65	65
12 Balances with Federal Reserve Banks	68,957	67,916	56,872	56,104	4,964	4,921	5,984	5,983
	306	n.a.	153	n.a.	16	n.a.	64	n.a.
13 Total securities and loans	329,037	70,117	215,765	56,240	60,786	7,414	29,700	2,297
14 Total securities, book value								
15 U.S. Treasury	52,450	14,791	46,837	13,350	3,604	909	1,445	471
16 Obligations of U.S. government agencies and corporations	11,968	n.a.	11,775	n.a.	61	n.a.	69	n.a.
17 Other bonds, notes, debentures and corporate stock (including state and local securities)	8,378	n.a.	8,054	n.a.	214	n.a.	21	n.a.
18 Federal funds sold and securities purchased under agreements to resell	32,104	14,791	27,008	13,350	3,329	909	1,355	471
19 U.S. branches and agencies of other foreign banks	21,554	2,407	20,234	2,234	525	161	466	0
20 Commercial banks in United States	11,300	1,407	10,293	1,283	362	111	388	0
21 Other	2,675	41	2,523	41	57	0	24	0
	7,579	960	7,418	910	106	50	55	0
22 Total loans, gross								
23 Less: Unearned income on loans	276,787	55,358	169,052	42,920	57,222	6,506	28,263	1,826
24 Equals: Loans, net	201	31	124	30	39	1	8	0
	276,586	55,326	168,928	42,890	57,182	6,505	28,255	1,826
<i>Total loans, gross, by category</i>								
25 Real estate loans								
26 Loans to depository institutions	51,777	537	26,991	336	15,512	141	5,435	61
27 Commercial banks in United States (including IBFs)	43,202	27,933	33,003	20,731	5,667	4,162	2,434	1,233
28 U.S. branches and agencies of other foreign banks	22,186	10,222	16,441	7,041	3,792	2,325	1,774	765
29 Other commercial banks in United States	18,748	9,486	13,698	6,414	3,624	2,255	1,266	725
30 Other depository institutions in United States (including IBFs)	3,438	737	2,743	627	168	70	507	40
31 Banks in foreign countries	17	0	10	0	7	0	0	0
32 Foreign branches of U.S. banks	20,999	17,710	16,553	13,691	1,868	1,837	660	468
33 Other banks in foreign countries	370	289	291	213	50	50	21	21
34 Other financial institutions	20,630	17,421	16,262	13,477	1,818	1,787	639	447
	10,030	832	7,842	691	1,065	90	766	41
35 Commercial and industrial loans								
36 U.S. addressees (domicile)	152,286	14,833	85,780	12,292	33,767	1,738	19,092	383
37 Non-U.S. addressees (domicile)	131,220	248	69,490	111	30,985	103	18,518	10
38 Acceptances of other banks	21,066	14,585	16,290	12,181	2,782	1,635	574	373
39 U.S. banks	1,057	18	562	9	256	10	165	0
40 Foreign banks	371	0	187	0	133	0	3	0
	686	18	375	9	123	10	162	0
41 Loans to foreign governments and official institutions (including foreign central banks)	12,073	10,894	9,458	8,576	449	366	114	108
42 Loans for purchasing or carrying securities (secured and unsecured)	3,447	9	3,030	9	415	0	0	0
43 All other loans	2,915	300	2,385	275	93	0	258	0
44 All other assets	48,848	6,578	36,254	5,336	7,336	795	4,252	361
45 Customers' liability on acceptances outstanding	23,029	n.a.	16,449	n.a.	5,051	n.a.	1,095	n.a.
46 U.S. addressees (domicile)	16,625	n.a.	11,149	n.a.	4,248	n.a.	1,075	n.a.
47 Non-U.S. addressees (domicile)	6,404	n.a.	5,301	n.a.	803	n.a.	20	n.a.
48 Other assets including other claims on nonrelated parties	25,819	6,578	19,805	5,336	2,285	795	3,157	361
49 Net due from related depository institutions ⁵	88,701	73,859	72,724	49,060	6,895	17,405	345	2,558
50 Net due from head office and other related depository institutions ⁶	88,701	n.a.	72,724	n.a.	6,895	n.a.	345	n.a.
51 Net due from establishing entity, head offices, and other related depository institutions ⁷	n.a.	73,859	n.a.	49,060	n.a.	17,405	n.a.	2,558
52 Total liabilities⁴	641,789	283,473	473,576	220,398	86,340	35,839	46,814	16,822
53 Liabilities to nonrelated parties	554,217	231,740	427,387	179,251	75,886	34,755	31,939	9,971

4.30—Continued

Millions of dollars

Item	All states		New York		California		Illinois	
	Total excluding IBF's	IBF's only	Total excluding IBF's	IBF's only	Total excluding IBF's	IBF's only	Total excluding IBF's	IBF's only
54 Total deposits and credit balances								
55 Individuals, partnerships, and corporations	128,240	171,642	110,645	149,337	4,139	12,381	5,204	2,808
56 U.S. addressees (domicile)	91,361	16,379	76,532	9,101	3,330	1,383	4,561	28
57 Non-U.S. addressees (domicile)	75,639	360	67,021	360	1,328	0	3,481	0
58 Commercial banks in United States (including IBF's)	15,722	16,019	9,511	8,741	2,002	1,383	1,080	28
59 U.S. branches and agencies of other foreign banks	26,274	58,864	24,219	52,277	548	4,637	605	1,439
60 Other commercial banks in United States	9,975	50,097	9,627	44,283	82	4,393	198	955
61 Banks in foreign countries	16,300	8,767	14,592	7,994	466	243	407	484
62 Foreign branches of U.S. banks	4,206	81,409	4,076	73,613	7	5,972	26	1,213
63 Other banks in foreign countries	1,107	6,428	1,107	5,336	0	851	0	221
64 Foreign governments and official institutions (including foreign central banks)	3,099	74,981	2,969	68,276	7	5,121	26	992
65 All other deposits and credit balances	1,535	14,538	1,226	13,894	220	390	2	127
66 Certified and official checks	4,582	452	4,366	452	10	0	1	0
67 Transaction accounts and credit balances (excluding IBF's)	282	n.a.	226	n.a.	23	n.a.	9	n.a.
68 Individuals, partnerships, and corporations	7,307	↑	6,144	↑	267	↑	272	↑
69 U.S. addressees (domicile)	4,661	↑	3,684	↑	224	↑	260	↑
70 Non-U.S. addressees (domicile)	3,330	↑	2,780	↑	189	↑	255	↑
71 Commercial banks in United States (including IBF's)	1,330	↑	904	↑	35	↑	5	↑
72 U.S. branches and agencies of other foreign banks	185	↑	180	↑	0	↑	0	↑
73 Other commercial banks in United States	66	↑	64	↑	1	↑	0	↑
74 Banks in foreign countries	120	n.a.	115	n.a.	1	n.a.	0	n.a.
75 Foreign branches of U.S. banks	1,138	↑	1,061	↑	7	↑	1	↑
76 Other banks in foreign countries	12	↑	12	↑	0	↑	0	↑
77 Foreign governments and official institutions (including foreign central banks)	1,126	↑	1,049	↑	7	↑	1	↑
78 All other deposits and credit balances	365	↓	340	↓	2	↓	1	↓
79 Certified and official checks	676	↓	653	↓	10	↓	1	↓
80 Demand deposits (included in transaction accounts and credit balances)	282	↓	226	↓	23	↓	9	↓
81 Individuals, partnerships, and corporations	6,689	↑	5,763	↑	212	↑	259	↑
82 U.S. addressees (domicile)	4,316	↑	3,561	↑	173	↑	247	↑
83 Non-U.S. addressees (domicile)	3,197	↑	2,733	↑	151	↑	242	↑
84 Commercial banks in United States (including IBF's)	1,119	↑	828	↑	22	↑	5	↑
85 U.S. branches and agencies of other foreign banks	159	↑	154	↑	1	↑	0	↑
86 Other commercial banks in United States	63	↑	62	↑	0	↑	0	↑
87 Banks in foreign countries	95	n.a.	91	n.a.	1	n.a.	0	n.a.
88 Foreign branches of U.S. banks	985	↑	912	↑	7	↑	1	↑
89 Other banks in foreign countries	12	↑	12	↑	0	↑	0	↑
90 Foreign governments and official institutions (including foreign central banks)	973	↑	900	↑	7	↑	1	↑
91 All other deposits and credit balances	307	↓	283	↓	2	↓	1	↓
92 Certified and official checks	641	↓	627	↓	6	↓	0	↓
93 Non-transaction accounts (including MMDAs, excluding IBF's)	282	↓	226	↓	23	↓	9	↓
94 Individuals, partnerships, and corporations	120,933	↑	104,501	↑	3,872	↑	4,932	↑
95 U.S. addressees (domicile)	86,701	↑	72,847	↑	3,106	↑	4,300	↑
96 Non-U.S. addressees (domicile)	72,309	↑	64,241	↑	1,139	↑	3,226	↑
97 Commercial banks in United States (including IBF's)	14,392	↑	8,607	↑	1,967	↑	1,075	↑
98 U.S. branches and agencies of other foreign banks	26,089	↑	24,040	↑	547	↑	605	↑
99 Other commercial banks in United States	9,909	↑	9,563	↑	82	↑	198	↑
100 Banks in foreign countries	16,180	n.a.	14,477	n.a.	465	n.a.	407	n.a.
101 Foreign branches of U.S. banks	3,068	↑	3,015	↑	0	↑	25	↑
102 Other banks in foreign countries	1,095	↑	1,095	↑	0	↑	0	↑
103 Foreign governments and official institutions (including foreign central banks)	1,973	↑	1,920	↑	0	↑	25	↑
104 All other deposits and credit balances	1,170	↓	886	↓	218	↓	1	↓
105 IBF deposit liabilities	3,906	↓	3,714	↓	0	↓	0	↓
106 Individuals, partnerships, and corporations	↑	171,642	↑	149,337	↑	12,381	↑	2,808
107 U.S. addressees (domicile)	↑	16,379	↑	9,101	↑	1,383	↑	28
108 Non-U.S. addressees (domicile)	↑	360	↑	360	↑	0	↑	0
109 Commercial banks in United States (including IBF's)	↑	16,019	↑	8,741	↑	1,383	↑	28
110 U.S. branches and agencies of other foreign banks	↑	58,864	↑	52,277	↑	4,637	↑	1,439
111 Other commercial banks in United States	↑	50,097	↑	44,283	↑	4,393	↑	955
112 Banks in foreign countries	n.a.	8,767	n.a.	7,994	n.a.	243	n.a.	484
113 Foreign branches of U.S. banks	↑	81,409	↑	73,613	↑	5,972	↑	1,213
114 Other banks in foreign countries	↑	6,428	↑	5,336	↑	851	↑	221
115 Foreign governments and official institutions (including foreign central banks)	↑	74,981	↑	68,276	↑	5,121	↑	992
116 All other deposits and credit balances	↑	14,538	↑	13,894	↑	390	↑	127
	↑	452	↑	452	↑	0	↑	0

For notes see end of table.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, June 30, 1991¹—Continued

Millions of dollars

Item	All states		New York		California		Illinois	
	Total including IBF's	IBF's only	Total including IBF's	IBF's only	Total including IBF's	IBF's only	Total including IBF's	IBF's only
117 Federal funds purchased and securities sold under agreements to repurchase	85,768	6,300	61,455	3,509	14,085	2,365	9,180	393
118 U.S. branches and agencies of other foreign banks	15,839	1,607	10,721	241	3,606	1,217	1,414	140
119 Other commercial banks in United States	36,222	1,008	21,452	501	7,902	463	6,052	44
120 Other	33,707	3,685	29,281	2,767	2,577	685	1,715	210
121 Other borrowed money	117,382	48,260	67,397	21,945	37,474	19,187	10,857	6,571
122 Owed to nonrelated commercial banks in United States (including IBFs)	47,616	18,880	22,523	5,130	19,866	11,233	4,042	2,154
123 Owed to U.S. offices of nonrelated U.S. banks	16,774	2,166	9,714	664	5,353	1,254	1,403	209
124 Owed to U.S. branches and agencies of nonrelated foreign banks	30,842	16,714	12,808	4,466	14,513	9,979	2,639	1,945
125 Owed to nonrelated banks in foreign countries	27,589	26,794	14,911	14,344	8,042	7,870	4,440	4,387
126 Owed to foreign branches of nonrelated U.S. banks	2,882	2,867	615	605	1,738	1,733	516	516
127 Owed to foreign offices of nonrelated foreign banks	24,707	23,927	14,295	13,739	6,304	6,137	3,924	3,871
128 Owed to others	42,177	2,586	29,964	2,471	9,566	85	2,375	30
129 All other liabilities	51,184	5,538	38,553	4,459	7,807	821	3,889	198
130 Branch or agency liability on acceptances executed and outstanding	27,153	n.a.	19,747	n.a.	5,626	n.a.	1,097	n.a.
131 Other liabilities to nonrelated parties	24,031	5,538	18,805	4,459	2,181	821	2,793	198
132 Net due to related depository institutions ⁵	87,572	51,734	46,189	41,147	10,454	1,085	14,875	6,851
133 Net due to head office and other related depository institutions	87,572	n.a.	46,189	n.a.	10,454	n.a.	14,875	n.a.
134 Net due to establishing entity, head office, and other related depository institutions ⁵	n.a.	51,734	n.a.	41,147	n.a.	1,085	n.a.	6,851
MEMO								
135 Non-interest bearing balances with commercial banks in United States	1,532	0	1,259	0	116	0	80	0
136 Holding of commercial paper included in total loans	2,112	↑	1,958	↑	127	↑	25	↑
137 Holding of own acceptances included in commercial and industrial loans	2,114	↑	1,299	↑	612	↑	90	↑
138 Commercial and industrial loans with remaining maturity of one year or less	83,188	↑	44,891	↑	19,163	↑	11,210	↑
139 Predetermined interest rates	51,913	n.a.	26,618	n.a.	12,284	n.a.	7,127	n.a.
140 Floating interest rates	31,275	↑	18,274	↑	6,880	↑	4,083	↑
141 Commercial and industrial loans with remaining maturity of more than one year	69,098	↑	40,888	↑	14,604	↑	7,882	↑
142 Predetermined interest rates	23,082	↓	13,628	↓	4,111	↓	3,494	↓
143 Floating interest rates	46,017	↓	27,260	↓	10,493	↓	4,388	↓

4.30—Continued

Millions of dollars

Item	All states		New York		California		Illinois	
	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only
144 Components of total nontransaction accounts, included in total deposits and credit balances of nontransactional accounts, including IBFs	124,277	↑	109,238	↑	3,913	↑	4,824	↑
145 Time CDs in denominations of \$100,000 or more	88,565	↑	77,304	↑	2,209	↑	3,143	↑
146 Other time deposits in denominations of \$100,000 or more	23,161	n.a.	20,242	n.a.	1,268	n.a.	1,501	n.a.
147 Time CDs in denominations of \$100,000 or more with remaining maturity of more than 12 months	12,551	↓	11,692	↓	437	↓	179	↓
	All states ²		New York		California		Illinois	
	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only
148 Market value of securities held	50,387	14,499	44,861	13,054	3,533	915	1,437	470
149 Immediately available funds with a maturity greater than one day included in other borrowed money	68,693	n.a.	34,891	n.a.	24,759	n.a.	7,788	n.a.
150 Number of reports filed ⁶	578	0	271	0	133	0	55	0

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." Details may not add to totals because of rounding. This form was first used for reporting data as of June 30, 1980, and was revised as of December 31, 1985. 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. Effective December 1981, the Federal Reserve Board amended Regulations D and Q to permit banking offices located in the United States to operate International Banking Facilities (IBFs). As of December 31, 1985 data for IBFs are reported in a separate column. These data are either included in or excluded from the total columns as indicated in the headings. The notation "n.a." indicates

that no IBF data re reported for that item, either because the item is not an eligible IBF asset or liability or because that level of detail is not reported for IBFs. From December 1981 through September 1985, IBF data were included in all applicable items reported.

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, available 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).

6. In some cases two or more offices of a foreign bank within the same metropolitan area file a consolidated report.

4.33 ASSETS AND LIABILITIES Life Insurance Companies

Millions of dollars

Account	1989	1990				1991	
	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	Life insurance companies ²						
1 Assets	1,299,756	1,328,139	1,374,827	1,384,712	1,408,208	↑	1,505,318
<i>Securities</i>						↑	
2 Government	178,141	189,818	196,320	204,511	210,846	↑	241,289
3 United States ¹	153,361	164,986	169,595	177,946	183,919	↑	210,685
4 State and local	9,028	8,699	9,717	9,949	9,546	↑	11,329
5 Foreign ²	15,752	16,133	17,008	16,616	17,381	↑	19,275
6 Business	663,677	669,561	698,310	699,330	711,081	↑	771,650
7 Bonds	538,063	546,379	563,518	578,160	582,597	n.a.	627,396
8 Stocks	125,614	123,182	134,792	121,170	128,484	↓	144,254
9 Mortgages	254,215	260,829	265,959	267,704	270,109	↓	271,674
10 Real estate	39,908	41,049	43,513	43,531	43,367	↓	45,934
11 Policy loans	57,439	61,368	63,665	61,422	62,603	↓	65,391
12 Other assets	106,376	105,514	107,060	108,214	110,202	↓	109,380

1. Data are no longer available on a monthly basis for life insurance companies.

2. *Direct and guaranteed obligations.* Excludes federal agency issues not guaranteed, which are included as "Business" securities.

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

Credit unions: Estimates by the National Credit Union Administration for federally chartered and federally insured state-chartered credit unions serving

natural persons.

Life insurance companies: Estimates by 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."

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<input type="checkbox"/> Weekly Consolidated Condition Report of Large Commercial Banks, and Domestic Subsidiaries. H.4.2 (504) [1.26, 1.30]	\$15.00	Friday	Wednesday, 1 week earlier
 <i>Monthly Releases</i>			
<input type="checkbox"/> Consumer Installment Credit. G.19 (421) [1.55, 1.56]	\$ 5.00	5th working day of month	2nd month previous
<input type="checkbox"/> Debits and Deposit Turnover at Commercial Banks. G.6 (406) [1.22]	\$ 5.00	12th of month	Previous month
<input type="checkbox"/> Finance Companies. G.20 (422) [1.51, 1.52]	\$ 5.00	5th working day of month	2nd month previous
<input type="checkbox"/> Foreign Exchange Rates. G.5 (405) [3.28]	\$ 5.00	1st of month	Previous month
<input type="checkbox"/> Industrial Production and Capacity Utilization. G.17 (419) [2.12, 2.13]	\$15.00	Midmonth	Previous month
<input type="checkbox"/> Loans and Securities at all Commercial Banks. G.7 (407) [1.23]	\$ 5.00	3rd week of month	Previous month
<input type="checkbox"/> Major Nondeposit Funds of Commercial Banks. G.10 (411) [1.24]	\$ 5.00	3rd week of month	Previous month
<input type="checkbox"/> Research Library—Recent Acquisitions. G.15 (417)	Free of charge	1st of month	Previous month
<input type="checkbox"/> Selected Interest Rates. G.13 (415) [1.35]	\$ 5.00	1st Tuesday of month	Previous month

1. Release dates are those anticipated or usually met. However, please note that for some releases there is normally a certain variability because of reporting or processing procedures. Moreover, for all series unusual circumstances may, from time to time, result in a release date being later than anticipated.

The respective *Bulletin* tables that report the data are designated in brackets.

<i>Quarterly Releases</i>	<i>Annual rate</i>	<i>Approximate release days</i>	<i>Date of period to which data refer</i>
<input type="checkbox"/> Agricultural Finance Databook. E.15 (125)	\$ 5.00	End of March, June, September, and December	January, April, July, and October
<input type="checkbox"/> Country Exposure Lending Survey. E.16 (126)	\$ 5.00	January, April, July, and October	Previous quarter
<input type="checkbox"/> Flow of Funds Accounts: Seasonally Adjusted and Unadjusted. Z.1 (780) [1.57, 1.58]	\$15.00	23rd of February, May, August, and November	Previous quarter
<input type="checkbox"/> Flow of Funds Summary Statistics. Z.7 (788) [1.59, 1.60]	\$ 5.00	15th of February, May, August, and November	Previous quarter
<input type="checkbox"/> Geographical Distribution of Assets and Liabilities of Major Foreign Branches of U.S. Banks. E.11 (121)	\$ 5.00	15th of March, June, September, and December	Previous quarter
<input type="checkbox"/> Survey of Terms of Bank Lending to Business. E.2 (111) [4.23]	\$ 5.00	Midmonth of March, June, September, and December	February, May, August, and November
<input type="checkbox"/> List of OTC Margin Stocks. E.7 (117)	\$ 5.00	January, April, July, and October	February, May, August, and November
<i>Semiannual Releases</i>			
<input type="checkbox"/> Balance Sheets for the U.S. Economy. C.9 (108)	\$ 5.00	October and April	Previous year
<input type="checkbox"/> Report on the Terms of Credit Card Plans. E.5 (115)	\$ 5.00	March and August	January and June
<i>Annual Releases</i>			
<input type="checkbox"/> Aggregate Summaries of Annual Surveys of Securities Credit Extension. C.2 (101)	\$ 5.00	February	End of previous June

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Federal Reserve Banks, Branches, and Offices

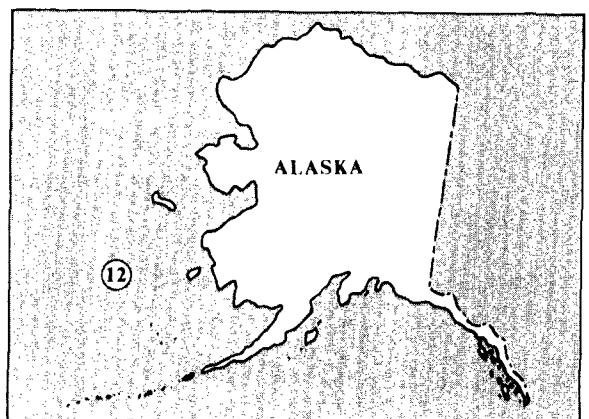
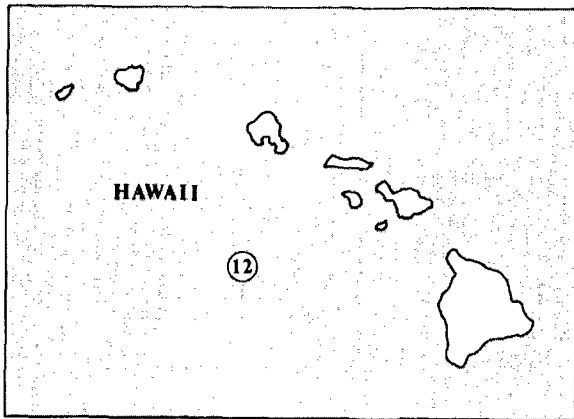
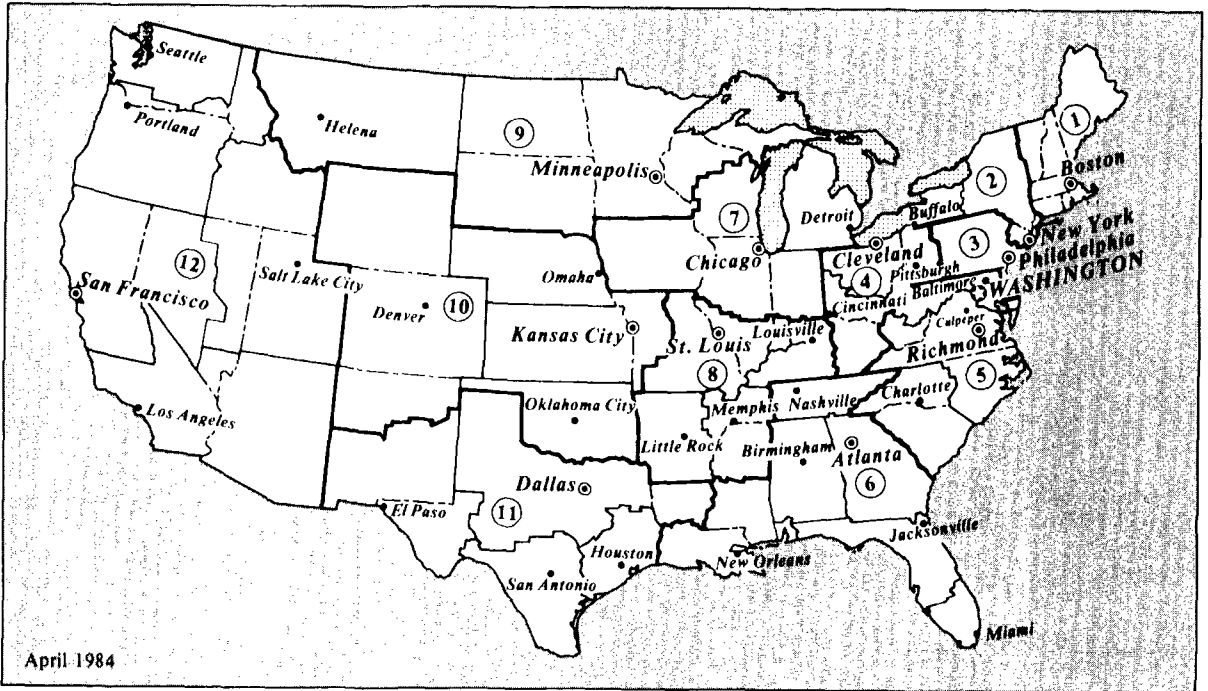
FEDERAL RESERVE BANK branch, or facility	Zip	Chairman Deputy Chairman	President First Vice President	Vice President in charge of branch
BOSTON*	02106	Richard N. Cooper Jerome H. Grossman	Richard F. Syron Cathy E. Minehan	
NEW YORK*	10045	Cyrus R. Vance Ellen V. Futter	E. Gerald Corrigan James H. Oltman	James O. Aston
Buffalo	14240	Mary Ann Lambertsen		
PHILADELPHIA	19105	Peter A. Benoliel Jane G. Pepper	Edward G. Boehne William H. Stone, Jr.	
CLEVELAND*	44101	John R. Miller A. William Reynolds	Vacancy William H. Hendricks	Charles A. Cerino ¹ Harold J. Swart ¹
Cincinnati	45201	Kate Ireland		
Pittsburgh	15230	Robert P. Bozzone		
RICHMOND*	23219	Anne Marie Whittemore Henry J. Faison	Robert P. Black Jimmie R. Monhollon	Ronald B. Duncan ¹ Albert D. Tinkenberg ¹ John G. Stoides ¹
Baltimore	21203	John R. Hardesty, Jr.		
Charlotte	28230	Anne M. Allen		
<i>Culpeper Communications and Records Center 22701</i>				
ATLANTA	30303	Larry L. Prince Edwin A. Huston	Robert P. Forrestal Jack Guynn	Donald E. Nelson ¹ Fred R. Herr ¹ James D. Hawkins ¹ James T. Curry III Melvyn K. Purcell Robert J. Musso
Birmingham	35283	Roy D. Terry		
Jacksonville	32231	Hugh M. Brown		
Miami	33152	Dorothy C. Weaver		
Nashville	37203	Shirley A. Zeitlin		
New Orleans	70161	JoAnn Slaydon		
CHICAGO*	60690	Charles S. McNeer Richard G. Cline	Silas Keehn Daniel M. Doyle	Roby L. Sloan ¹
Detroit	48231	Phyllis E. Peters		
ST. LOUIS	63166	H. Edwin Trusheim Robert H. Quenon	Thomas C. Melzer James R. Bowen	Karl W. Ashman Howard Wells Ray Laurence
Little Rock	72203	L. Dickson Flake		
Louisville	40232	Lois H. Gray		
Memphis	38101	Katherine H. Smythe		
MINNEAPOLIS	55480	Delbert W. Johnson Gerald A. Rauenhorst	Gary H. Stern Thomas E. Gainor	John D. Johnson
Helena	59601	James E. Jenks		
KANSAS CITY	64198	Fred W. Lyons, Jr. Burton A. Dole, Jr.	Thomas M. Hoenig Henry R. Czerwinski	Kent M. Scott David J. France Harold L. Shewmaker
Denver	80217	Barbara B. Grogan		
Oklahoma City	73125	Ernest L. Holloway		
Omaha	68102	Herman Cain		
DALLAS	75222	Hugh G. Robinson Leo E. Linbeck, Jr.	Robert D. McTeer, Jr. Tony J. Salvaggio	Sammie C. Clay Robert Smith, III ¹ Thomas H. Robertson
El Paso	79999	W. Thomas Beard, III		
Houston	77252	Gilbert D. Gaedcke, Jr.		
San Antonio	78295	Roger R. Hemminghaus		
SAN FRANCISCO	94120	Robert F. Erburu Carolyn S. Chambers	Robert T. Parry Patrick K. Barron	John F. Moore ¹ Leslie R. Watters Andrea P. Wolcott Gerald R. Kelly ¹
Los Angeles	90051	Yvonne B. Burke		
Portland	97208	William A. Hilliard		
Salt Lake City	84125	D.N. Rose		
Seattle	98124	Judith Runstad		

*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.

1. Senior Vice President.

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