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# FEDERAL RESERVE BULLETIN

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

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# Policy Targets and Operating Procedures in the 1990s

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*Donald L. Kohn, Director of the Board's Division of Monetary Affairs, prepared this article. It was adapted from a paper he presented at the Economic Policy Symposium sponsored by the Federal Reserve Bank of Kansas City at Jackson Hole, Wyoming, August 31, 1989.*

A presentation entitled "Policy Targets and Operating Procedures in the 1990s" could cover many topics. What this paper will *not* deal with is the ultimate targets of monetary policy. I take that target to be price stability. Along with others at the Federal Reserve, I believe that the price level is the only variable that over the long run is under the control of the central bank. Moreover, for a variety of reasons having to do with economic inefficiencies and with the unsustainability of other inflation goals, stability is the only sensible objective for the price level. Nor do I undertake the difficult task of laying out a path of interim objectives to get from the current state of moderate inflation to price stability.

Rather, I want to focus on the narrower issue of how to keep policy on a path that leads to the achievement of the objectives the monetary authorities have set for themselves, how the process of adjusting policy to this end has evolved over the last decade or so, and what that evolution may mean for the success of policy in the 1990s.

An examination of policy targets and operating procedures inevitably entails consideration of the role of various intermediate targets and indicators. But I begin by examining the need for explicit intermediate indicators between central bank actions and their results for the price level. Then I will discuss the reasons for the changing status of money and credit measures in guiding policy adjustments, and the implications of relying, instead, on various signals from financial markets and the economy. I will conclude by

treating the closely related issues of how the central bank reacts to new information and how it ensures consistency between its short-run policy actions and its long-run objectives.

## WHY INTERMEDIATE INDICATORS?

To some observers, debates about what central banks should be looking at to guide policy decisions are superfluous. The ultimate objective is stable prices, and these observers have advocated keying policy directly to new readings of broad measures of inflation. In their view, either the monetary base or the federal funds rate should be adjusted in direct response to information that the price level is deviating from a preset objective.

Suggestions of this sort have proliferated in recent years. They are motivated in some cases by frustration with alternative intermediate targets previously thought to be useful in accomplishing the same objective. In particular, this camp has attracted some former monetarists, who are now a little less certain of the relationship between money supply measures and spending or inflation. This greater uncertainty has resulted from the changes in markets for deposits and other financial assets wrought by innovation and deregulation in the 1980s. (The implications of these changes for the implementation of monetary policy in coming years is discussed below.)

Some academic advocates of adjusting the monetary base or the funds rate in response to the price level are reasoning from theories in which monetary policy affects the path of output only in trivial ways so that there is no reason not to pursue price stability directly. For policy to feed through reasonably directly into prices, prices and wages must adapt quickly to changing conditions in goods, labor, and financial markets.

In the United States, at least, such flexibility very likely has increased in recent years. Deregulation of various industries, the shift away from an industrial base characterized by relatively few large firms and large unions toward a service-based economy, and the greater international integration of markets for goods and services probably have heightened effective competition and hence the responsiveness of wages and prices to various influences.

But the perfectly flexible classical economy still seems some way off. For whatever reasons—long contracts, slowly changing expectations—the adjustments the central bank makes to the reserve base and to very short interest rates still affect real interest and exchange rates and, in turn, economic activity. We have seen this influence at work in recent years, when the more rapid expansion of 1987 and 1988 and the slowdown in 1989 have seemed traceable at least partly to the monetary policies that preceded them.

The lags between policy actions and price consequences appear to remain long and complex, with implications for the path of output. A single-track policy response tied to inflation data alone probably will produce sizable swings in the economy. As a consequence, objectives for inflation are likely to have some side constraints having to do with real output. These side constraints may dictate policy reactions to incoming information on the course of the economy as well as on prices, leading to adjustments to the desired path for inflation.

If the linkages among policy, the economy, and prices were well enough understood, reasonably stable over time, and mostly free from noise, they might be captured by a reliable empirical model or perhaps by judgmental forecasts. Then the job of implementing policy might still be straightforward: Policy adjustments, though perhaps not adhering to transparent rules of thumb, could be calibrated from the model or judgmental forecast, taking into account the inflation objectives and output constraints of the authorities.

Inherently, all policy depends, at least implicitly, on projections that permit policymakers to assess the implications of a course of action. A reliance on intermediate indicators arises out of skepticism about forecasting exercises and out of

a desire to identify and minimize deviations from objectives. Intermediate indicators are used partly in an attempt to shortcut or cross-check the projection process and possibly to discipline policy, through prompting adjustments before cumulative imbalances require more costly corrections. These indicators may even be elevated to targets if they are considered sufficiently reliable. As long as forecasts are subject to substantial error and real output paths are important, monetary policymakers are likely to rely on indicators or targets intermediate between policy actions and price-level effects.

It is in this area of intermediate indicators that policy implementation has undergone its greatest change in recent decades—an evolution that is likely to continue into the 1990s. Some indicators, such as interest rates and exchange rates, are elements in the transmission process, figuring directly in spending and saving decisions. To the extent the transmission of policy has changed, so too have the appropriate settings and weights for these types of indicators. Indicators in another class—including the money and credit aggregates—may have little independent standing as variables with direct influence on spending and production; they may, instead, be the surface manifestations of complex interactions among savers, spenders, and intermediaries. Changes in those interactions may call into question the reliability of the relationships between the indicators and ultimate policy objectives.

### *MONEY AND CREDIT AGGREGATES*

In the United States we have seen changes both in the monetary aggregate that is the preferred target or indicator and in the weight that is placed on money and credit measures in the conduct of policy. These shifts have reflected important underlying developments in financial markets: changes in the characteristics of existing financial instruments, the creation of new instruments, and the blurring of distinctions among financial instruments generally. Among the factors behind these developments have been the removal of regulations that enforced the distinctions among instruments and advances in technology that have reduced the transaction costs of issuing and

buying a variety of financial claims. These forces not only have been at work on the financial instruments issued in a given country, but also have affected the relation of financial claims in one country to those in another.

The effects of these forces on previously distinct categories of assets are illustrated by a variety of developments in the seventies and eighties: Deregulation has blurred the distinction between deposits used for transactions and those used as a store of wealth; securitization has made loans much more like securities; in the wake of deregulation and brokering, retail deposits and managed liabilities at depositories no longer are separate and distinct from one another; the junk bond market has blurred debt and equity; computers have permitted easy substitution between deposits and mutual funds; and the removal of controls on international capital movements has meant that investors can treat assets denominated in home currency and those denominated in foreign currency more interchangeably.

Moreover, as government regulation has become less confining, the decisions of suppliers of certain assets have become more important in determining the outstanding quantity of those assets. In the retail deposit markets, for example, decisions of depository institutions about the interest rates at which these instruments are offered affect the willingness of the public to hold them at given levels of income and market interest rates. Moreover, deposit-pricing strategies appear to have changed as institutions have adapted to deregulation, introducing substantial uncertainty, in the short run at least, into the relationship between the quantity of money and movements in market rates and income. And both supply and demand for individual financial assets can be quite sensitive to small changes in their own rates, relative to those on alternative assets, given the multiplicity of close substitutes. Internationally, the ability of capital to flow freely across borders has broadened the choices of borrowers and lenders. As a consequence spending on the goods and services produced by a particular country likely has become less dependent on the volume of claims originated or held in that country.

In these circumstances, the boundaries around

specific collections of financial instruments have become increasingly arbitrary, and monetary or credit aggregates, however carefully delineated, are less likely to be stably related to spending or income. This certainly is the case for short-run relationships; and it may also pertain, if to a lesser extent, over the longer periods that are relevant to the business cycle.

The experience of the United States illustrates the erosion of the distinctions among various types of claims, and points up the implications of that erosion for the utility of traditional aggregations of these claims as policy indicators. In the 1960s, policymakers monitored bank credit closely, but this aggregate was deemphasized when open market paper became a closer substitute for bank loans as a source of funds for businesses. In the 1980s, M1 was dropped as a target when deregulation blurred the line between it and M2, producing greater interest sensitivity in its components and more variability in its velocity. At the same time, the target range for M2 was widened as the supply behavior of banks and thrift institutions seemed to impart a substantial short-run interest elasticity to that aggregate as well. Moreover, substitution of debt for equity is one of the factors disturbing the established relation of the debt aggregate to income.

Deregulation and the proliferation of new, highly substitutable claims also have reduced the effect of credit rationing as a channel for monetary policy. Deposit intermediaries now can maintain access to funds for lending, and both borrowers and lenders need depend less on particular types of claims or intermediaries.

At present, with the restructuring of the savings and loan industry, these hypotheses about the diminishing value of certain financial variables and reduced credit-rationing effects are undergoing an intriguing empirical test. The solutions to the problems of savings and loans are likely to entail fewer and smaller institutions, in what has been the country's key mortgage intermediary. Other mortgage lenders will have to fill the void left by this reduction in the industry's size. On the deposit side, restructuring will almost certainly restrain the expansion of M3, and perhaps M2 as well, depending on how successful the regulators are in beating down deposit

offering rates and thereby raising the opportunity cost of holding M2.

Expectations about the effects of this restructuring offer an instructive contrast to the dislocations brought on by earlier episodes, when this industry shrank through disintermediation induced by Regulation Q. Although specific real estate markets may be affected in the current situation, confidence in the capital markets to rechannel funds appears to have allayed concerns about major overall effects on the housing market and on the macro economy. Spreads between mortgage interest rates and other rates have widened only a bit, a development that suggests that the demands of other investors for mortgage instruments are elastic and that non-price credit rationing is unlikely. Any damping of M2 and M3 in this process would reflect a shift in the level of velocity, and would not be a precursor of lower spending.

Although short-run variations in money and credit may be of limited value in keying policy adjustments in most circumstances, in certain situations they may portend a serious disturbance in financial and goods markets, especially when interpreted together with interest rate developments. For example, the Federal Reserve kept especially careful track of the monetary aggregates in the wake of the stock market collapse in October 1987 to ascertain whether there were unusual demands for money and, if so, whether they might connote flight from other financial assets or from spending. In light of the current situation in the thrift industry, unexpected movements in credit flows or in deposits will also be examined carefully.

Over longer periods, the net result of market adaptations to supply and demand conditions for financial assets may well be a stable ratio of desired holdings of money to wealth or income. Such stability is all the more likely now that incentives to innovate around regulatory constraints have been removed, a removal that has enhanced the value of persistent movements in money supply as policy signals. In this regard, the recently published study relating M2 and prices—the so-called  $P^*$  model—was encouraging. The study suggested that a reasonably robust long-run relationship between money and prices has persisted despite the changes in M2 in the

1980s. Since, as the cliché has it, the long run is a collection of short runs, even short-run variations in an aggregate may yield some information on the long-run thrust of policy, though one may be skeptical of the short-run inflation forecasts produced by a model as simplified as  $P^*$ . Translating between the short and the long runs is unlikely to be simple, however, in part because of the short-run interest elasticity imparted by the supply behavior of depositories. For example, 2½ to 3 percent growth in M2 may be the steady state associated with price stability, but, in light of the complex interactions among money, interest rates, and spending, gradual reductions may be far from the best way to achieve this objective. Overall, money and credit aggregates probably will continue to play an important role in policy in the 1990s; but that role is more likely to be the supporting one of the late 1980s, keyed to sustained, appreciable deviations from long-term objectives, than the romantic lead of the late 1970s and early 1980s, when relatively small month-to-month movements were allowed to influence reserve markets.

#### *INTEREST AND EXCHANGE RATES AND ECONOMIC AND PRICE DATA*

As attention to the monetary aggregates has lessened, policy implementation has had to rely more on inferences from the price axis in the financial markets and signals directly from the economy and from prices. The difficulties with attention to interest rate levels as intermediate indicators of the effect of policy and the course of the economy are well known. They include differentiating nominal from real rates and distinguishing the effects on rates of shifting demands for money and credit in response to developments in the economy from those caused by bank actions. Particular levels of nominal interest rates can be consistent with either accelerating or decelerating inflation, depending on the relationship of the real rate to its equilibrium level. In the past, when short-term objectives for interest rates as the proximate targets for policy were combined with attention to the most recent economic data, which respond to policy actions only with a delay, too often the results were a policy

that tended to lag developments, moving initially both too little and too late and ultimately overstaying.

That danger remains, though it is one policymakers are aware of. It may be reduced to an extent by the recent emphasis on a variety of financial market variables, such as yield curves and exchange rates, that incorporate market expectations about future levels of real interest rates and inflation. In particular, these variables are likely to send clear signals if policy is perceived to be deflationary or inflationary because it is seen as keeping real interest rates substantially above or below equilibrium levels. In this regard they help to address one of the serious deficiencies of emphasis on nominal rate levels.

Developments in financial markets may have enhanced the usefulness of such indicators in recent years. The internationalization of financial flows and the increasing interdependence of national economies would of themselves naturally lend the exchange rate greater prominence in policy deliberations. But beyond this, the proliferation of financial instruments and the greater use of futures and options markets for risk shifting probably have reduced the influence of sector-specific supply and demand conditions on interest and exchange rates and have increased the response of asset prices to underlying fundamentals, including price expectations. These changes have taken place as economic analysis has placed greater emphasis on the influence of forward-looking expectations on economic decisions. As a consequence, policymakers have become increasingly sensitized to the importance of information that may be embedded in interest and exchange rate relations.

Several caveats are in order. First, like nominal interest rates, yield curves and exchange rates reflect many influences besides judgments about the course of the economy and prices. For example, a yield curve that is downward-sloping, especially at the shorter maturities, may simply embody an expectation that the Federal Reserve is about to ease, not necessarily that such an easing will be stabilizing to the economy. And yield curves still may respond to changes in relative supplies of various kinds of paper as well as to shifting perceptions of liquidity risk. Likewise, the exchange rate is subject to develop-

ments abroad, as well as to short-run changes in expectations or perceptions that may have little to do with longer-run economic forces. More generally, many asset markets appear to exhibit more volatility than can be explained by changes in fundamental determinants of asset prices. Under these circumstances, adjusting monetary policy in response to short-run variations in individual interest rates or in their relative levels or in foreign exchange rates may in the end destabilize, rather than stabilize, the economy.

But the most serious deficiency of these indicators is that they provide little, if any, guidance for achieving specific inflation objectives. At best, the exchange rate would anchor the home inflation rate over time to those of major trading partners and competitors. Adjusting policy in accord with the market's interest rate expectations—that is, operating to flatten the yield curve—would tend only to lock in the expected rate of inflation built into that curve.

In theory, policymakers could achieve their inflation objectives by designing a course for the economy that would bring about the desired pressures on resources and on the rate of change of prices. In practice, doing that would require an accurate estimate of the economy's potential, a thorough understanding of the transmission and inflation processes, and reliable forecasts of the response of the economy to monetary policy and other forces. Such a policy would necessarily involve tolerating movements in exchange rates and changes in the slope of the yield curve in the transition period as output was adjusted relative to potential. In general, a central bank must take account of the real economic effects of its actions; but it is in both economic and political trouble when specific goals for the economy become the enduring focus of its attention. Among other things, the focus on the real economy in the context of an active discretionary policy probably accentuates the well-known temptation to cheat on the side of a little more output.

In this sense, the monetarists are right: Policy reaction and implementation need something to keep these temptations at bay. Unfortunately, the monetary aggregates no longer seem to fulfill that requirement except in a long-term context, in which they may indeed check the worst mis-



takes and excesses. Moreover, as I indicated at the outset, simple reaction rules linked to broad price measures also seem to fall short in the face of uncertainties about lags and side constraints on output.

Commodity prices have been offered to fill this gap. Because they are unconstrained by long-term contracts, commodity prices are said to react more quickly to fundamental developments, short-circuiting some of the lags, and therefore the cyclical uncertainties, inherent in broad price measures. While commodity prices, too, contain valuable information for the policymaker, whether they belong at the center of policy implementation remains to be proven. There are the familiar issues of accounting for supply shocks, choosing the market basket, and assessing the reliability of such prices as forecasters of the aggregate price level. In addition, establishing a target level for the commodity basket is a problem. As the British discovered in the 1920s, this is not a trivial exercise—and it is the level that needs to be tied down. Movements in commodity prices cannot be interpreted without reference to an equilibrium level. Rising prices might suggest an easy policy if they were occurring above equilibrium. But they might suggest that policy was tight if commodity prices had been driven below their equilibrium level by that policy; in that case, increases in commodity prices would be needed to equalize returns with the high real rates on financial assets. Ultimately, one suspects, commodity prices will take their place in that eclectic mix of indicators that have keyed policy recently and that are likely to continue to do so in the 1990s.

#### *POLICY REACTIONS AND LONG-RUN OBJECTIVES*

As the 1990s open, then, policymakers are reacting to information from a wide variety of sources, making frequent adjustments of the stance of policy in reserve markets when the evidence suggests that the existing posture is inconsistent with their longer-run objectives. No one indicator, nor any one small set of indicators, dominates this policy-adjustment process. Indeed, the whole intermediate indicator/target paradigm

may not be very useful. Realistically, policy cannot afford to lose any information about the complex relationships in the economy. Signals from financial and foreign exchange markets, and from the domestic economy and foreign economies, all need to be filtered for clues about where the economy and the price level are headed relative to the objectives for policy. Casting the net wide is especially important when the underlying relationships among financial and economic variables seem to be evolving in ways that are not easy to predict.

It seems likely that operations by the monetary authority will continue to involve frequent policy adjustments in response to new information. Such adjustments need not connote unsteadiness of purpose, or an excessively activist hand on the wheel, or an attempt to “fine tune” the economy in the sense of trying to achieve an outcome with unrealistic precision. Instead, they may be rational responses to changing indications about economic trends contained in the new data, which prompt small but frequent adjustments in instrument variables to keep the economy and prices on a track consistent with ultimate objectives.

This type of operating system does involve difficulties, among which is filtering signal from noise. Given the difficulties of interpreting new data and the possibility of later revisions, unnecessary policy adjustments likely will be made. As long as policy remains flexible and mistakes are quickly recognized and corrected, unnecessary adjustments should remain a minor problem. Deviations from the optimal policy path that are kept small and short-lived will have little effect on the ultimate outcome.

The greater danger of a policy that relies on frequent adjustments of nominal interest rates to incoming data is insufficient attention to long-run policy objectives. I have already noted the tendency in the past for policy that involves this type of procedure to react too little and too late. But that tendency has not always been symmetrical. Emphasis on the level of nominal interest rates in connection with information on the real economy has at times tended to impart an inflationary bias to policy. Given the lag between policy and the price level, such a focus in the context of an active discretionary policy may

lead to attempts to achieve higher output levels than are consistent with stable prices.

In that regard, recent experience is mildly encouraging. Though inflation remains well above the long-term objective of price stability, it has accelerated only a little even as the U.S. economy has enjoyed an unprecedented peacetime expansion. Many factors account for this performance, including good fortune and greater flexibility in price and wage setting.

But monetary policy may also have played a role. Leaning fairly hard against the wind and being willing to shift policy promptly when the wind shifts appear to have forestalled the buildup of excesses and imbalances, so that the economy has remained in the neighborhood of its potential and inflation has stayed within a fairly narrow range. And to the extent that this outcome has reinforced the credibility of the Federal Reserve's anti-inflation policy, it may, by restraining inflation expectations, by itself have contributed to price performance that has been better than expected. The factors underlying this behavior by the Federal Reserve include a number of the elements previously discussed, no one of which seems adequate to the task of exerting longer-term discipline within the current policy regime.

First is some attention to movements in price indexes, despite the inherently backward-looking nature of these indexes. The monetary authority has clearly stated its intention to achieve price stability and has emphasized the importance it places on this objective. Although it has neither set a timetable nor established an automatic disciplining device, it has created for itself the burden of explaining sustained deviations from intentions. Such deviations would raise questions about its true intentions that would put an authority concerned about its reputation on the defensive.

The second factor underlying Federal Reserve policy that imposes discipline is the heightened sensitivity of expectations-driven variables, including yield curves, exchange rates, and commodity prices. At a minimum, these variables help the policymaker judge when market participants consider that conditions are ripe for significant movements in inflation rates. Thus, from these indicators policymakers may be able to infer the credibility that the markets accord their anti-inflation objectives.

The last such factor is the continued attention to the monetary aggregates. Although they may not be good guides to short-run policy, the aggregates appear to maintain their longer-run relationships to spending and inflation. Sustained very rapid or very slow growth in the aggregates has continued to play a role in keying policy adjustments.

Taken together, these factors have tended to limit the distance and the duration of deviations of monetary policy from actions consistent with, at the least, its not straying far from its long-run objective. They have imposed some discipline on the task of adjusting reserve conditions and nominal short-term interest rates.

As the 1990s begin, the challenge to policy is to strengthen the elements that supply long-run discipline, without sacrificing the flexibility to adapt policy to changing conditions and to consider the consequences of policy actions for output and employment. Sufficient attention to reputation, to market expectations of inflation, and to trend money growth should help to ensure progress toward price stability in coming years. We should make certain that in ten years, were we to consider monetary policy in the new century, we would be able to report that the decade of the 1990s, like the 1980s, ended with inflation lower than when it began.

# Treasury and Federal Reserve Foreign Exchange Operations

*This quarterly report, covering the period August through October 1989, provides information on Treasury and System foreign exchange operations. It was presented by Sam Y. Cross, Manager of Foreign Operations of the System Open Market Account and Executive Vice President in charge of the Foreign Group of the Federal Reserve Bank of New York. George G. Bentley was primarily responsible for preparation of the report.<sup>1</sup>*

During the first half of the August–October reporting period, the dollar came under renewed upward pressure in the face of strong investment inflows. In response, the U.S. monetary authorities intervened to sell dollars in keeping with Group of Seven (G-7) policy commitments to foster exchange rate stability. The dollar reached its highs of the period in mid-September. It then moved sharply lower after the G-7 statement of September 23 expressed concern over the dollar's rise, and persistent coordinated intervention operations followed. Toward the end of the period, the dollar traded in a relatively narrow range. Demand for dollars moderated as a result of a narrowing of interest rate differentials favoring dollar assets and of concerns over volatility in U.S. equity markets. However, investment interest continued to provide some support at lower levels.

The dollar ended the August–October reporting period ½ percent higher on a trade-weighted basis in terms of other Group of Ten (G-10) currencies as measured by the staff of the Board of Governors. Against individual currencies, however, the dollar's performance varied considerably. On balance, the dollar declined 1¼ per-

cent against the German mark and ½ percent against the Canadian dollar while rising 4¼ percent against the Japanese yen and 5½ percent against the British pound.

During the three-month period, the U.S. monetary authorities sold a total of \$5,871 million between August and early October, of which \$3,289 million was against Japanese yen and \$2,582 million was against German marks. These operations were conducted in coordination with foreign central banks. (table 1).

## THE DOLLAR'S RISE FROM EARLY AUGUST TO MID-SEPTEMBER

As the period opened, market participants were still apprehensive that the U.S. economy might be slipping into recession. In the final days of July, evidence was widespread that the Federal Reserve had responded to a slackening of eco-

1. Federal Reserve reciprocal currency arrangements  
Millions of dollars

Institution	Amount of facility, October 31, 1989
Austrian National Bank .....	250
National Bank of Belgium .....	1,000
Bank of Canada .....	2,000
National Bank of Denmark .....	250
Bank of England .....	3,000
Bank of France .....	2,000
Deutsche Bundesbank .....	6,000
Bank of Italy .....	3,000
Bank of Japan .....	5,000
Bank of Mexico .....	700
Netherlands Bank .....	500
Bank of Norway .....	250
Bank of Sweden .....	300
Swiss National Bank .....	4,000
<i>Bank for International Settlements</i>	
Dollars against Swiss Francs .....	600
Dollars against other authorized European currencies .....	1,250
<b>Total .....</b>	<b>30,100</b>

1. The charts for the report are available on request from Publications Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

economic growth and price pressures by easing monetary policy, and the dollar declined. On August 1, Chairman Greenspan confirmed in Senate testimony that the Federal Reserve had modestly eased its stance the previous week. On the same day, several leading banks cut their prime lending rates. The perception thereby strengthened in the market that U.S. interest rates were steadily declining and that favorable dollar interest rate differentials would continue to narrow. The dollar then moved to its lows for the month of August of DM1.8430 against the mark and ¥135.50 against the yen on August 2.

The dollar's softer tone was short-lived. Economic data released in early August alleviated the market's earlier concerns regarding the severity of an economic slowdown. The prospects of another imminent easing by the Federal Reserve appeared to fade after employment data released on August 4 showed a sharp upward revision in June nonfarm payrolls and continued employment growth for July. The release of figures on August 11 showing buoyant retail sales in July made the possibility of an easing appear even less likely. In addition, the monthly U.S. trade reports released in both August and September suggested that the U.S. trade performance was continuing to improve.

In this environment, commercial and investment demand for dollars revived, and the dollar was buoyant through mid-September. On September 15, after the announcement that the July U.S. trade deficit had narrowed unexpectedly to \$7.58 billion, the dollar surged briefly to its highs of the three-month period of DM2.0032 and ¥148.98, up roughly 7½ percent and 8¾ percent respectively from the closing rates of the previous reporting period. At these levels, the dollar was trading near the highs reached earlier in the year. Later that same day, when it appeared that the dollar would not move any higher, dealers began to take profits on long-dollar positions, triggering stop-loss orders, and a sudden decline in the dollar ensued. Although sentiment toward the dollar remained positive for quite a while afterwards, the episode revealed a vulnerability for the dollar at these higher levels.

During much of September, the U.S. monetary authorities again intervened in coordination with those of several other countries to

resist upward pressure on the dollar. After mid-September, moreover, with the approaching G-7 meeting in Washington on September 23, the market became increasingly wary that more aggressive official action might be introduced to curb the dollar's strength, either through intervention or through monetary policy adjustments. The dollar then drifted down to close at DM1.9520 and ¥146.00 on September 22, the Friday before the weekend G-7 meeting.

Accordingly, between August 1 and September 22, the U.S. monetary authorities sold a total of \$1,452 million against marks and \$1,699 million against yen. The operations became more frequent as upward pressure on the dollar intensified. During the first ten days of August, the U.S. authorities intervened only once, selling \$70 million against yen. During the remainder of August, the U.S. monetary authorities sold dollars on six days for a total of \$425 million against marks and \$525 million against yen. The authorities entered the market more frequently after the beginning of September, intervening on eleven of the fifteen business days leading up to the G-7 meeting to sell a total of \$1,027 million against marks and \$1,104 million against yen.

#### *DOLLAR DEMAND MODERATES AFTER THE LATE SEPTEMBER G-7 MEETING*

After their meeting on Saturday, September 23, the G-7 finance ministers and governors issued a statement concluding, among other things, that the dollar's rise in recent months was inconsistent with longer-run economic fundamentals and that a further rise of the dollar above then-current levels or an excessive decline could adversely affect prospects for the world economy. The ministers and governors also expressed their intention to cooperate closely in exchange markets.

On the strength of the G-7 statement and official intervention to reinforce that statement, the dollar moved lower in Asian trading on Monday, September 25. The fact that the U.S. monetary authorities, along with others, were selling dollars in the Tokyo market sent a signal of the firmness of the G-7 resolve. In the days

immediately after the statement, the G-7 monetary authorities persisted with their intervention. By October 2, the dollar had declined to DM1.8650 and ¥138.60, about 5 percent lower than its closing levels on September 22. For the next eight business days, the dollar was again well bid, showing a tendency to recover from its October 2 levels. Subsequently, as the authorities continued to intervene to resist the dollar's rise, market participants appeared more reconciled to the possibility that the dollar's uptrend might finally have been broken. In total, from September 25 through October 12, the U.S. monetary authorities sold \$1,130 million against marks and \$1,590 million against yen, operating on most days in that period.

#### *THE LATTER HALF OF OCTOBER*

As mid-October approached, upward pressure on the dollar lessened. For the balance of the three-month period, the dollar remained below the mid-September highs.

One factor contributing to the easing of upward pressure was that interest rate differentials favoring the dollar narrowed further in October as a result of interest rate increases abroad. German market interest rates had begun edging higher in late September as dealers anticipated possible increases in the Bundesbank's official rates. On October 5, the Bundesbank announced an increase of a full 1 percentage point in both its discount and Lombard rates, surprising the market with the magnitude of the increase. The British, French, Swiss, Belgian, Dutch, Danish, Irish, and Austrian monetary authorities followed by raising their official rates. The following week, the Bank of Japan surprised the market by raising its discount rate  $\frac{1}{2}$  percentage point on October 11, and short-term market interest rates in Japan increased approximately 75 basis points within the span of a week.

Around this time, market participants also began to expect favorable interest rate differentials to diminish further because of an easing of monetary policy in the United States. Many observers viewed economic reports, particularly the September U.S. employment data released on October 6, as a sign that U.S. economic

activity was sluggish enough to warrant a new move to lower U.S. interest rates. During the second week of October, the federal funds rate moved lower, and by midmonth, market participants concluded that the Federal Reserve had indeed eased.

Although interest rate differentials favoring the dollar had been narrowing throughout most of 1989 without any apparent negative effect on dollar exchange rates, the moves that occurred in October were sufficient to induce a moderation in capital inflows to the United States. By this time, interest rates in Germany had risen to levels that were almost as high as those in the United States. At the same time, as asset prices both in the United States and in foreign markets continued to adjust to the changing interest rate and economic assessments, questions arose about the continued strength of certain capital markets—markets that had attracted investors because of either high yields or the prospect of sharp capital gains. Against this background, the sharp decline in U.S. equity prices on October 13 revived concerns that heavy foreign investment in the United States might be discouraged and that the Federal Reserve might ease even more quickly or aggressively than previously supposed.

The October 17 release of data showing a sharp deterioration in the U.S. trade position in August also served to reduce upward pressure on the dollar, as it highlighted the dangers of a further rise in the U.S. currency and reminded the market of the continuing need to correct the current account imbalances.

Although the dollar's overall tone remained considerably softer late in the period, the dollar continued to receive some support from investment demand, particularly by Japanese entities, through the end of the three-month period. The dollar closed the quarterly period at DM1.8415 against the mark and ¥142.85 against the yen.

With the dollar generally trading more narrowly in the latter part of the reporting period, markets tended to focus more on developments abroad, and the dollar's performance against individual currencies varied considerably. The dollar's decline against the mark was particularly pronounced, as the German currency benefited not only from the rise in German interest rates but more broadly from a growing sense of

2. Drawings and repayments by foreign central banks<sup>1</sup>

Millions of dollars; drawings or repayments (-)

Central bank	Amount of facility	Outstanding as of July 31, 1989	August	September	October	Outstanding as of October 31, 1989
Under reciprocal currency arrangements with the Federal Reserve System						
Bank of Mexico <sup>2</sup> .....	700.0	0	...	700.0	...	700.0
Under special swap arrangements with the Federal Reserve System						
Bank of Mexico <sup>2</sup> .....	125.0	0	...	84.1	...	84.1

1. Data are on a value-date basis.

2. Drawn as part of the \$2,000 million near-term credit facility established on September 21, 1989.

confidence in Germany's economic performance and prospects. Buoyant demand, high levels of capacity utilization, and reports of high wage demands from German labor unions seemed to indicate that interest rates would remain firm and economic growth strong. The process of reform just beginning to unfold in Eastern Europe and the inflow of East German immigrants were seen to promise longer-term benefits for the West German economy, although there was considerable uncertainty about the short run.

Against the yen, conversely, the dollar showed a somewhat greater tendency to rise as actual and anticipated Japanese capital outflows kept the yen under downward pressure against most other major currencies. Japanese investor demand for dollars, which had helped support the dollar throughout 1989, reflected a high Japanese domestic saving rate, ample domestic liquidity, and a perception that domestic assets were relatively expensive. The United States was seen as having a good long-term investment environment and as providing sufficient opportunities to absorb a large pool of Japanese savings.

Against sterling, the dollar traded relatively firmly throughout most of the three-month period as market participants became increasingly concerned about the outlook for the U.K. economy. Despite the fact that high British interest rates were raising worries about a recession, many analysts felt that the progress in curbing inflation and redressing external imbalances had been too slow. Market uncertainty regarding the future direction of U.K. economic policy was compounded by the perception that the U.K. authorities were divided on basic issues.

For the three months as a whole, the U.S. monetary authorities sold \$5,871 million. The U.S. Treasury's Exchange Stabilization Fund (ESF) and the Federal Reserve System participated equally in these operations. To finance a portion of its share, the ESF "warehoused" \$3,000 million equivalent of foreign currencies with the Federal Reserve, bringing the total of warehoused funds to \$7,000 million equivalent.

In other operations, on September 21, the Federal Reserve System and the ESF, together with the Bank for International Settlements (acting for certain central banks) and the Bank

 3. Drawings and repayments by foreign central banks under special swap arrangements with the U.S. Treasury<sup>1</sup>

Millions of dollars; drawings or repayments (-)

Central bank drawing on the U.S. Treasury	Amount of facility	Outstanding as of July 31, 1989	August	September	October	Outstanding as of October 31, 1989
Bank of Mexico <sup>2</sup> .....	425.0	0	...	384.1	...	384.1
Bank of Bolivia <sup>3</sup> .....	-100.0	100.0	...	{ -100.0 75.0 }	...	{ 75.0 }

1. Data are on a value-date basis.

2. Represents the ESF portion of \$2,000 million near-term credit facility.

3. The facility, which was established on July 11, 1989, was renewed on September 15, 1989.

4. Net profits or losses (–) on U.S. Treasury and Federal Reserve current foreign exchange operations<sup>1</sup>

Millions of dollars

Period and item	Federal Reserve	U.S. Treasury Exchange Stabilization Fund
<i>May 1, 1989–July 31, 1989</i>		
Realized .....	.0	77.3
Valuation profits and losses on outstanding assets and liabilities as of July 31, 1989 .....	1,045.5	724.2 <sup>2</sup>
<i>August 1, 1989–October 31, 1989</i>		
Realized .....	.0	119.6
Valuation profits and losses on outstanding assets and liabilities as of October 31, 1989 .....	1,366.5	870.3

1. Data are on a value-date basis.

2. This figure takes into account warehoused funds as of July 31, 1989. Data, which were originally reported in "Treasury and Federal Reserve Foreign Exchange Operations," Federal Reserve Bank of New York, *Quarterly Review*, vol. 14 (Summer 1989), table 3, p. 72, excluded valuation profit on warehoused funds. The amount of valuation profits including warehoused funds as of July 31, 1989, was \$724.2 million.

of Spain, agreed to provide a short-term credit facility totaling \$2,000 million to the Bank of Mexico. The Federal Reserve's share in the facility was \$825 million, of which the first \$700 million was to be provided under the existing reciprocal swap line with Mexico and the remaining \$125 million under a separate swap agreement (table 2). The ESF's share was \$425 million, provided under a special swap arrangement. On September 25, Mexico drew \$784.1

million from the Federal Reserve's portion and \$384.1 million from the ESF's portion of the facility (table 3).

Also during the period, Bolivia repaid in full on September 15 its \$100 million outstanding commitment on the short-term financing facility established with the ESF. Subsequently, the Treasury agreed to provide a new \$100 million facility, and on September 22, Bolivia drew \$75 million (table 3).

As of the end of October, cumulative book-keeping or valuations gains on outstanding foreign currency balances were \$1,366.5 million for the Federal Reserve and \$870.3 million (the second figure includes valuation gains on warehoused funds) for the ESF (table 4). These valuation gains represent the increase in the dollar value of outstanding currency assets valued at end-of-period exchange rates, compared with the rates prevailing at the time the foreign currencies were acquired.

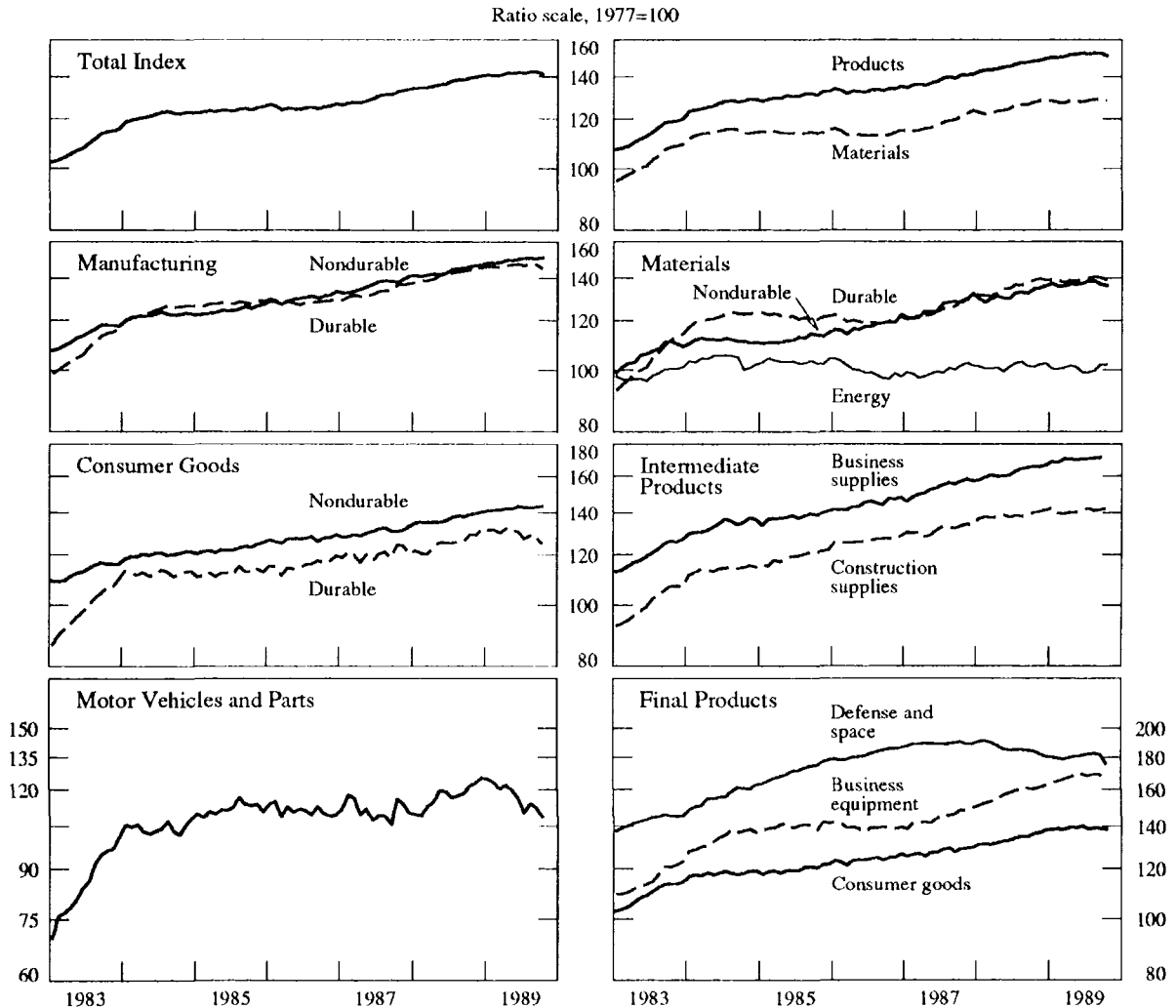
The Federal Reserve and the ESF regularly invest their foreign currency balances in a variety of instruments that yield market-related rates of return and that have a high degree of quality and liquidity. A portion of the balances is invested in securities issued by foreign governments. As of the end of October, holdings of such securities by the Federal Reserve amounted to \$6,746.5 million equivalent, and holdings by the Treasury amounted to the equivalent of \$7,475.7 million.

# Industrial Production

Released for publication November 14

Industrial production fell 0.7 percent in October after having been unchanged in September (revised). The October decline largely reflected a strike in the aircraft and parts industry and some disruptions in production, particularly in computers and related parts, resulting from the recent earthquake in California. Excluding these

effects, the total index would have been nearly unchanged in October, continuing its recent sluggish trend. At 141.4 percent of the 1977 average, the total index in October was 1.4 percent higher than it was a year earlier. Manufacturing output declined 0.8 percent, and capacity utilization in manufacturing, at 82.8 percent, was about 1 percentage point below the September level. Detailed data for capacity utilization are shown



All series are seasonally adjusted. Latest series: October.



Group	1977 = 100		Percentage change from preceding month					Percentage change, Oct. 1988 to Oct. 1989
	1989		1989					
	Sept.	Oct.	June	July	Aug.	Sept.	Oct.	
<b>Major market groups</b>								
<b>Total industrial production</b> .....	<b>142.4</b>	<b>141.4</b>	<b>.3</b>	<b>-.1</b>	<b>.4</b>	<b>.0</b>	<b>-.7</b>	<b>1.4</b>
Products, total.....	152.3	151.0	.5	-.4	.3	.0	-.9	2.0
Final products.....	150.8	148.9	.5	-.7	.5	-.1	-1.2	1.7
Consumer goods.....	138.9	138.5	.6	-.9	.3	-.1	-.3	1.6
Durable.....	128.0	124.9	-.3	-2.7	1.2	-.7	-2.4	-3.4
Nondurable.....	143.0	143.6	.9	-.3	.0	.1	.4	3.3
Business equipment.....	169.4	165.9	.3	-.6	.7	-.2	-2.1	3.5
Defense and space.....	182.0	176.2	.2	.5	.2	-.2	-3.2	-4.2
Intermediate products.....	157.7	158.2	.4	.4	-.2	.4	.3	2.7
Construction supplies.....	141.6	142.4	.7	.7	-.8	.4	.5	1.7
Materials.....	128.9	128.2	-.1	.4	.5	.0	-.5	.6
<b>Major industry groups</b>								
Manufacturing.....	148.8	147.6	.4	-.1	.4	-.2	-.8	1.6
Durable.....	147.3	145.1	.2	-.4	.6	-.3	-1.5	.4
Nondurable.....	150.8	151.0	.7	.2	.1	-.1	.1	3.2
Mining.....	104.8	104.9	-.6	.6	.6	2.1	.0	1.7
Utilities.....	114.6	115.2	-1.2	-.3	-.7	1.2	.5	1.2

NOTE. Indexes are seasonally adjusted.

separately in "Capacity Utilization," Federal Reserve monthly statistical release G.3.

In market groups, output of consumer goods declined 0.3 percent in October as the production of motor vehicles, particularly light trucks, was again curtailed, and the output of appliances fell sharply. Auto assemblies decreased to an annual rate of 6.7 million units from the rate of 6.8 million units in September. Most of the 0.4 percent gain in nondurable consumer goods resulted from a rebound in the output of consumer chemical products that had fallen sharply in September. Business equipment fell more than 2 percent in October, reflecting the aircraft strike and the estimated effects of the earthquake. Excluding these special factors, business equipment would

have been about unchanged; manufacturing equipment and business vehicles remained weak, but most other sectors posted gains.

Production of construction supplies rose in October, but has changed little, on balance, since the beginning of the year. Output of materials fell 0.5 percent in October. Production of parts for consumer durables declined sharply again, owing to the weakness in motor vehicles; the strike also directly curtailed the production of aircraft parts. Output of chemical materials was reduced for the third successive month; some of the October decline resulted from the explosion of a major plant in Texas. Energy materials were about unchanged as coal production rose again, but crude oil extraction declined.

In industry groups within manufacturing, production of durables fell 1.5 percent in October, owing mainly to the large drop in transportation equipment. In addition, output of primary metals, particularly nonferrous metals, and fabricated metal products, fell further. Among nondurables, output of both textiles and apparel remained weak, but paper production, which has changed little, on average, in recent months, rose in October. Output of mining was flat in October, while production at utilities rose 0.5 percent.

#### Total industrial production—Revisions

Estimates as shown last month and current estimates

Month	Index (1977=100)		Percentage change from previous months	
	Previous	Current	Previous	Current
July.....	142.0	141.9	.0	-.1
Aug.....	142.4	142.4	.3	.4
Sept.....	142.3	142.4	-.1	.0
Oct.....	...	141.4	...	-.7

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# Announcements

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## *FEDERAL RESERVE BANK FEE SCHEDULES FOR 1990*

The Federal Reserve Board announced on November 2, 1989, the 1990 fee schedules for services provided by the Reserve Banks. The majority of the 1990 fees are the same as those currently imposed, and they generally become effective January 1, 1990.

The fee schedules apply to check collection, automated clearinghouse transactions, wire transfer of funds and net settlement, definitive safekeeping, noncash collection, book-entry securities, and electronic connections to the Federal Reserve. The 1990 fee schedules are available from the Reserve Banks.

In 1990, total costs for priced services, including the private sector adjustment factor (PSAF), are projected to be \$750.6 million. Total revenue is estimated at \$755.9 million, resulting in a 100.7 percent recovery rate. The fees for 1990 are based on total costs, including the PSAF but excluding special project costs.

At the same time, the Board approved the 1990 PSAF for Reserve Bank priced services of \$79.4 million, an increase of \$9.7 million, or 13.9 percent, from the \$69.7 million targeted for 1989.

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.

## *ENFORCEMENT PROCEEDINGS: ISSUANCE OF FINAL ORDERS*

The Federal Reserve Board announced on September 25, 1989, the issuance of a Consent Cease and Desist Order and Consent Assessment of Civil Money Penalty as to the National Bank of Greece and the National Mortgage Bank of Greece.

The Consent Order is in settlement of enforcement proceedings instituted by the Board because of alleged unsafe and unsound practices and alleged violations of law and regulation that generally arose out of the receipt of deposits by representative offices of the National Mortgage Bank in New York and in three other states.

The National Mortgage Bank of Greece, without admitting any of the allegations in the proceeding, agreed to pay a fine of \$2 million. The National Bank of Greece, without admitting any of the allegations in the proceeding, agreed to pay a fine of \$125,000.

The Federal Reserve Board announced on October 31, 1989, the issuance, on October 30, 1989, of an Order of Prohibition against Bruce F. Dailey, the former chairman of the board of directors of the First Security Bank of Missoula, Missoula, Montana, in settlement of an enforcement action instituted against him.

In an enforcement proceeding, the Board contended that Mr. Dailey misappropriated at least \$100,000 from the bank, while he was the chairman of its board, through the use of false loan documents. Without admitting any allegations made by the Board, Mr. Dailey consented to the issuance of the Order of Prohibition. Mr. Dailey is henceforth prohibited from participating, including serving as an officer, director, or employee, in any manner in the conduct of the affairs of any financial institution supervised by a federal financial institutions supervisory agency without the approval of the appropriate federal banking agencies.

## *PROPOSED REVISIONS TO THE STAFF COMMENTARIES ON REGULATIONS E AND Z*

The Federal Reserve Board issued for public comment on November 16, 1989, proposed revisions to its staff commentaries to Regulation E

(Electronic Funds Transfer) and to Regulation Z (Truth in Lending). Comment is requested by January 19, 1990.

*PROPOSED ACTION*

The Federal Reserve Board announced on November 22, 1989, that it will seek public comment shortly on proposed transition capital standards for state member banks and bank holding companies through the end of 1990.

*CHANGE IN DATABASE USED FOR COMPILING THE STATISTICAL APPENDIX TO THE BULLETIN*

In the December 1989 issue of the *Bulletin*, some of the series in the statistical appendix, "Financial and Business Statistics" beginning on page A3, were converted to a new database that uses a different software package. The new software facilitates more precise computation of weekly, monthly, quarterly, and yearly averages. Because of the changes in averaging techniques, some small discontinuities will occur between current data that are stored in the new system and previously published data that were produced by the old system. The following tables have recently been converted to the new system: 1.33, 1.44, 1.52-1.60, 2.10, 2.12, 2.13, 3.10, 3.11, 3.15-3.20, 3.22-3.25, 3.27, 3.28, and 4.30. Other tables had already been converted and were announced in the April 1989 *Bulletin* on pages 288-89.

*ERRATUM: CHART IN BULLETIN ARTICLE*

In the leading article for the December 1989 *Bulletin*, "The Formation of Private Business Capital: Trends, Recent Developments, and Measurement Issues," the source note for chart 3 on page 778 was inadvertently omitted. The source for the data in the chart is the Bureau of Labor Statistics.

*SYSTEM MEMBERSHIP: ADMISSION OF STATE BANKS*

The following state banks were admitted to membership in the Federal Reserve System during the period September 1 to October 31, 1989:

- Illinois*
  - Green Rock . . . . . Henry County Bank
- Michigan*
  - Fraser . . . . . State Bank of Fraser
  - Hamtramck . . . . . Bank of Commerce
- Minnesota*
  - Albert Lea . . . . . Security Bank Minnesota
- Oklahoma*
  - Lawton . . . . . Citizens Bank

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# Record of Policy Actions of the Federal Open Market Committee

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*MEETING HELD ON OCTOBER 3, 1989*

## *Domestic Policy Directive*

The information reviewed at this meeting suggested that economic activity continued to expand at a moderate pace in the third quarter and that rates of resource utilization remained at relatively high levels. Aggregate final demand appeared to be well sustained by a pickup in consumption at a time of somewhat reduced growth in business fixed investment. At the same time, price inflation had slowed, in large part because of a steep drop in energy costs and a continuing decline in prices of non-oil imports; wage data evidenced no deviation from recent trends.

Growth in total nonfarm payroll employment slowed noticeably in July and August from the pace of the second quarter. Nevertheless, adjusted for the depressing effects of strike activity, job gains remained appreciable on balance. Hiring was brisk in construction, trade, and services; in manufacturing industries, though, employment levels generally held steady or fell a bit, apart from temporary fluctuations in the auto industry. The civilian unemployment rate remained around 5¼ percent.

Industrial production rose in August, and revisions for earlier months suggested that the expansion of production had not been as weak as previously estimated. Much of the August gain reflected a rebound in automobile production after three months of decline and a pickup in coal mining as striking coal miners returned to work. Output of consumer goods other than autos edged down in August with small but widespread declines in nondurable goods. Despite a sizable jump in operating rates for coal mining, total industrial capacity utilization was unchanged in August at a relatively high level. In manufac-

turing, factory utilization edged further below its January peak, partly as a result of additional declines in primary processing industries, such as paper and chemicals, where utilization had been very high.

Consumer spending rose substantially in August, following a July increase that was somewhat larger than the sluggish gains of previous months. Much of the August pickup reflected a surge in outlays for cars and light trucks, but gains in spending for goods and services other than motor vehicles also appeared to be running somewhat above the relatively sluggish pace for the second quarter. Housing starts in July and August were slightly higher than their second-quarter average, and sales of new homes picked up noticeably in July. However, building permits had shown no discernible trend in recent months.

Recent indicators of business capital spending suggested somewhat slower growth in the third quarter after a substantial increase in the first half of the year. In July and August, shipments of nondefense capital goods excluding aircraft were only a little above the second-quarter level, and orders data suggested a further slowing in growth of spending in coming months. In July, office building remained a notable area of weakness in nonresidential construction and partially offset another strong rise in outlays for industrial structures. Inventory investment in manufacturing moderated in August after a sizable increase in July, with much of the increase in both months occurring at aircraft firms. In July, stocks also rose markedly at manufacturers of primary metals and of many types of machinery; the buildup at these industries, like that at aircraft firms, was concentrated in work-in-process. Excluding motor vehicles and aircraft, manufacturing stocks remained at relatively low levels compared with shipments. At the retail level, increases in inven-

tories slowed in July and imbalances with sales remained limited.

The nominal U.S. merchandise trade deficit recorded a further decline in July relative to June and to the average for the second quarter as a whole. Exports in July fell below their strong June level and were little changed from the second-quarter average. While most categories of exports fell, deliveries of civilian aircraft increased sharply. Imports registered a further decline in July, as decreases in most categories of non-oil goods outweighed a small rise in the value of oil imports. Economic growth in the major foreign industrial countries slowed sharply in the second quarter from the very rapid rate of the first quarter, but this pattern appeared to be due largely to special factors rather than to a slackening of the underlying pace of activity.

Producer prices of finished goods declined in August for the third consecutive month, reflecting a further large drop in consumer energy prices; for the July–August period, price increases for nonfood, non-energy finished goods moderated from the pace of earlier months of the year. At earlier processing stages, prices of intermediate materials other than food and energy edged down further in August and had registered little net change over the previous six months, while prices of crude nonfood materials other than energy turned up after four months of declines. Consumer prices were unchanged in August following a small increase in July. Sharp reductions in energy prices and smaller increases for food items helped damp the rise in consumer prices in July and August, but prices for other consumer goods also rose more slowly. Average hourly earnings slipped a little in August after a sizable jump in the previous month, but on a year-over-year basis this decline did not indicate a change in trend.

At its meeting on August 22, the Committee adopted a directive that called for maintaining the current degree of pressure on reserve positions and that provided for giving special weight to potential developments that might require some slight easing during the intermeeting period. The Committee agreed that, in furtherance of the ultimate achievement of price stability, primary weight in considering the need for inter-

meeting changes in reserve conditions would continue to be given to the inflation outlook. Slightly greater reserve restraint might, or slightly lesser reserve restraint would, be acceptable in the intermeeting period depending on progress toward price stability, the strength of the business expansion, the behavior of the monetary aggregates, and developments in foreign exchange and domestic financial markets. The contemplated reserve conditions were expected to be consistent with growth of M2 and M3 over the period from June through September at annual rates of about 9 and 7 percent respectively.

Reserve conditions remained essentially unchanged over the period since the August meeting. Adjustment plus seasonal borrowing averaged about \$550 million for the two full reserve maintenance periods since the meeting, and federal funds traded mostly in the narrow range around 9 percent that had prevailed since late July. With federal funds rates steady and economic data released over the intermeeting period generally in line with market expectations, other interest rates changed little on balance over the intermeeting period. Some softening in interest rates took place through mid-September, owing at least partly to a market view that an easing of monetary policy might be in the offing given the strengthening dollar, but when the dollar subsequently declined against other G-10 currencies, interest rates generally rebounded. Most stock market indexes reached record highs in early September but partially retraced their increases as problems emerged in the “junk bond” market for a few prominent issuers.

In foreign exchange markets, the trade-weighted value of the dollar in terms of the other G-10 currencies rose substantially early in the intermeeting period; better-than-expected U.S. job growth in August and U.S. trade data for July outweighed the effects of a slight decline in U.S. interest rates and some increase in rates abroad. The dollar fell sharply after the release on September 23 of the G-7 statement that the rise of the dollar in recent months was inconsistent with longer-run fundamentals, and the ensuing coordinated central-bank intervention in exchange markets. Also contributing to the slippage of the dollar were growing market expectations of some tightening of monetary policies abroad. On bal-

ance, the dollar depreciated somewhat over the intermeeting period.

Growth of the monetary aggregates slowed in August from their advanced July rates, which likely had been boosted by the replenishment of balances used to pay taxes last spring; their slower growth evidently carried over to September. Despite its deceleration, M2 still grew fairly briskly in August and apparently also in September, bringing its expansion thus far this year to somewhat above the lower end of the Committee's annual range. Continued rapid growth of the retail components of M2 reflected in part the lagged effects of earlier declines in market interest rates. M3 increased at a substantially reduced pace over the August–September period, and it had expanded for the year to date at a rate around the lower bound of the Committee's annual range. The sluggish growth of M3 apparently was related in part to the declining needs of savings and loan associations for managed-liability funds; undercapitalized institutions were shrinking their balance sheets as a means of complying with new, more stringent capital standards, and insolvent institutions were receiving funds from the Resolution Trust Corporation (RTC).

The staff projection prepared for this meeting suggested that the nonfarm economy was likely to grow over the remainder of 1989 at about the pace estimated for the first half of the year but that the expansion would slow in 1990. The projection assumed that fiscal policy would remain moderately restrictive and that the contribution of foreign trade to growth would be very limited, owing in part to the earlier appreciation of the dollar. Consumer demand was expected to be bolstered in the near term by continued growth in labor income and the positive effect on real purchasing power of the recent slowing of price increases, but over the rest of the projection period steadily mounting slack in labor markets would exert a restraining effect on real income and consumer demand. Declines in interest rates earlier in the year were expected to provide some temporary stimulus to residential construction activity over the next quarter or so. Expansion in business capital spending was projected to moderate substantially over the projection period from the pace in the first half of the

year as output growth slowed, capacity pressures eased, and profits eroded. The recent weakening in food and energy prices pointed to a slower rise in consumer prices for the next few quarters; however, with margins of unutilized labor and other production resources still low, the underlying trend in inflation was not expected to show much improvement.

In the Committee's discussion of the economic situation and outlook, members commented that current indicators of business activity, including economic conditions in different parts of the country, presented a somewhat mixed picture. On the whole, however, members generally viewed the evidence as pointing to sustained expansion over the next several quarters, though many expected economic growth to slow somewhat from its recent pace. In assessing the chances of a different outcome, the members did not rule out the possibility of a slightly stronger economic performance, but they generally felt that the risks were tilted toward marginally greater slowing and a few expressed concern that a more pronounced weakening could emerge. With regard to the outlook for inflation, many commented that, given moderate economic growth and a sustained period of monetary restraint, underlying inflationary pressures were likely to ease a little over the next several quarters, but some anticipated somewhat greater progress in reducing inflation. Concern was expressed by some, however, that wage–cost pressures might intensify. The members agreed that progress against inflation would depend importantly on the behavior of the dollar in foreign exchange markets; a very substantial decline in the value of the dollar would put upward pressure on prices and make achievement of the Committee's price stability objective correspondingly more difficult.

With regard to developments in specific sectors of the economy, members commented that a key uncertainty in the business outlook related to the prospects for capital expenditures. Growth in such spending had slowed from a very high rate in the first half of the year, and it was not clear from the recent data whether business investment was weakening further or whether its growth had stabilized at a reduced pace. New orders for capital equipment had softened, but

order backlogs remained substantial and suggested continued high levels of production for many firms. On the other hand, indications of declining business profits together with the financial difficulties of a number of firms pointed to more restrained investment spending. The key to actual capital spending, of course, would be the evolving demand for goods and services and in that regard consumer spending, while subject to some volatility stemming especially from purchases of motor vehicles, was likely to continue to provide support for sustained growth. Business inventories, with some notable exceptions such as stocks of motor vehicles, were reported to be at acceptable levels and were not likely to contribute to wide swings in production unless final demands differed greatly from current expectations. The members were more uncertain about the outlook for housing and net exports. In the housing sector, considerable weakness had emerged in several parts of the country, and some members questioned whether any improvement could be expected over the next several quarters even though interest rates had fallen since last spring. With regard to the prospects for foreign trade, the dollar's appreciation this year had retarded improvement in the trade balance and, barring a substantial real depreciation, was expected to continue to do so for some time. It was presumed that fiscal policy would remain moderately restrictive, but that there would be no dramatic turn in the federal budget deficit of the sort that would substantially reduce demand pressures in the domestic economy while accommodating significant improvement in the trade deficit.

In the Committee's discussion of the outlook for inflation, members observed that the recent improvement largely reflected a number of special factors—such as developments in the food and energy sectors and the appreciation of the dollar this year—that could not be projected to recur. Several saw only limited prospects for further improvement over the year ahead, given their expectations with regard to the overall performance of the economy and related pressures on resources. Others felt that the behavior of prices and wages might continue to be better than had been expected. They noted that reduced monetary growth over an extended period was

continuing to restrain inflationary pressures and that the economy also was benefiting from ongoing cost-reducing measures induced by strong competition in domestic and international markets. A tendency for the prices of many commodities and intermediate materials to soften, if only marginally, also supported a relatively optimistic outlook for inflation. Moreover, there was a continuing pattern of restraint in labor settlements despite tight labor markets in many areas. Reflecting demographic factors, upward pressures on wages tended to be concentrated on entry-level jobs, while pressures in many of the more skilled job categories appeared to have diminished in various parts of the country. However, some members expressed concern that faster wage increases remained a threat, especially if the economy continued to operate at levels close to its potential.

In the Committee's discussion of monetary policy for the intermeeting period ahead, most of the members endorsed a proposal to maintain unchanged conditions of reserve availability and preferred or found acceptable a suggestion to retain the asymmetry toward ease that was incorporated in the latest directive. While noting that developments in the near term might alter the economic outlook, most members felt that prevailing conditions in the domestic economy did not warrant a policy change in either direction at this time. The focus of policy continued to be that of gradually reducing inflation over time and a steady policy course seemed consistent with that objective, at least for now.

Members also were concerned that an easing of policy so soon after the G-7 meeting would be misinterpreted as an attempt to use monetary policy to force the dollar lower. While the dollar was an important factor influencing the course of the U.S. economy and prices, monetary policy should not be used, in the judgment of the Committee, to attain particular levels for the foreign exchange value of the dollar that could conflict with domestic policy objectives. In current circumstances, an easing might well provoke an undesirable sharp decline in the external value of the dollar. The members also discussed the recent substantial intervention by G-7 and other nations against the dollar. Some members expressed concern that if this intervention resulted

in a sizable depreciation of the dollar, the inflationary consequences could be viewed as inconsistent with the Committee's long-run policy of achieving price stability.

In further discussion of an appropriate course for monetary policy, the Committee took account of a staff analysis that suggested that, on the assumption of unchanged conditions of reserve availability and steady interest rates, M2 growth would moderate somewhat over the balance of the year from its rapid pace in recent months; nonetheless, growth of this aggregate would continue to be supported to some extent by the lagged effects of earlier declines in market interest rates on the opportunity costs of holding M2 balances, and on a cumulative basis M2 was projected to rise somewhat further within the lower half of the Committee's range for the year. The expansion of M3 was expected to continue to be damped, though to a reduced extent, in the fourth quarter by further reductions in the assets and M3 liabilities of undercapitalized thrift institutions and by RTC outlays that substituted in part for managed liabilities in M3; by year-end, this aggregate was projected to be a little above the lower bound of the Committee's range. The pickup in the growth of money and reserve aggregates since around midyear and the projected expansion of the broad money aggregates within the Committee's ranges for the year were cited as welcome developments that were consistent with the Committee's overall policy objectives.

In the Committee's consideration of possible adjustments in the degree of reserve pressure during the intermeeting period, a majority of the members supported a proposal to adjust operations more readily toward some easing than toward any firming. In the view of these members, the risks to the expansion were more heavily weighted toward a shortfall from current expectations than toward faster growth and greater inflationary pressures. Members who preferred a symmetrical instruction generally saw the risks to the economy as more evenly balanced, and some observed that the present dollar situation warranted extra caution before any easing was undertaken; however, a bias toward ease would not involve any change from the current directive and most of these members

indicated that they could accept such an instruction.

It was noted in further discussion that seasonal borrowing was likely to drop in the weeks ahead, so that a declining total of adjustment plus seasonal borrowing would be associated with a given degree of reserve restraint and a given federal funds rate. It was understood that, subject to the Chairman's review, the necessary technical reductions in borrowing objectives would be made during the intermeeting period.

At the conclusion of the Committee's discussion, all but two of the members indicated that they preferred or could accept a directive that called for maintaining the current degree of pressure on reserve positions and that provided for giving particular weight to potential developments that might require some slight easing during the intermeeting period. Accordingly, slightly greater reserve restraint might be acceptable during the intermeeting period, while some slight lessening of reserve restraint would be acceptable, depending on progress toward price stability, the strength of the business expansion, the behavior of the monetary aggregates, and developments in foreign exchange and domestic financial markets. The reserve conditions contemplated by the Committee were expected to be consistent with growth of M2 and M3 at annual rates of around 6½ percent and 4½ percent respectively over the three-month period from September to December. The intermeeting range for the federal funds rate, which provides one mechanism for initiating consultation of the Committee when its boundaries are persistently exceeded, was left unchanged at 7 to 11 percent.

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 suggests that economic activity continued to expand at a moderate pace in the third quarter. In July and August, total nonfarm payroll employment rose appreciably despite the depressing effect of strike activity. The civilian unemployment rate remained around 5¼ percent. Industrial production picked up in August, mainly because of a rebound in auto assemblies and coal mining. Consumer spending has registered larger gains in recent months, reflecting in part a surge in auto sales. Housing starts in July and August were



slightly above their second-quarter average. Indicators of business capital spending suggest somewhat slower growth in the third quarter after the substantial increase in the first half of the year. The nominal U.S. merchandise trade deficit recorded a further decline in July relative to June and to the average for the second quarter as a whole. Sharp reductions in energy prices over the summer months damped increases in consumer prices and contributed to declines in producer prices. The latest wage data suggest no change in prevailing trends.

Interest rates generally show small mixed changes on balance since the Committee meeting on August 22. In foreign exchange markets, the trade-weighted value of the dollar in terms of the other G-10 currencies fell after the release of the G-7 statement on September 23; on balance, the dollar depreciated somewhat over the intermeeting period.

M2 grew fairly briskly in August and evidently also in September, lifting its expansion thus far this year to somewhat above the lower end of the Committee's annual range. M3 grew at a substantially reduced pace in this period, as assets of thrift institutions and their associated funding needs apparently contracted further; for the year to date, M3 has grown at a rate around the lower bound of the Committee's annual range.

The Federal Open Market Committee seeks monetary and financial conditions that will foster price stability, promote growth in output on a sustainable basis, and contribute to an improved pattern of international transactions. 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 3 to 7 percent and 3½ to 7½ percent, respectively, measured from the fourth quarter of 1988 to the fourth quarter of 1989. The monitoring range for growth of total domestic nonfinancial debt also was maintained at 6½ to 10½ percent for the year. For 1990, on a tentative basis, the Committee agreed in July to use the same ranges as in 1989 for growth in each of the monetary aggregates and debt, measured from the fourth quarter of 1989 to the fourth quarter of 1990. The behavior of the monetary aggregates will continue to be evaluated in the light of movements in their velocities, developments in the economy and financial markets, and progress toward price level stability.

In the implementation of policy for the immediate future, the Committee seeks to maintain the existing degree of pressure on reserve positions. Taking account of progress toward price stability, the strength of the business expansion, the behavior of the monetary aggregates, and developments in foreign exchange and domestic financial markets, slightly greater reserve restraint might or slightly lesser reserve restraint would be acceptable in the intermeeting period. The contemplated reserve conditions are expected to be consistent with growth of M2 and M3 over the period from September through December at annual rates of about 6½ and 4½ percent, respectively. The Chairman may call for Committee consultation if it appears to the Manager for Domestic Operations that reserve conditions during the period before the next meeting are likely to be associated with a federal funds rate persistently outside a range of 7 to 11 percent.

Votes for this action: Messrs. Greenspan, Corrigan, Angell, Johnson, Keehn, Kelley, LaWare, Melzer, and Syron. Votes against this action: Mr. Guffey and Ms. Seger.

Mr. Guffey favored an unchanged policy for the period ahead, but he dissented because he could not support a directive that was biased toward easing during the intermeeting period. He remained concerned that the rate of inflation would continue to be undesirably high.

Ms. Seger dissented because she felt that some easing of monetary policy was desirable at this time. In her view developments in manufacturing, notably in the motor vehicles sector, along with potential softness in capital expenditures, housing construction, and exports signaled a weaker overall economy. In the circumstances, she believed that an easier monetary policy was needed to help sustain the expansion and that such a policy would be consistent with continuing progress in reducing the rate of inflation.

# Legal Developments

## ORDERS ISSUED UNDER BANK HOLDING COMPANY ACT

### *Orders Issued Under Section 3 of the Bank Holding Company Act*

#### Center Financial Corporation Waterbury, Connecticut

#### *Order Denying Formation of a Bank Holding Company*

Center Financial Corporation, Waterbury, Connecticut ("Center Financial"), has applied pursuant to section 3(a)(1) of the Bank Holding Company Act (the "BHC Act"), 12 U.S.C. § 1842(a)(1), to become a bank holding company by acquiring all of the voting shares of Centerbank, Waterbury, Connecticut ("Centerbank"), as well as all of the voting shares of Burrirt InterFinancial Bancorporation, New Britain, Connecticut ("Burrirt"). Both Centerbank and Burrirt are state-chartered FDIC-insured savings banks and, by virtue of these acquisitions, Center Financial would become a savings bank holding company pursuant to sections 2(l) and 2(m) of the BHC Act, 12 U.S.C. § 1841(l) and (m).

Notice of the application, affording interested persons an opportunity to submit comments, has been published (54 *Federal Register* 11,278 (1989)). 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.

Centerbank is the 11th largest institution among commercial banks and savings banks in Connecticut with deposits of \$1.3 billion, representing 2.0 percent of total deposits in such institutions in the state, while Burrirt is the 24th largest institution among commercial banks and savings banks in the state with deposits of \$536.0 million, representing less than one percent of total deposits in such institutions in the state.<sup>1</sup> Upon consummation of this transaction, Cen-

ter Financial would become the ninth largest institution among commercial banks and savings banks in Connecticut with deposits of \$1.8 billion, representing 2.8 percent of total deposits in such institutions in the state. Consummation of the proposed transaction would not have a significantly adverse effect upon existing or probable future competition in any other relevant banking market.<sup>2</sup>

In evaluating this application, the Board is required, under section 3 of the BHC Act, to consider the financial and managerial resources of Center Financial, Centerbank, and Burrirt, and the effect of the proposed acquisition on the future prospects of each organization.

The Board previously has stated that a bank holding company should serve as a source of financial and managerial strength to its subsidiary banks, and that the Board would closely examine the condition of an applicant and its subsidiaries in each case with this consideration in mind.<sup>3</sup> The Board views with concern any proposal involving a major expenditure of funds for expansion that could limit a bank holding company's ability to serve as a source of strength to its subsidiary banks.<sup>4</sup> Accordingly, the Board expects organizations contemplating significant expansion to be in satisfactory financial condition.

2. The only market in which Centerbank and Burrirt both compete is the Hartford banking market. The Hartford banking market is approximated by Hartford County and parts of Tolland, Middlesex, Litchfield, Windham, and New London Counties, all of Connecticut.

As of June 30, 1988, Centerbank is the 57th largest institution among commercial banks and savings banks in the Hartford banking market with deposits of \$4.4 million, representing less than one percent of total deposits held by such institutions in the market. Burrirt is the tenth largest institution among commercial banks and savings banks in the market with deposits of \$487.8 million, representing 5.6 percent of total deposits held by such institutions in the market. Upon consummation of this transaction, Center Financial would become the ninth largest institution among commercial banks and savings banks in this market with deposits of \$492.2 million, representing 5.6 percent of total deposits held by such institutions in this market. Upon consummation of this transaction, the Herfindahl-Hirschman Index for the Hartford banking market would increase by less than one point to 838.

3. See *St. Croix Valley Bancshares, Inc.*, 75 *Federal Reserve Bulletin* 575 (1989).

4. See *Manufacturers Hanover Corporation*, 71 *Federal Reserve Bulletin* 452, 453 (1984); see also *First Bancorp of N.H., Inc.*, 66 *Federal Reserve Bulletin* 856 (1980).

1. Statewide deposit data are as of June 30, 1989.

Based upon a review of the available data concerning the financial condition of Center Financial and Centerbank, the Board is unable to conclude that Centerbank's current and pro forma financial condition supports approval. Center Financial proposes to fund its acquisition of Burrirt entirely with cash obtained through a substantial dividend payment from Centerbank. Center Financial has not projected that any equity capital would be issued either as part of this proposal or at any time through year-end 1990. These demands upon the earnings of Centerbank and upon Center Financial's resources could unduly weaken Center Financial and limit its ability to respond to present and prospective needs of its proposed subsidiary banks. Recently, Centerbank's rate of profitability has declined and is now below those for comparably sized banks. In addition, the performance of Centerbank's loan portfolio has been adversely affected by the weakening of real estate markets in its operating region and elsewhere.

Based upon the facts of record in this case, the Board believes that the proposed acquisition would substantially lessen the ability of Center Financial to serve as a source of strength to Centerbank and Burrirt, and therefore is not in the public interest. Additionally, this proposal raises concerns regarding the future prospects of Center Financial and its subsidiaries. Accordingly, based upon all the facts of record of this case, the Board finds that financial considerations are not consistent with approval of this application.

Managerial factors and convenience and needs considerations in this case do not lend sufficient weight to warrant approval.

Based upon the foregoing and other facts of record, the Board concludes that the banking considerations involved in this proposal present adverse factors bearing upon the financial resources and future prospects of Center Financial, Centerbank, and Burrirt. Such adverse factors are not outweighed by any pro-competitive effects, by significant benefits that would better serve the convenience and needs of the community, or by other public benefits. Accordingly, it is the Board's judgment that approval of the application would not be in the public interest, and that the application should be, and hereby is, denied.

By order of the Board of Governors, effective November 27, 1989.

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

JENNIFER J. JOHNSON  
*Associate Secretary of the Board*

## Deposit Guaranty Corporation Jackson, Mississippi

### *Order Approving Acquisition of a Bank Holding Company*

Deposit Guaranty Corporation, Jackson, Mississippi ("DGC"), a bank holding company within the meaning of the Bank Holding Company Act (the "BHC Act"), has applied for Board approval under section 3 of the BHC Act (12 U.S.C. § 1842) to acquire Commercial National Corporation, Shreveport, Louisiana ("CNC"), and thereby to acquire indirectly CNC's subsidiary bank, Commercial National Bank in Shreveport, Shreveport, Louisiana ("Bank").<sup>1</sup>

Notice of the application, affording interested persons an opportunity to submit comments, has been published (54 *Federal Register* 35,246 (1989)). 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.

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 holding company's home state,<sup>2</sup> 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." Louisiana law permits the acquisition of a Louisiana bank or bank holding company by a bank holding company located in any state whose laws permit a Louisiana bank or bank holding company to acquire a bank or bank holding company in that state.<sup>3</sup> The Board has determined previously that a Mississippi bank holding company may acquire a bank holding company in Louisiana.<sup>4</sup> Based on the foregoing, the Board has determined that the proposed acquisition is specifically authorized by the statute laws of Louisiana and that Board approval of the proposal is not barred by the Douglas Amendment.

DGC is the largest commercial banking organization in Mississippi, controlling approximately \$2.8 billion in deposits, representing 17.3 percent of the total deposits in commercial banking organizations in the

1. In connection with this application, DGC proposes to form CNC Acquisition, Inc., for the purpose of merging with CNC and thereby indirectly acquiring Bank.

2. 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 on July 1, 1966, or the date on which the company became a bank holding company, whichever is later. DGC's home state is Mississippi.

3. La. R.S. 6:533 (A)(3).

4. *Grenada Sunburst System Corporation*, 74 *Federal Reserve Bulletin* 513 (1988).

state.<sup>5</sup> CNC is the fifth largest commercial banking organization in Louisiana, controlling approximately \$885.7 million in deposits, representing 2.9 percent of the total deposits in commercial banking organizations in the state. Consummation of this proposal would not have a significant adverse effect on concentration of banking resources in either state.

DGC and CNC do not compete directly in any banking market. Consummation of this proposal would not have a significant adverse effect on actual or potential competition in any relevant banking market.

In evaluating this application, the Board has considered the financial and managerial resources of DGC and the effect on those resources of the proposed acquisition. The Board has stated and continues to believe that capital adequacy is an important factor in the analysis of bank holding company expansion proposals.<sup>6</sup> In this regard, the Board has stated that it expects banking organizations contemplating expansion proposals to maintain strong capital levels substantially above the minimum levels specified in the Board's Capital Adequacy Guidelines<sup>7</sup> without significant reliance on intangibles, in particular goodwill. The Board carefully analyzes the effect of expansion proposals on the preservation or achievement of strong capital levels and has adopted a policy that there should be no significant diminution of financial strength below these levels for the purpose of effecting major expansion proposals.<sup>8</sup>

DGC proposes to acquire all of the outstanding common shares of CNC stock through an exchange of shares and will not incur any debt as a result of this acquisition. Although the proposal will result in a decline in the capital ratios of DGC, DGC will remain well capitalized, following consummation of the proposal, with capital ratios significantly above the minimum levels specified in the Board's Capital Adequacy Guidelines. In light of DGC's financial and managerial resources, CNC's future prospects should be materially enhanced. Accordingly, 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.

In considering the convenience and needs of the communities to be served, the Board has taken into account the record of DGC and its bank subsidiary under the Community Reinvestment Act ("CRA") (12 U.S.C. § 2901 *et seq.*). The CRA requires that federal financial supervisory agencies 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 low- and moderate-income neighborhoods, consistent with the safe and sound operation of the institutions.<sup>9</sup> The Board is required to "take such record into account in its evaluation" of applications under section 3 of the BHC Act.<sup>10</sup>

The Board has carefully reviewed the CRA performance record of DGC's subsidiary bank in light of the CRA and the Board's Agency CRA Statement.<sup>11</sup> 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.

Initially, the Board notes in this case that Deposit Guaranty National Bank ("DGN Bank") received a satisfactory CRA assessment from its primary supervisory agency in its most recent examination. In addition, DGN Bank has in place the types of programs outlined in the Agency CRA Statement as essential to an effective CRA program. The CRA program implemented by DGN Bank has a community outreach component that calls for ongoing community contact regarding the needs of the community, including low- and moderate-income neighborhoods, and the

5. All data are as of December 31, 1988.

6. *The Bank of New York Company, Inc.*, 74 *Federal Reserve Bulletin* 257 (1988); *Chemical New York Corporation*, 73 *Federal Reserve Bulletin* 378 (1987); *Citicorp*, 72 *Federal Reserve Bulletin* 497 (1986); *National City Corporation*, 70 *Federal Reserve Bulletin* 743 (1984).

7. Capital Adequacy Guidelines, 50 *Federal Register* 16,057 (April 24, 1985).

8. Thus, for example, the Board has generally approved proposals involving a decline in capital only where the applicants have promptly restored their capital to preacquisition levels following consummation of the proposals and have implemented programs of capital improvement to raise capital significantly above minimum levels. *See, e.g., Citicorp*, 72 *Federal Reserve Bulletin* 726 (1986); *Security Pacific Corporation*, 72 *Federal Reserve Bulletin* 800 (1986).

9. 12 U.S.C. § 2903.

10. In this regard, following the expiration of the public comment period in this case, the Board received comments filed by the Jackson CRA Coalition, Jackson, Mississippi ("Protestant"), alleging that DGC has not provided an adequate analysis of the credit needs of its community and that DGC has not provided adequate business or mortgage loans to the low-income and minority areas of Jackson. Under the Board's Rules of Procedure, the Board is not required to consider comments received following the close of the public comment period. 12 C.F.R. 262.3(e). *See also* Statement of the Federal Financial Supervisory Agencies Regarding the Community Reinvestment Act (March 21, 1989) ("Agency CRA Statement"). The Board, in its discretion, may consider the substance of any comments received regarding an application. The Board's consideration of the CRA performance record in this case included review of the adequacy of the banking organization's lending and outreach efforts, which were the subject of Protestant's comments in this case.

11. 54 *Federal Register* 13,742 (1989).

products and services that the bank offers to meet these needs. DGN Bank also uses specialized marketing efforts to ensure that all segments of the community are aware of its services. For example, DGN Bank regularly uses minority-owned media to reach minority segments of the community.

DGN Bank has established a CRA Compliance Officer Network within its banking system. Each CRA Officer has responsibility for a CRA Activity Report that is made monthly and forwarded through the CRA Regional Captain to the Community Affairs Officer in Jackson, Mississippi. The Community Affairs Officer briefs the DGN Bank's board of directors quarterly on CRA matters.

DGN Bank is an active provider of home improvement loans in minority areas. DGN Bank also participates in small business lending in low- and moderate-income areas and has participated in federal programs to increase the housing available to the elderly and low- and moderate-income families. In addition, DGN Bank also hired consultants to survey its communities and to devise methods for increasing DGN Bank's marketing and lending in low- and moderate-income communities. DGN Bank has implemented several of the recommendations from the survey, including increased advertising and product development to meet the needs of minorities in DGN Bank's service area and hosts seminars on small-business financing and consumer finance issues. Several of the recently implemented programs are similar to the programs sought by Protestant.

Based upon the overall CRA record of DGN Bank and other facts of record, the Board concludes that convenience and needs considerations, including the record of performance under the CRA of DGC's subsidiary bank, are consistent with approval of this application.<sup>12</sup>

12. Protestant has requested a public meeting or hearing on the applications to provide testimony on the issues presented by these applications. Although section 3(b) of the BHC Act does not require a public meeting or hearing in this instance, the Board may, in its discretion, order a public meeting or hearing. See 12 C.F.R. 262.3(e). In that regard, the Board's Rules of Procedure provide that a public meeting may be held to clarify factual issues related to an application or to provide an opportunity for interested persons to testify. 12 C.F.R. 262.25(d). In addition, under the provisions of the Board's Regulation Y, 12 C.F.R. 225.23(g), the Board shall order a hearing only if there are disputed issues of material fact that cannot be resolved in some other manner.

The Board has carefully considered Protestant's requests for a public meeting or hearing. In the Board's view, the parties have had ample opportunity to present their arguments in writing. In light of these facts, the Board has determined that a public meeting or hearing is not necessary to clarify the factual record in these applications, or otherwise warranted in this case. Accordingly, the Protestant's request for a public meeting or hearing on these applications is hereby denied.

Based on the foregoing and other facts of record, the Board has determined that the application should be, and hereby is, approved.

The acquisition of CNC shall not be consummated before the thirtieth calendar day following the effective date of this Order, or later than three months after the effect date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Atlanta, acting pursuant to delegated authority.

By order of the Board of Governors, effective November 27, 1989.

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

JENNIFER J. JOHNSON  
*Associate Secretary of the Board*

#### *Orders Issued Under Section 4 of the Bank Holding Company Act*

J.P. Morgan & Company Incorporated  
New York, New York

#### *Order Approving Application to Act as Agent in the Private Placement of All Types of Securities and Act as Riskless Principal in Buying and Selling Securities*

J.P. Morgan & Company Incorporated, New York, New York ("Morgan"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied for the Board's approval under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) and section 225.23 of the Board's Regulation Y (12 C.F.R. 225.23), for its subsidiary, J.P. Morgan Securities Inc., New York, New York ("Company"), to act as agent in the private placement of all types of securities, including providing related advisory services, and to buy and sell all types of securities on the order of investors as a "riskless principal". Some of the proposed services are currently being offered by Morgan's lead subsidiary bank.

Morgan, with consolidated assets of \$99.9 billion, is the third largest banking organization in the United States.<sup>1</sup> It operates two subsidiary banks and engages directly and through subsidiaries in a broad range of nonbanking activities, including engaging through Company in underwriting and dealing in, to

1. Data are as of June 30, 1989.

a limited extent, certain securities.<sup>2</sup> Company is and will continue to be a broker-dealer registered with the Securities and Exchange Commission and subject to the record-keeping, reporting, fiduciary standards, and other requirements of the Securities Exchange Act of 1934, the New York Stock Exchange, and the National Association of Securities Dealers.<sup>3</sup>

Notice of the application, affording interested persons an opportunity to submit comments on the proposal, has been published (54 *Federal Register* 16,406 (1989)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the public interest factors set forth in section 4(c)(8) of the BHC Act. The Board received written comments opposing the application from the Securities Industry Association ("SIA"), a trade association of the investment banking industry, and the Investment Company Institute ("ICI"), a trade association of the mutual fund industry.<sup>3</sup>

Because Company would be affiliated through common ownership with a member bank, Company may not be "engaged principally" in underwriting or dealing in securities within the meaning of section 20 of the Banking Act of 1933 (the "Glass-Steagall Act").<sup>4</sup> In earlier decisions, the Board has determined that Company is not "engaged principally" in section 20 activities if revenues from underwriting and dealing in securities that banks are not authorized to underwrite and deal in directly ("ineligible securities") do not exceed 10 percent of Company's gross revenues.

In its recent *Bankers Trust* decision, the Board determined that acting as agent in the private placement of securities and purchasing and selling securities on the order of investors as a "riskless principal" do

not constitute underwriting and dealing in securities for purposes of section 20 of the Glass-Steagall Act, and therefore revenue derived from these activities is not subject to the 10 percent revenue limitation on ineligible securities underwriting and dealing.<sup>5</sup> Except as described below, the methods and procedures Company will use in conducting its private placement and riskless principal activities will be consistent with those approved in the *Bankers Trust* decision.

Additionally, in that decision the Board found that, subject to a number of prudential limitations that address the potential for conflicts of interests, unsound banking practices or other adverse effects, private placement and riskless principal activities were so closely related to banking as to be a proper incident thereto within the meaning of section 4(c)(8) of the BHC Act. Morgan has committed that Company will conduct its private placement and riskless principal activities subject to all of the prudential limitations agreed to by *Bankers Trust* with the following exceptions.<sup>6</sup>

Specifically, Morgan has not agreed to conditions in the prior decision that restrict 1) extensions of credit by the bank holding company or any of its affiliates to pay the principal amount of, or interest on, securities placed by the section 20 subsidiary; and 2) purchases for their own account by the parent holding company and other nonbank affiliates of section 20 subsidiaries of securities being placed by the section 20 subsidiary.<sup>7</sup> These conditions were established by the Board to ensure that the objectivity and sound judgment of banks and other affiliates of section 20 subsidiaries would not be impaired by the placement or underwriting profit that the section 20 subsidiary would receive for marketing the securities.

Morgan has proposed to have its affiliated banks extend credit to an issuer whose debt securities have

2. See *J.P. Morgan & Co. Incorporated, The Chase Manhattan Corporation, Bankers Trust New York Corporation, Citicorp and Security Pacific Corporation*, 75 *Federal Reserve Bulletin* 192 (1989) ("*J.P. Morgan et al.*"); *Citicorp, J.P. Morgan & Co. Incorporated and Bankers Trust New York Corporation*, 73 *Federal Reserve Bulletin* 473 (1987), *aff'd sub nom.*, *Securities Industry Association v. Board of Governors of the Federal Reserve System*, 839 F.2d 47 (2d Cir. 1988), *cert. denied*, 108 S.Ct. 2830 (1988); and *J.P. Morgan & Co. Incorporated*, 73 *Federal Reserve Bulletin* 875 (1987); as modified by *Order Approving Modifications to Section 20 Orders*, 75 *Federal Reserve Bulletin* 751 (1989).

3. The comments of the ICI were received substantially after the close of the comment period prescribed in the notice of this application and therefore are not required to be considered by the Board. In any event, the ICI has objected to Morgan's proposal to the extent that it could be construed to seek approval for Company to privately place securities of investment companies that are sponsored or advised by Company or Morgan. Morgan has not requested approval to place such securities.

4. Section 20 of the Glass-Steagall Act (12 U.S.C. § 377) provides that "... no member bank shall be affiliated ... with any ... organization engaged principally in the issue, flotation, underwriting, public sale, or distribution at wholesale or retail or through syndicate participation of stocks, bonds, debentures, notes, or other securities. ..."

5. *Bankers Trust New York Corporation*, 75 *Federal Reserve Bulletin* 829 (Order dated October 30, 1989) ("*Bankers Trust*").

6. The SIA argues that the fact that Morgan is proposing that Company privately place all types of securities, as opposed to only high grade commercial paper notes as had been previously approved by the Board, is significant in assessing the applicability of the Glass-Steagall Act prohibitions in this case. See *Statement Concerning Applicability of the Glass-Steagall Act to the Commercial Paper Placement Activities of Bankers Trust Company* (June 4, 1985); and *Securities Industry Association v. Board of Governors*, 807 F.2d 1052 (D.C. Cir. 1986), *cert. denied*, 483 U.S. 1005 (1987) ("*Bankers Trust II*"). The Board considered this argument in *Bankers Trust* and noted that because the Board and the *Bankers Trust II* court clearly recognized that commercial paper is a security for purposes of the Glass-Steagall Act, the fact that *Bankers Trust* (or in this case, Morgan) wishes to privately place all types of securities in a manner similar to that used in the commercial paper case, would not, by itself, change the activity into underwriting and dealing.

7. Morgan has agreed to consult with Federal Reserve staff before transferring its private placement and riskless principal activities from Company to any other nonbank subsidiary of Morgan to assure that none of the firewall provisions committed to is evaded by the transfer.

been placed by the section 20 subsidiary where the proceeds would be used to pay the principal amount of the securities at maturity. Morgan has stated that such transactions may be appropriate if, at the time the securities mature, it were more advantageous to the issuer to obtain financing from the bank rather than to reissue the securities.

In situations where the decision to extend credit to an issuer of securities placed by the section 20 subsidiary to repay the principal amount of the securities at maturity is made at a different time than when the securities are actually being placed, the likelihood that the decision to extend credit would be influenced by any promotional incentive associated with the placement activity would be minimized, especially in the case of longer term securities. Since the decision whether to extend credit in this situation would not be made while the securities are being marketed, the likelihood that the bank would not exercise independent judgment in assessing the creditworthiness of the issuer in light of all relevant circumstances at the time would be lessened. The bank's credit decisions, moreover, can be closely scrutinized through the examination process. In addition, many of these credit transactions could be subject to the requirements of section 23B of the Federal Reserve Act, which provides that certain types of transactions between a bank and a nonbank affiliate must be on an arms' length basis.<sup>8</sup> While it is not entirely clear that section 23B will apply to all of these credit transactions, the Board expects that the standards set out in that section will nevertheless be complied with.

Accordingly, the Board believes that it is appropriate to allow banks affiliated with section 20 subsidiaries or other nonbank affiliates to extend credit to an issuer to repay the principal amount of the securities, provided there is some reasonable time difference between the placement of the securities and the decision to extend credit,<sup>9</sup> and provided the extensions of credit meet prudent and objective standards. The Board conditions its decision with regard to these extensions of credit on the requirement that Morgan's subsidiary banks or other affiliates maintain detailed and clearly identified credit and collateral documentation so that examiners may determine that a thorough, objective, and independent analysis of the credit has been undertaken. In addition, documentation must be maintained to show that the participation by a bank or thrift affiliate in the transaction has been undertaken under circumstances and on terms and conditions

(including pricing, minimum borrower cash flow-to-debt service or collateral requirements, or repayment terms) that are not preferential and that fully reflect the risks associated with the loan, as required under section 23B of the Federal Reserve Act. The Federal Reserve Bank of New York will closely review loan documentation of bank affiliates to ensure that an independent and thorough credit evaluation has been undertaken with respect to the participation of the bank in these credit extensions to issuers of securities privately placed by an agent affiliated with the bank.

With respect to the affiliate purchase restriction, Morgan has also proposed to have Company place securities with its parent holding company or with a nonbank subsidiary of the parent company.<sup>10</sup> In this regard, the Board notes that banks that currently place securities do place them with the parent company or other nonbank affiliates. No particular supervisory problem has to date arisen from such investments. In addition, since purchases of securities will not be made by the affiliated bank, the possibility that losses as a result of these investments will adversely affect the federal safety net protecting the bank is minimized.

Accordingly, the Board believes that it is appropriate to allow Company to place securities with its parent holding company or a nonbank affiliate. The Board recognizes that the potential for certain conflicts of interest may be increased if affiliates were to purchase the entire issue of securities placed by the section 20 subsidiary or a substantial portion of such an issue. The Board therefore believes that it is appropriate to require that affiliates of the section 20 subsidiary limit their investment, both individually and in the aggregate, in any particular issue of securities that are placed by the section 20 subsidiary. The Board expects that Morgan will establish appropriate internal policies, procedures, and limitations regarding the amount of securities of any particular issue placed by Company that may be purchased by Morgan and each of its nonbanking subsidiaries, individually and in the aggregate.<sup>11</sup> These policies and procedures, as well as the purchases themselves, will be reviewed by the Federal Reserve Bank of New York.

10. Under current legal restrictions, member banks cannot generally purchase securities privately placed by an affiliate. This is because member banks are prohibited from acquiring any equity securities or unmarketable debt securities, *i.e.*, those that cannot be resold because of SEC private placement restrictions. See 12 U.S.C. §§ 24(Seventh) and 335.

11. This limit should be less than 50 percent of the issue being placed. Additionally, in the development of these policies and procedures, Morgan should incorporate, with respect to placements of securities, the limitations established by the Board in condition 12 of its *J.P. Morgan et al.* Order regarding aggregate exposure of the holding company on a consolidated basis to any single customer whose securities are underwritten or dealt in by Company.

8. 12 U.S.C. § 371c-1.

9. In the Board's view, this requirement will be satisfied if at the time the extension of credit is made, a period of at least three years has elapsed from the time of the placement of the securities.

In sum, the record shows that under the framework established in this and prior decisions, consummation of this proposal is not likely to result in any significant undue concentration of resources, decreased or unfair competition, conflicts of interest, unsound banking practices, or other adverse effects.

Consummation of this proposal would provide greater efficiencies and added convenience to Morgan's customers by allowing consolidation of a wider range of services in a single entity. Accordingly, the Board has determined that the performance of the proposed activities by Morgan can reasonably be expected to produce public benefits which would outweigh adverse effects under the proper incident to banking standard of section 4(c)(8) of the BHC Act.

Based on the above, the Board has determined to approve Morgan's application subject to all of the terms and conditions set forth above. The Board's determination is subject to all of the conditions set forth in the Board's Regulation Y, including those in sections 225.4(d) and 225.23(b), and to the Board's authority to require modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, and to prevent evasion of, the provisions of the BHC Act and the Board's regulations and Orders issued thereunder.

This transaction shall not be consummated 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 New York, pursuant to delegated authority.

By order of the Board of Governors, effective November 22, 1989.

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

JENNIFER J. JOHNSON  
*Associate Secretary of the Board*

Stichting Amro  
Amsterdam, The Netherlands

Amsterdam-Rotterdam Bank N.V.  
Amsterdam, The Netherlands

*Order Approving Application to Engage in Investment Advisory and Securities Brokerage Activities and to Act as Riskless Principal in Buying and Selling Securities*

Stichting Amro and its subsidiary, Amsterdam-Rotterdam Bank N.V. ("Amro"), both of Amsterdam,

The Netherlands (collectively "Applicants"), foreign banking organizations subject to the Bank Holding Company Act ("BHC Act"), have applied for the Board's approval under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) and section 225.23 of the Board's Regulation Y (12 C.F.R. 225.23), to acquire 42 percent of the voting shares of DBI Holdings, Inc., New York, New York ("DBI"), and thereby to engage in investment advisory and securities brokerage services pursuant to sections 225.25(b)(4) and (15) of the Board's Regulation Y (12 C.F.R. 225.25(b)(4) and (15)); to provide investment advisory and securities brokerage services on a combined basis ("full-service brokerage activities");<sup>1</sup> and to buy and sell securities on the order of investors as "riskless principal".

Notice of the applications, affording interested persons an opportunity to submit comments, has been duly published (54 *Federal Register* 40,521 and 47,271 (1989)). The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the public interest factors set forth in section 4(c)(8) of the BHC Act.<sup>2</sup>

1. DBI owns Discount Brokers International, Inc., New York, New York ("DBI-U.S."), and Discount Brokers International (U.K.) Ltd., London, England ("DBI-U.K."). DBI-U.K. would engage in securities brokerage services for customers outside the United States, pursuant to section 4(c)(9) of the BHC Act and section 221.23(f)(3) of the Board's Regulation K. Applicants have committed that DBI-U.K. will limit its activities to those permitted for DBI's United States subsidiaries pursuant to this Order or otherwise permitted to domestic subsidiaries of bank holding companies under section 225.25(b) of the Board's Regulation Y (12 C.F.R. 225.25(b)). DBI-U.S. currently engages in securities brokerage activities. Applicant proposes to form a new limited partnership, Henry Krieger/DBI, L.P., New York, New York ("Krieger/DBI") that would succeed the businesses of DBI-U.S. and of Henry Krieger & Co., New York, New York, a limited partnership engaged in securities brokerage services. Krieger/DBI would engage in investment advisory, securities brokerage, full-service brokerage activities, and act as riskless principal.

2. The Board received a written comment opposing the riskless principal portion of the application from the Securities Industry Association ("SIA"), a trade association of the investment banking industry. The SIA argues that acting as a riskless principal is a form of dealing in securities prohibited by section 20 of the Banking Act of 1933 (the "Glass-Steagall Act") and that Applicants would be able to act as an underwriter or dealer in the United States for securities underwritten or traded by its foreign affiliates. The SIA further contends that acting as riskless principal is not closely related to banking for purposes of the BHC Act and that, in any event, the application should be denied under the BHC Act because no public benefits would result from this activity.

For the reasons stated in *Bankers Trust New York Corporation*, 75 *Federal Reserve Bulletin* 829 (Order dated October 30, 1989) ("*Bankers Trust*") and *J.P. Morgan & Company Incorporated*, 76 *Federal Reserve Bulletin* 26 (Order dated November 22, 1989), the Board finds that the proposed riskless principal activity is not underwriting or dealing securities within the meaning of section 20. Moreover, Applicants have committed that DBI and its subsidiaries would not engage in riskless principal transactions with, or on behalf of, Applicants or any of Applicants' affiliates, including foreign affiliates that engage in securities dealing activities overseas. In addition, in these orders the Board rejected the assertions of the SIA and determined that acting as a riskless principal is closely related to banking under the BHC Act. As indicated below, the Board has determined that the balance of public interest factors that it must consider under section 4(c)(8) of the BHC Act is favorable in this case.



Amro, with consolidated assets equivalent to approximately \$83.5 billion, is the second largest banking organization in The Netherlands.<sup>3</sup> In the United States, Applicants maintain a branch in New York and representative offices in Chicago, Houston, and Los Angeles. Accordingly, Applicants are subject to the nonbanking restrictions of section 4 of the BHC Act as a bank holding company pursuant to section 8 of the International Banking Act of 1978. 12 U.S.C. § 3106.

The Board has previously determined by regulation that the investment advisory services and securities brokerage services that Applicants propose to conduct through DBI are closely related to banking and permissible for bank holding companies.<sup>4</sup> The Board has also previously determined by Order that combined investment advisory and securities brokerage services, and acting as riskless principal, are closely related to banking and permissible for bank holding companies, subject to certain limitations.<sup>5</sup> For the reasons stated in those Orders, the Board confirms that engaging in full-service brokerage activities, and acting as a riskless principal, within the limits described in the Board's Orders, are closely related to banking for purposes of the BHC Act. Applicants propose that DBI and its subsidiaries conduct these activities subject to the requirements of the Board's regulations and those previous Board Orders. In this regard, DBI and its subsidiaries would not have an inventory of securities. When acting as a riskless principal, DBI and its subsidiaries would only engage in transactions in the secondary market and not at the order of a customer that is the issuer of the securities to be sold, and would not hold themselves out as making a market in the securities that they buy and sell as riskless principal. Moreover, DBI and its subsidiaries would not engage in riskless principal transactions with Applicants or any of Applicants' affiliates, including foreign affiliates that engage in securities dealing activities overseas.

The Board must also find that the proposed acquisition "can reasonably be expected to produce benefits to the public . . . that outweigh the possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." 12 U.S.C. § 1843(c)(8). Prior decisions of the Board indicate a concern that joint ventures could potentially lead to a matrix of relationships between co-venturers that could break down the legally mandated separation of

banking and commerce, create the possibility of conflicts of interest and other adverse effects that the BHC Act was designed to prevent, or impair or give the appearance of impairing the ability of the banking organization to function effectively as an independent and impartial provider of credit.<sup>6</sup> Further, joint ventures must be carefully analyzed for any possible adverse effects on competition and on the financial condition of the banking organization involved in the proposal.

In prior cases involving joint ventures between bank holding companies and firms generally engaged in securities activities not authorized for bank holding companies, the Board has relied upon a series of commitments to address these potential adverse effects. These commitments are designed to separate the activities of the joint venture from those of the nonbanking co-venturers. See *Amsterdam-Rotterdam Bank, N.V.*, 70 *Federal Reserve Bulletin* 835 (1984). In this case, Applicants have made a number of commitments to assure this separation. Under the circumstances of this case, the Board finds these commitments are sufficient to address its concerns with potential adverse effects associated with the joint ventures.

In applications under section 4(c)(8) of the BHC Act, the Board considers the financial condition and resources of the applicant and its subsidiaries, and the effects of the proposed transaction on those resources. In accordance with the principles of national treatment and competitive equity, the Board has stated that it expects a foreign bank to meet the same general standards of financial strength as domestic bank holding companies and to be able to serve as a source of strength to its United States banking operations.<sup>7</sup> In considering applications of foreign banking organizations, the Board has noted that foreign banks operate outside the United States in accordance with different regulatory and supervisory requirements, accounting principles, asset quality standards, and banking practices and traditions, and that these differences have made it difficult to compare the capital positions of

6. See, e.g., *The Long-Term Credit Bank of Japan, Limited*, 75 *Federal Reserve Bulletin* 719 (1989); and *Amsterdam-Rotterdam Bank, N.V.*, 70 *Federal Reserve Bulletin* 835 (1984).

7. *Bank of Seoul*, 74 *Federal Reserve Bulletin* 684 (1988); *The Bank of Tokyo, Ltd.*, 74 *Federal Reserve Bulletin* 685 (1988); *Toyo Trust and Banking Co., Ltd.*, 74 *Federal Reserve Bulletin* 623 (1988); *Taiyo Kobe Bank, Ltd.*, 74 *Federal Reserve Bulletin* 621 (1988); *Sumitomo Trust & Banking Co., Ltd.*, 73 *Federal Reserve Bulletin* 749 (1987); *Ljubljanska Banka-Associated Bank*, 72 *Federal Reserve Bulletin* 489 (1986); *The Mitsubishi Trust and Banking Corporation*, 72 *Federal Reserve Bulletin* 256 (1986); *The Industrial Bank of Japan, Ltd.*, 72 *Federal Reserve Bulletin* 71 (1986); *The Mitsubishi Bank, Limited*, 70 *Federal Reserve Bulletin* 518 (1984). See also Policy Statement on Supervision and Regulation of Foreign-Based Bank Holding Companies, Federal Reserve Regulatory Service 14-835 (1979).

3. Data are as of December 31, 1988.

4. 12 C.F.R. 225.25(b)(4) and (15).

5. See, *Bank of New England Corporation*, 74 *Federal Reserve Bulletin* 700 (1988) (full-service brokerage); *Bankers Trust* (private placement).

domestic and foreign banks. In the past, the Board has addressed the complex issues involved in balancing these concerns in the context of individual applications on a case-by-case basis, making adjustments as appropriate to an applicant's capital to reflect differences in accounting treatment and regulatory practices.

The Board recently has adopted a proposal to supplement its consideration of capital adequacy with a risk-based system that is simultaneously being proposed by the member countries of the Basle Committee on Banking Regulations and Supervisory Practices and the other domestic federal banking agencies.<sup>8</sup> The Board considers the Basle Committee proposal an important step toward a more consistent and equitable international norm for assessing capital adequacy. Until that framework becomes effective, however, the Board will continue to evaluate applications involving foreign banking organizations on a case-by-case basis consistent with its prior precedent.

In this case, the Board notes that the stated primary capital ratio of Amro meets the minimum capital guidelines for United States multinational bank holding companies. Further, Amro meets the 1990 interim risk-based guidelines, and its core capital exceeds the 1992 minimum standard adopted by the Basle Committee. The Board also notes that the applications involve permissible nonbanking activities that require a small commitment of capital. In view of these and other facts of record, the Board has determined that financial factors are consistent with approval of the applications.

Consummation of Applicants' proposal may be expected to provide increased services and convenience to DBI's customers and gains in efficiency. Additionally, as a *de novo* investment adviser, Krieger/DBI may be expected to increase competition in this activity. Accordingly, the Board has determined that performance of the proposed activities by DBI can reasonably be expected to produce benefits to the public.

For these reasons, and in reliance on the commitments offered in this case, the Board believes that the proposal is not likely to result in decreased or unfair competition, conflicts of interests, unsound banking practices, undue concentration of resources, or other adverse effects.

Based on the foregoing and other facts of record, the Board has determined that the balance of public interest factors that it must consider under section 4(c)(8) of the BHC Act is favorable. Accordingly, the Board has determined that the applications should be, and hereby are, approved. This determination is subject to

all of the conditions set forth in the Board's Regulation Y, including those in sections 225.4(d) and 225.23(b), and to the Board's authority to require modification or termination of the activities of a holding company to assure compliance with the provisions and purposes of the BHC Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

This transaction shall not be consummated 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 New York, pursuant to delegated authority.

By order of the Board of Governors, effective November 30, 1989.

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

WILLIAM W. WILES  
Secretary of the Board

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

Lisco State Company  
Lisco, Nebraska

#### *Order Approving Acquisition of a Bank Holding Company and Companies Engaged in Insurance and Lending Activities*

Lisco State Company, Lisco, Nebraska ("Lisco"), 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. § 1843(a)(3)) to acquire 28.3 percent of the voting shares of O & F Cattle Company, Oshkosh, Nebraska ("O & F"), and indirectly acquire Nebraska State Bank, Oshkosh, Nebraska ("Nebraska Bank"). Lisco has also applied for the Board's approval under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) to engage, through the existing subsidiaries of O & F, in making and servicing loans and other extensions of credit, in the sale of credit-related insurance, and in general insurance agency activities in communities with a population of less than 5,000. These activities are authorized for bank holding companies pursuant to the Board's Regulation Y, 12 C.F.R. 225.25(b)(1), (8)(i) and (8)(iii).

Notice of the applications, affording interested persons an opportunity to submit comments, has been published (54 *Federal Register* 31,884 (1989)). The time for filing comments has expired, and the Board has considered the applications and all comments

8. 54 *Federal Register* 4186 (1989).

received in light of the factors set forth in section 3(c) of the BHC Act and the public interest factors set forth in section 4(c)(8) of the BHC Act.

Lisco and O & F are among the smaller commercial banking organizations in Nebraska, controlling together deposits of \$27.5 million, representing less than one percent of total deposits in commercial banking organizations in the state.<sup>1</sup> Consummation of this proposal would not have a significantly adverse effect on the concentration of banking resources in Nebraska.

Lisco operates one bank subsidiary, Lisco State Bank, Lisco, Nebraska ("Lisco Bank"). Both Lisco Bank and Nebraska Bank compete in the Garden County banking market.<sup>2</sup> Lisco Bank is the smallest of three banks in the market, controlling 22.3 percent of total deposits in commercial banking organizations in the market. Nebraska Bank is the largest commercial bank in the market, controlling 46.6 percent of total deposits in commercial banking organizations in the market. Upon consummation of this proposal, Lisco would become the largest commercial banking organization in the market, controlling 68.9 percent of total deposits in commercial banking organizations in the market. The market would be considered highly concentrated, with the Herfindahl-Hirschman Index ("HHI") increasing by 2077 points to 5712.<sup>3</sup>

Although consummation of this proposal would result in the substantial reduction of existing competition in the Garden County banking market, several factors mitigate the potential anticompetitive effects of this proposal. The Board has considered the fact that Garden County is a sparsely populated area that has experienced a steady decline in population.<sup>4</sup> There are three population centers in Garden County, Nebraska. Lisco, Nebraska, which is the community in which Lisco Bank operates its only office, is an unincorporated

village with a population of less than 100. Oshkosh, Nebraska, which is the community in which Nebraska Bank operates its only office, is 30 miles from Lisco, Nebraska, and has a population of approximately 1100. Garden County as a whole has a population-per-bank ratio of 933, which is considerably lower than the statewide average of 3475.<sup>5</sup> Loans originated in the Garden County market have declined 17 percent between 1983 and 1987, and during the period between 1984 and 1988, deposits in the market have grown at only a nominal rate, substantially below the average rate of deposit growth in the state.<sup>6</sup>

In addition to the market conditions, the Board has considered the fact that members of the same family have owned Lisco Bank and Nebraska Bank since 1967. The father of the principal shareholders of the two banks controlled Lisco Bank from 1924 to 1977, when one of his sons, Thomas Olson, became the principal shareholder of Lisco. William Olson, the brother of Lisco's principal shareholder, also acquired shares of Lisco Bank at that time and both brothers have continued to own their shares of Lisco Bank since 1977. William Olson acquired control of Nebraska Bank in 1967. The two brothers have served at the same time on the boards of either Lisco Bank or Nebraska Bank for 23 years, have served jointly on the boards of several nonbanking organizations, and are joint owners of another bank holding company outside of the market. Moreover, Thomas Olson currently owns 9.9 percent of O & F and has been providing significant management assistance to Nebraska Bank. The Board believes that the history of family ownership of Lisco Bank and Nebraska Bank, and the business relationships between the Olson brothers indicate that competition between Lisco Bank and State Bank has been less than would be expected of two completely independent organizations.

Consequently, the Board has determined that, in view of all of the facts of record and in the particular context of the market conditions in this case, consummation of this proposal would not have a significantly adverse effect on competition or the concentration of banking resources in the Garden County banking market. Thus, competitive effects are consistent with approval.

1. All banking data are as of December 31, 1988.

2. The Garden County banking market is approximated by Garden County, Nebraska.

3. Under the revised Department of Justice Merger Guidelines (49 *Federal Register* 26,823 (June 29, 1984)), any market in which the post-merger HHI is over 1800 is considered highly concentrated, and the Department of Justice is likely to challenge a merger that increases the HHI by more than 50 points unless other factors indicate that the merger will not substantially lessen competition. The Department of Justice has informed the Board that a bank merger or acquisition is likely to be challenged (in the absence of other factors indicating an anticompetitive effect) if the post-merger HHI is at least 1800 and the merger increases the HHI by at least 200 points.

The Department of Justice has informed Board staff that the Department does not object to this acquisition on competitive grounds.

4. Census data for 1980 indicates that Garden County has a population of approximately 2800 and that the population declined by 3.4 percent between 1970 and 1980. *U.S. Bureau of the Census, Census of Population (1970 and 1980)*. The population has continued to decline slowly since 1980. *The 1989 Rand McNally Commercial Atlas and Marketing Guide*.

5. Of 64 counties in the United States with estimated populations of 2100 to 3000, two contain no banks or branches, 38 contain one bank or branch, 16 contain two banks or branches, and only eight (including Garden County) contain three or more banks or branches. Only 40 of the 199 counties with a population of 4000 or less support three or more banks or branches.

6. The rate of deposit growth in the market from year-end 1984 through year-end 1988 averaged only 2.8 percent, well below the state average of 5.25 percent.

The financial and managerial resources of Lisco, O & F and their respective bank subsidiaries and their future prospects are consistent with approval. Considerations relating to convenience and needs of the community to be served are also consistent with approval.

Lisco has also applied, pursuant to section 4(c)(8), to acquire indirectly the existing lending and insurance subsidiaries of O & F. These activities are permissible for bank holding companies under sections 225.25(b)(1),(8)(i) and (8)(iii) of the Board's Regulation Y (12 C.F.R. 225.25(b)(1),(8)(i) and (8)(iii)). Lisco does not operate any nonbanking subsidiaries that compete with these companies. Further, there is no evidence in the record to indicate that approval of this proposal would result in undue concentration of resources, decreased or unfair competition, conflicts of interests, unsound banking practices, or other adverse effects on the public interest. 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 this application.

Based on the foregoing and other facts of record, the Board has determined that the applications should be,

and hereby are, approved. The acquisition of O & F 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 Kansas City, pursuant to delegated authority. The determinations as to O & F's nonbanking activities are subject to all of the conditions contained in 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 the provisions and purposes of the BHC Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

By order of the Board of Governors, effective November 29, 1989.

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

WILLIAM W. WILES  
Secretary of the Board

*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.

Applicant	Bank(s)	Effective date
FirsTier Financial, Inc., Omaha, Nebraska	Scottsbluff National Corporation, Scottsbluff, Nebraska	November 21, 1989
Huntington Bancshares Incorporated, Columbus, Ohio	First Banc Securities, Inc., Morgantown, West Virginia	November 22, 1989
Huntington Bancshares of West Virginia, Inc., Columbus, Ohio		

*Legal Developments continued on next page.*

*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	Bank(s)	Reserve Bank	Effective date
Allegheny Bankshares Corporation, Lewisburg, West Virginia	First National Bank in Marlinton, Marlinton, West Virginia	Richmond	November 3, 1989
American State Financial Corporation of Delaware, Wilmington, Delaware	Brownfield State Bank, Brownfield, Texas American State Bank, Lubbock, Texas Liberty State Bank, Lubbock, Texas American State Bank of Snyder, Snyder, Texas	Dallas	November 13, 1989
Bancroft State Bancshares, Inc., Bancroft, Wisconsin	Bancroft State Bank, Bancroft, Wisconsin	Chicago	November 8, 1989
Bancshares of McLouth, Inc., McLouth, Kansas	The Bank of McLouth, McLouth, Kansas	Kansas City	November 16, 1989
BankersTrust of Alabama, Inc., Madison, Alabama	Bankers Trust of Madison, Madison, Alabama	Atlanta	November 1, 1989
Barrow Bancshares, Inc., Winder, Georgia	Barrow Bank & Trust Company, Winder, Georgia	Atlanta	October 30, 1989
Blue Valley Ban Corp., Leawood, Kansas	Bank of Blue Valley, Overland Park, Kansas	Kansas City	October 26, 1989
Buckley Bancorp, Inc., Buckley, Illinois	Buckley State Bank, Buckley, Illinois	Chicago	November 1, 1989
Capitol Bancorp, Ltd., Lansing, Michigan	Portage Commerce Bank, Portage, Michigan	Chicago	November 10, 1989
Constitution Bancorp, Inc., Philadelphia, Pennsylvania Constitution Bank, Philadelphia, Pennsylvania	CB Interim State Bank, Philadelphia, Pennsylvania	Philadelphia	November 3, 1989
Crestar Financial Corporation, Richmond, Virginia	The Northern Virginia Banking Corporation, Sterling, Virginia	Richmond	November 15, 1989
Drummond Banking Company, Chiefland, Florida	Drummond Community Bank, Chiefland, Florida	Atlanta	November 16, 1989
El Capitan Bancshares, Inc., Sonora, California	El Capitan National Bank, Sonora, California	San Francisco	November 20, 1989
F & M Financial Services Corporation, Menomonee Falls, Wisconsin	St. Francis State Bank, St. Francis, Wisconsin	Chicago	October 30, 1989
Financial Institutions, Inc., Warsaw, New York	Salamanca Trust Company, Salamanca, New York	New York	November 13, 1989

## Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Firstar Corporation, Milwaukee, Wisconsin	Park Forest Holdings, Inc., Omaha, Nebraska	Chicago	November 13, 1989
Firstar Corporation of Illinois, Milwaukee, Wisconsin			
Ford Bank Group, Inc., Lubbock, Texas	First Canyon Bancorporation, Inc., Canyon, Texas First Canyon Bancshares, Inc., Canyon, Texas The First National Bank in Canyon, Canyon, Texas First Borger Bancshares, Inc., Borger, Texas First National Bank of Borger, Borger, Texas Permian Financial Corporation, Crane, Texas First State Bank, Crane, Texas	Dallas	November 10, 1989
Graymont Bancorp, Inc., Graymont, Illinois	State Bank of Graymont, Graymont, Illinois	Chicago	October 26, 1989
The H. Pat Henson Company, Maysville, Oklahoma	Peoples State Bank, Blair, Oklahoma	Kansas City	November 6, 1989
Hi-Bancorp, Inc., Highwood, Illinois	GNP Bancorp, Inc., Mundelein, Illinois	Chicago	November 1, 1989
Holly Grove Bancshares, Inc., Holly Grove, Arkansas	Bank of Holly Grove, Holly Grove, Arkansas	St. Louis	November 10, 1989
Hometown Bancshares, Inc., Middlebourne, West Virginia	Universal Banc Corp., Paden City, West Virginia	Cleveland	November 17, 1989
Kansas Bank Corporation, Liberal, Kansas	Elkhart Financial Corporation, Elkhart, Kansas	Kansas City	November 13, 1989
Liberty National Bancorp, Inc., Louisville, Kentucky	The Community Bank, Inc., Erlanger, Kentucky	St. Louis	October 27, 1989
KBT Bancshares, Inc., Madisonville, Kentucky			
Maryland Publick Banks, Inc., Annapolis, Maryland	The Annapolis National Bank (in organization), Annapolis, Maryland	Richmond	November 17, 1989
North Bancorp, Inc., Gaylord, Michigan	First National Bank of Gaylord, Gaylord, Michigan	Chicago	November 14, 1989
Norwest Corporation, Minneapolis, Minnesota	First Bellevue Bancshares, Co., Bellevue, Nebraska	Minneapolis	October 27, 1989
Peotone Bancorp, Inc., Peotone, Illinois	Rock River Bancorporation, Oregon, Illinois	Chicago	November 8, 1989
Prairie Bancorp, Inc., Manlius, Illinois	The First National Bank of Manlius, Manlius, Illinois	Chicago	November 8, 1989

## Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Primo Financial Services, Inc., Apple Valley, Minnesota	State Bank of Hampton, Hampton, Minnesota	Minneapolis	November 16, 1989
Southern Crescent Financial Corp., Jonesboro, Georgia	Clayton National Bank, Morrow, Georgia	Atlanta	November 3, 1989
Southside Bancshares Corp., St. Louis, Missouri	Farmers and Merchants Bank of Berger, Berger, Missouri	St. Louis	November 6, 1989
Synovus Financial Corp., Columbus, Georgia	Bank of Pensacola, Pensacola, Florida	Atlanta	November 9, 1989
TB&C Bancshares, Inc., Columbus, Georgia			
The Union of Arkansas Corporation, Little Rock, Arkansas	Financial Properties, Inc., Jacksonville, Arkansas	St. Louis	November 2, 1989
United Bank Corporation of New York, Downsville, New York	The First National Bank of Lisbon, Lisbon, New York	New York	October 27, 1989
Valley Capital Corporation, Las Vegas, Nevada	First Business Bank of Arizona, Phoenix, Arizona	San Francisco	October 31, 1989
Village Financial Services, Ltd., Port Chester, New York	Village Savings Bank, Port Chester, New York	New York	November 3, 1989
Weld State Company, Fort Lupton, Colorado	The First National Bank of Windsor, Windsor, Colorado	Kansas City	November 9, 1989
WRZ Bankshares, Inc., Plainview, Minnesota	Peoples State Bank, Plainview, Minnesota	Minneapolis	November 3, 1989

## Section 4

Applicant	Nonbanking Activity/Company	Reserve Bank	Effective date
Ace Gas Inc., Deshler, Nebraska	Gibbon Exchange Company, Gibbon, Nebraska	Kansas City	October 25, 1989
Elmwood Bancshares, Inc., Elmwood, Illinois	Warren E. Stenwall d/b/a Stenwall Insurance Agency, Elmwood, Illinois	Chicago	November 14, 1989
First Busey Corporation, Urbana, Illinois	MRCG, Inc. d/b/a The Marcom Group, Champaign, Illinois	Chicago	November 22, 1989
First of America Bank Corporation, Kalamazoo, Michigan	The Security First Corporation, Peoria, Illinois	Chicago	October 27, 1989
First State Bancorp, Inc., Harwood Heights, Illinois	American Mortgage and Real Estate Services, Inc., Chicago, Illinois	Chicago	November 20, 1989

Section 4—Continued

Applicant	Nonbanking Activity/Company	Reserve Bank	Effective date
The Hongkong and Shanghai Banking Corporation Limited, Hong Kong, B.C.C. Kellett N.V., Curacao, Netherlands Antilles	Marine Midland Banks, Inc., Buffalo, New York	New York	November 14, 1989
HSBC Holdings B.V., Amsterdam, the Netherlands	Banker's Investment Group, Inc., Louisville, Kentucky	St. Louis	November 9, 1989
Liberty National Bancorp, Inc., Louisville, Kentucky	ABTS, Inc., Rock Hill, South Carolina	Richmond	October 27, 1989
MNC Financial, Inc., Baltimore, Maryland	LB Credit Corporation, San Francisco, California	New York	November 8, 1989
Oesterreichische Laenderbank Aktiengesellschaft, Vienna, Austria	Sumisei Secpac Investment Advisors, Inc., Los Angeles, California	San Francisco	November 14, 1989

*APPLICATIONS APPROVED UNDER BANK MERGER 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.

Applicant	Bank(s)	Reserve Bank	Effective date
American Bank of St. Louis, St. Louis, Missouri	American Bank of St. Louis County, Chesterfield, Missouri	St. Louis	October 31, 1989
CivicBank of Commerce, Oakland, California	Meridian National Bank, Concord, California	San Francisco	November 9, 1989
First of America Bank-Northern Michigan, Cheboygan, Michigan	Antrim County State Bank, Mancelona, Michigan	Chicago	November 14, 1989
Liberty Bank-Oakland, Troy, Michigan	Liberty State Bank & Trust, Hamtramck, Michigan	Chicago	November 8, 1989
Villa Grove State Bank, Villa Grove, Illinois	The First National Bank of Villa Grove, Villa Grove, Illinois	Chicago	November 10, 1989



## 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.

- Executive National Bank v. Board of Governors*, Nos. 89-4831, 89-4852 (5th Cir., filed November 6, 1989). Petition for declaratory judgment that a bank holding company application to the Board was deemed approved by operation of law pursuant to the Board's 91-day rule. Dismissed on November 16, 1989.
- Consumers Union of U.S., Inc. v. Board of Governors*, No. 89-3008 (D.D.C., filed November 1, 1989). Challenge to various aspects of Regulation Z implementing the Home Equity Loan Consumer Protection Act.
- Board of Governors v. Consolidated Bancorp*, No. W-89-CA251 (W.D. Tex., filed September 8, 1989); *Consolidated Bancorp v. Board of Governors*, No. AP-89-6081 (Bankr. W.D. Tex., filed September 15, 1989). Actions to enforce, and to enjoin, administrative subpoena against bank holding company. Stipulations of dismissal filed November 27, 1989.
- First Savings Bank v. Federal Reserve System, et al.*, No. 89-4117 (D.S.D., filed August 31, 1989). Complaint seeking injunction against Board order approving branch application. Dismissed November 21, 1989.
- Synovus Financial Corp. v. Board of Governors*, No. 89-1394 (D.C. Cir., 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.
- MCorp v. Board of Governors*, No. 89-2816 (5th Cir., filed May 2, 1989). Appeal of preliminary injunction against the Board enjoining pending and future enforcement actions against bank holding company now in bankruptcy. Awaiting decision.
- Independent Insurance Agents of America v. Board of Governors*, No. 89-4030 (2d Cir., filed March 9, 1989). Petition for review of Board order ruling that the non-banking restrictions of section 4 of the Bank Holding Company Act apply only to non-bank subsidiaries of bank holding companies. Petition for review denied November 29, 1989.
- Securities Industry Association v. Board of Governors*, No. 89-1127 (D.C. Cir., filed February 16, 1989). Petition for review of Board order permitting five bank holding companies to engage to a limited extent in additional securities underwriting and dealing activities.
- American Land Title Assoc. v. Board of Governors*, No. 88-1872 (D.C. Cir., filed December 16, 1988). Petition for review of Board order ruling that exemption G from the section 4(c)(8) prohibition on insurance activities, which grandfathers insurance agency activities by bank holding companies that conducted insurance agency activities before January 1, 1971, does not limit those grandfathered activities to the specific ones undertaken at that time. Awaiting decision.
- MCorp v. Board of Governors*, No. CA3-88-2693 (N.D. Tex., filed October 10, 1988). Application for injunction to set aside temporary cease and desist orders. Stayed pending outcome of *MCorp v. Board of Governors* in Fifth Circuit.
- White v. Board of Governors*, No. CU-S-88-623-RDF (D. Nev., filed July 29, 1988). Age discrimination complaint.
- Baugh v. Board of Governors*, No. C88-3037 (N.D. Iowa, filed April 8, 1988). Third party complaint alleging breach of duty under Federal Reserve Act. Dismissed July 3, 1989.
- Bonilla v. Board of Governors*, No. 88-1464 (7th Cir., filed March 11, 1988). Petition for review of Board order of removal. Dismissed November 14, 1989.
- Cohen v. Board of Governors*, No. 88-1061 (D.N.J., filed March 7, 1988). Action seeking disclosure of documents under the Freedom of Information Act.
- Chase Manhattan Corp. v. Board of Governors*, No. 87-1333 (D.C. Cir., filed July 20, 1987). Petition to review order conditionally approving application for bank holding company to underwrite and deal in mortgage-related securities to a limited extent. Stayed by stipulation pending expiration of moratorium or Board reconsideration.
- Lewis v. Board of Governors*, Nos. 87-3455, 87-3545 (11th Cir., filed June 25, August 3, 1987). Petition for review of Board orders approving applications of non-Florida bank holding companies to expand activities of Florida trust company subsidiaries. Matter stayed pending Supreme Court review of *Continental Illinois Corp. v. Lewis*, 827 F.2d 1517 (11th Cir. 1987).

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# Financial and Business Statistics

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NOTE. The following tables may have some discontinuities in historical data for some series beginning with the December 1989 issue: 1.12, 1.33, 1.44, 1.52, 1.57–1.60, 2.10, 2.12, 2.13, 3.10,

3.11, 3.15–3.20, 3.22–3.25, 3.27, 3.28, and 4.30. For a more detailed explanation of the changes, see the announcement on page 16 of the January 1990 Bulletin.

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 Annual rates of change, seasonally adjusted in percent<sup>1</sup>

Monetary and credit aggregates	1988	1989			1989				
	Q4	Q1	Q2	Q3 <sup>e</sup>	June	July <sup>f</sup>	Aug. <sup>f</sup>	Sept. <sup>f</sup>	Oct.
<i>Reserves of depository institutions<sup>2</sup></i>									
1 Total.....	-8	-4.2	-8.7	.3	-8.0	7.2	1.1	9.6	8.1
2 Required.....	-1.5	-4.4	-7.6	.1	-5.5	6.0	2.8	8.6	6.5
3 Nonborrowed.....	5.3	.0	-10.2	8.3	-3.4	24.2	1.5	9.3	11.0
4 Monetary base <sup>3</sup> .....	4.8	4.6	1.5	3.0	3.1	4.0	1.3	7.4	2.8
<i>Concepts of money, liquid assets, and debt<sup>4</sup></i>									
5 M1.....	2.3	-4	-5.6	1.5	-4.7 <sup>f</sup>	10.7	.5	5.6	10.1
6 M2.....	3.6	1.8	1.2	7.3	6.2	11.4	7.4	7.4	7.7
7 M3.....	4.8	3.7	2.9	4.6	5.7	8.7	2.0	1.0	4.5
8 L.....	5.5	5.0	4.7	4.9	3.3	8.7	4.9	2.9	n.a.
9 Debt.....	8.9	8.4	7.6	7.5	6.5	6.5	9.5	8.4	n.a.
<i>Nontransaction components</i>									
10 In M2 <sup>5</sup> .....	4.1	2.6	3.5	9.3	9.8	11.7	9.7	8.1	7.0
11 In M3 only <sup>6</sup> .....	9.3	10.6	9.2	-4.9	4.0	-1.6	-17.0	-22.2	-7.6
<i>Time and savings deposits</i>									
<i>Commercial banks</i>									
12 Savings <sup>7</sup> .....	4.0	-3.7	-14.2	-2	-6.6	3.3	7.3	7.9	5.6
13 Small-denomination time <sup>8</sup> .....	18.0	22.5	29.0	10.4	12.0	7.2	7.5	4.6	13.1
14 Large-denomination time <sup>9,10</sup> .....	13.0	18.1	17.7	1.9	1.8	3.9	-2.1	-3.5	6.4
<i>Thrift institutions</i>									
15 Savings <sup>7</sup> .....	-2.5	-7.7	-19.0	-6.7	-9.1	-5.4	-1.8	4.0	3.4
16 Small-denomination time.....	6.6	4.3	14.0 <sup>f</sup>	9.8	15.5 <sup>f</sup>	9.2	5.2	-2.9	-11.9
17 Large-denomination time <sup>9</sup> .....	8.0	1.2	5.9	-9.6	1.9	-8.3	-22.5	-29.4	-34.3
<i>Debt components<sup>4</sup></i>									
18 Federal.....	7.6	7.7	6.9	5.4	4.3	.1	11.0	12.8	n.a.
19 Nonfederal.....	9.2	8.6	7.8	8.1	7.2	8.4	9.0	7.0	n.a.

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

2. Figures incorporate adjustments for discontinuities associated with the implementation of the Monetary Control Act and other regulatory changes to reserve requirements. To adjust for discontinuities due to changes in reserve requirements on reservable nondeposit liabilities, the sum of such required reserves is subtracted from the actual series. Similarly, in adjusting for discontinuities in the monetary base, required clearing balances and adjustments to compensate for float also are subtracted from the actual series.

3. The monetary base not adjusted for discontinuities consists of total reserves plus required clearing balances and adjustments to compensate for float at Federal Reserve Banks plus the currency component of the money stock less the amount of vault cash holdings of thrift institutions that is included in the currency component of the money stock plus, for institutions not having required reserve balances, the excess of current vault cash over the amount applied to satisfy current reserve requirements. After the introduction of contemporaneous reserve requirements (CRR), currency and vault cash figures are measured over the weekly computation period ending Monday.

Before CRR, all components of the monetary base other than excess reserves are seasonally adjusted as a whole, rather than by component, and excess reserves are added on a not seasonally adjusted basis. After CRR, the seasonally adjusted series consists of seasonally adjusted total reserves, which include excess reserves on a not seasonally adjusted basis, plus the seasonally adjusted currency component of the money stock plus the remaining items seasonally adjusted as a whole.

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 (OCD) 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.

M2: M1 plus overnight (and continuing contract) repurchase agreements (RPs) issued by all commercial banks and overnight Eurodollars issued to U.S. residents by foreign branches of U.S. banks worldwide, Money Market Deposit Accounts (MMDAs), savings and small-denomination time deposits (time deposits—including retail RPs—in amounts of less than \$100,000), and balances in both taxable and tax-exempt general purpose and broker-dealer money market mutual funds. Excludes individual retirement accounts (IRA) 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.

M3: M2 plus large-denomination time deposits and term RP liabilities (in amounts of \$100,000 or more) issued by commercial banks and thrift institutions, 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 balances in both taxable and tax-exempt, institution-only money market mutual funds. Excludes amounts held by depository institutions, the U.S. government, money market funds, and foreign banks and official institutions. Also subtracted is the estimated amount of overnight RPs and Eurodollars held by institution-only money market mutual funds.

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 mutual fund holdings of these assets.

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. The source of data on domestic nonfinancial debt is the Federal Reserve Board's flow of funds accounts. Debt data are based on monthly averages. Growth rates for debt reflect adjustments for discontinuities over time in the levels of debt presented in other tables.

5. Sum of overnight RPs and Eurodollars, money market fund balances (general purpose and broker-dealer), MMDAs, and savings and small time deposits less the estimated amount of demand deposits and vault cash held by thrift institutions to service their time and savings deposit liabilities.

6. Sum of large time deposits, term RPs, and Eurodollars of U.S. residents, 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 mutual funds.

7. Excludes MMDAs.

8. Small-denomination time deposits—including retail RPs—are those issued in amounts of less than \$100,000. All IRA and Keogh accounts at commercial banks and thrifts are subtracted from small time deposits.

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

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

A4 Domestic Financial Statistics □ January 1990

1.11 RESERVES OF DEPOSITORY INSTITUTIONS AND RESERVE BANK CREDIT

Millions of dollars

Factors	Monthly averages of daily figures			Weekly averages of daily figures for week ending						
	1989			1989						
	Aug.	Sept.	Oct.	Sept. 13	Sept. 20	Sept. 27	Oct. 4	Oct. 11	Oct. 18	Oct. 25
<b>SUPPLYING RESERVE FUNDS</b>										
1 Reserve Bank credit .....	259,232	261,299	260,634	259,729	261,949	263,247	264,774	260,753	261,148	258,069
2 U.S. government securities <sup>1</sup> .....	218,753	219,475	215,920	219,051	219,444	219,798	221,348	216,847	216,270	212,859
3 Bought outright .....	218,753	219,018	215,920	219,051	218,362	219,099	221,168	216,847	216,270	212,859
4 Held under repurchase agreements .....	0	457	0	0	1,082	699	180	0	0	0
5 Federal agency obligations .....	6,609	6,762	6,546	6,555	6,810	7,014	6,698	6,555	6,555	6,542
6 Bought outright .....	6,609	6,562	6,546	6,555	6,555	6,555	6,555	6,555	6,555	6,542
7 Held under repurchase agreements .....	0	200	0	0	255	459	143	0	0	0
8 Acceptances .....	0	0	0	0	0	0	0	0	0	0
9 Loans .....	685	636	608	480	746	818	978	818	488	376
10 Float .....	568	879	734	592	1,007	1,118	532	550	898	873
11 Other Federal Reserve assets .....	32,619	33,546	36,825	33,049	33,940	34,498	35,219	35,982	36,936	37,420
12 Gold stock <sup>2</sup> .....	11,066	11,066	11,064	11,066	11,066	11,065	11,065	11,064	11,063	11,063
13 Special drawing rights certificate account .....	8,518	8,518	8,518	8,518	8,518	8,518	8,518	8,518	8,518	8,518
14 Treasury currency outstanding .....	19,318	19,391	19,462	19,354	19,372	19,386	19,400	19,414	19,446	19,467
<b>ABSORBING RESERVE FUNDS</b>										
15 Currency in circulation .....	249,102	248,937	249,190	250,214	248,808	247,601	247,882	249,530	249,802	249,244
16 Treasury cash holdings <sup>2</sup> .....	429	431	439	424	435	436	440	436	439	439
Deposits, other than reserve balances, with Federal Reserve Banks										
17 Treasury .....	5,437	7,679	6,111	4,549	6,486	12,316	10,691	5,103	6,154	5,389
18 Foreign .....	250	257	245	270	243	236	312	241	260	221
19 Service-related balances and adjustments .....	1,889	1,846	1,866	1,769	1,914	1,835	1,940	2,045	1,815	1,817
20 Other .....	314	351	327	272	419	412	310	257	247	332
21 Other Federal Reserve liabilities and capital .....	7,948	7,572	8,091	7,378	7,619	7,743	8,654	8,591	7,825	7,654
22 Reserve balances with Federal Reserve Banks <sup>3</sup> .....	32,765	33,201	33,410	33,793	34,980	31,637	33,527	33,546	33,634	32,022
<b>End-of-month figures</b>				<b>Wednesday figures</b>						
1989				1989						
	Aug.	Sept.	Oct.	Sept. 13	Sept. 20	Sept. 27	Oct. 4	Oct. 11	Oct. 18	Oct. 25
<b>SUPPLYING RESERVE FUNDS</b>										
23 Reserve Bank credit .....	256,914	264,137	264,717	260,727	272,423	263,276	266,279	262,185	265,872	257,290
24 U.S. government securities <sup>1</sup> .....	217,409	221,051	218,176	219,188	226,447	220,565	220,283	215,035	218,961	211,871
25 Bought outright .....	217,409	221,051	218,176	219,188	218,876	219,058	220,283	215,035	218,961	211,871
26 Held under repurchase agreements .....	0	0	0	0	7,571	1,507	0	0	0	0
27 Federal agency obligations .....	6,609	6,555	6,525	6,555	8,340	7,613	6,555	6,555	6,555	6,525
28 Bought outright .....	6,609	6,555	6,525	6,555	6,555	6,555	6,555	6,555	6,555	6,525
29 Held under repurchase agreements .....	0	0	0	0	1,785	1,058	0	0	0	0
30 Acceptances .....	0	0	0	0	0	0	0	0	0	0
31 Loans .....	541	598	270	483	962	585	3,485	476	402	397
32 Float .....	634	501	1,471	723	1,807	804	234	2,102	2,218	622
33 Other Federal Reserve assets .....	31,722	35,433	38,275	33,778	34,866	33,708	35,722	38,018	37,736	37,876
34 Gold stock <sup>2</sup> .....	11,066	11,065	11,062	11,066	11,065	11,065	11,065	11,064	11,063	11,063
35 Special drawing rights certificate account .....	8,518	8,518	8,518	8,518	8,518	8,518	8,518	8,518	8,518	8,518
36 Treasury currency outstanding .....	19,344	19,425	19,494	19,354	19,372	19,386	19,400	19,414	19,446	19,467
<b>ABSORBING RESERVE FUNDS</b>										
37 Currency in circulation .....	249,245	247,581	249,025	249,832	248,239	247,644	248,597	250,053	249,600	248,954
38 Treasury cash holdings <sup>2</sup> .....	420	440	444	424	435	440	435	439	438	442
Deposits, other than reserve balances, with Federal Reserve Banks										
39 Treasury .....	6,652	13,452	13,124	5,458	11,476	9,768	4,728	4,558	6,138	5,827
40 Foreign .....	265	326	252	187	192	335	322	305	217	214
41 Service-related balances and adjustments .....	1,611	1,630	1,623	1,602	1,602	1,630	1,630	1,625	1,625	1,623
42 Other .....	273	318	292	265	299	376	278	217	277	810
43 Other Federal Reserve liabilities and capital .....	7,063	8,776	8,303	7,488	7,636	7,659	8,537	7,695	7,612	7,450
44 Reserve balances with Federal Reserve Banks <sup>3</sup> .....	30,313	30,623	30,728	34,409	41,499	34,392	40,735	36,289	38,993	31,019

1. 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.  
 2. Revised for periods between October 1986 and April 1987. At times during this interval, outstanding gold certificates were inadvertently in excess of the gold stock. Revised data not included in this table are available from the Division of

Research and Statistics, Banking Section.  
 3. Excludes required clearing balances and adjustments to compensate for float.  
 NOTE: For amounts of currency and coin held as reserves, see table 1.12. Components may not add to totals because of rounding.

1.12 RESERVES AND BORROWINGS Depository Institutions<sup>1</sup>

Millions of dollars

Reserve classification	Monthly averages <sup>9</sup>									
	1986	1987	1988	1989						
	Dec.	Dec.	Dec.	Apr.	May	June	July	Aug.	Sept. <sup>f</sup>	Oct.
1 Reserve balances with Reserve Banks <sup>2</sup> .....	37,360	37,673	37,830	35,832	33,199	33,852	33,902	32,823	33,556	33,123
2 Total vault cash <sup>3</sup> .....	24,077	26,185	27,197	26,746	27,166	27,151	27,851	28,358	28,085	28,900
3 Vault <sup>4</sup> .....	22,199	24,449	25,909	25,456	25,712	25,735	26,351	26,735	26,570	27,274
4 Surplus <sup>5</sup> .....	1,878	1,736	1,288	1,290	1,454	1,416	1,500	1,622	1,515	1,626
5 Total reserves <sup>6</sup> .....	59,560	62,123	63,739	61,288	58,911	59,587	60,254	59,559	60,126	60,397
6 Required reserves .....	58,191	61,094	62,699	60,511	57,881	58,681	59,288	58,674	59,188	59,377
7 Excess reserve balances at Reserve Banks <sup>7</sup> .....	1,369	1,029	1,040	776	1,031	905	966	885	938	1,020
8 Total borrowings at Reserve Banks .....	827	777	1,716	2,289	1,720	1,490	694	675	693	555
9 Seasonal borrowings at Reserve Banks .....	38	93	130	213	345	431	497	490	452	330
10 Extended credit at Reserve Banks <sup>8</sup> .....	303	483	1,244	1,707	1,197	917	106	41	22	21
	Biweekly averages of daily figures for weeks ending									
	1989									
	July 12	July 26	Aug. 9	Aug. 23	Sept. 6	Sept. 20	Oct. 4 <sup>f</sup>	Oct. 18 <sup>f</sup>	Nov. 1	Nov. 15
11 Reserve balances with Reserve Banks <sup>2</sup> .....	34,866	33,410	32,969	32,599	33,053	34,424 <sup>f</sup>	32,643	33,581	32,778	34,477
12 Total vault cash <sup>3</sup> .....	27,607	27,948	28,166	28,852	27,710	28,095	28,298	29,096	28,875	27,907
13 Vault <sup>4</sup> .....	26,191	26,432	26,513	27,212	26,153	26,660	26,695	27,531	27,176	26,550
14 Surplus <sup>5</sup> .....	1,416	1,517	1,654	1,640	1,557	1,436	1,603	1,565	1,699	1,357
15 Total reserves <sup>6</sup> .....	61,057	59,842	59,481	59,810	59,206	61,083 <sup>f</sup>	59,338	61,112	59,954	61,027
16 Required reserves .....	60,067	58,807	58,766	58,859	58,247	60,195	58,343	60,186	58,825	60,168
17 Excess reserve balances at Reserve Banks <sup>7</sup> .....	990	1,035	715	951	959	888 <sup>f</sup>	996	926	1,129	859
18 Total borrowings at Reserve Banks .....	717	681	676	753	538	614	898	653	345	272
19 Seasonal borrowings at Reserve Banks .....	483	509	497	489	485	438	453	342	280	147
20 Extended credit at Reserve Banks <sup>8</sup> .....	146	90	55	44	22	21	25	19	23	20

1. These data also appear in the Board's H.3 (502) release. For address, see inside front cover.

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

3. Dates refer to the maintenance periods in which the vault cash can be used to satisfy reserve requirements. Under contemporaneous reserve requirements, maintenance periods end 30 days after the lagged computation periods in which the balances are held.

4. Equal to all vault cash held during the lagged computation period by institutions having required reserve balances at Federal Reserve Banks plus the amount of vault cash equal to required reserves during the maintenance period at institutions having no required reserve balances.

5. Total vault cash at institutions having no required reserve balances less the amount of vault cash equal to their required reserves during the maintenance period.

6. Total reserves not adjusted for discontinuities consist of reserve balances

with Federal Reserve Banks, which exclude required clearing balances and adjustments to compensate for float, plus vault cash used to satisfy reserve requirements. Such vault cash consists of all vault cash held during the lagged computation period by institutions having required reserve balances at Federal Reserve Banks plus the amount of vault cash equal to required reserves during the maintenance period at institutions having no required reserve balances.

7. Reserve balances with Federal Reserve Banks plus vault cash used to satisfy reserve requirements less required reserves.

8. 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.

9. Data are prorated monthly averages of biweekly averages.

A6 Domestic Financial Statistics □ January 1990

1.13 SELECTED BORROWINGS IN IMMEDIATELY AVAILABLE FUNDS Large Member Banks<sup>1</sup>

Averages of daily figures, in millions of dollars

Maturity and source	1988 week ending Monday								
	Oct. 24	Oct. 31	Nov. 7	Nov. 14	Nov. 21	Nov. 28	Dec. 5	Dec. 12	Dec. 19
<i>Federal funds purchased, repurchase agreements, and other selected borrowing in immediately available funds</i>									
From commercial banks in the United States									
1 For one day or under continuing contract .....	67,062	68,826	75,509	73,925	73,746	68,346	74,471	70,886	69,448
2 For all other maturities .....	9,116	9,587	9,855	11,130	9,815	11,332	9,940	9,829	10,114
From other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies									
3 For one day or under continuing contract .....	29,991	30,448	27,666	30,134	30,192	30,730	28,709	30,368	26,454
4 For all other maturities .....	6,386	5,512	5,717	5,909	6,304	5,929	6,545	7,418	7,778
<i>Repurchase agreements on U.S. government and federal agency securities in immediately available funds</i>									
Brokers and nonbank dealers in securities									
5 For one day or under continuing contract .....	13,871	13,982	13,782	12,595	15,950	13,810	14,929	15,392	14,634
6 For all other maturities .....	12,740	12,743	12,756	13,485	11,758	12,474	10,352	10,890	10,659
All other customers									
7 For one day or under continuing contract .....	27,945	29,260	27,481	27,613	30,296	25,402	30,312	30,307	29,321
8 For all other maturities .....	10,022	10,847	10,572	10,962	10,845	15,064	9,790	9,651	9,790
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 .....	34,037	36,653	38,783	35,279	34,268	34,582	39,202	35,912	39,237
10 To all other specified customers <sup>2</sup> .....	14,675	13,523	14,176	12,805	12,408	11,810	13,277	13,936	14,108

1. Banks with assets of \$1 billion or more as of Dec. 31, 1977. These data also appear in the Board's H.5 (507) release. For address, see inside front cover.

2. Brokers and nonbank dealers in securities; other depository institutions; foreign banks and official institutions; and United States government agencies.

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per year

Federal Reserve Bank	Current and previous levels									
	Adjustment credit and Seasonal credit <sup>1</sup>			Extended credit <sup>2</sup>						
				First 30 days of borrowing			After 30 days of borrowing <sup>3</sup>			
	On 11/24/89	Effective date	Previous rate	On 11/24/89	Effective date	Previous rate	On 11/24/89	Effective date	Previous rate	Effective date
Boston.....	7	2/24/89	6½	7	2/24/89	6½	9.00	11/16/89	9.15	11/2/89
New York.....		2/24/89			2/24/89			11/16/89		11/2/89
Philadelphia.....		2/24/89			2/24/89			11/16/89		11/2/89
Cleveland.....		2/24/89			2/24/89			11/16/89		11/2/89
Richmond.....		2/24/89			2/24/89			11/16/89		11/2/89
Atlanta.....		2/24/89			2/24/89			11/16/89		11/2/89
Chicago.....		2/24/89			2/24/89			11/16/89		11/2/89
St. Louis.....		2/24/89			2/24/89			11/16/89		11/2/89
Minneapolis.....		2/24/89			2/24/89			11/16/89		11/2/89
Kansas City.....		2/24/89			2/24/89			11/16/89		11/2/89
Dallas.....		2/27/89			2/27/89			11/16/89		11/2/89
San Francisco.....	7	2/24/89	6½	7	2/24/89	6½	9.00	11/16/89	9.15	11/2/89

Range of rates for adjustment credit in recent years<sup>4</sup>

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	1980—July 28.....	10-11	10	1984—Apr. 9.....	8½-9	9
1978—Jan. 9.....	6-6½	6½	29.....	10	10	13.....	9	9
20.....	6½	6½	Sept. 26.....	11	11	Nov. 21.....	8½-9	8½
May 11.....	6½-7	7	Nov. 17.....	12	12	26.....	8½	8½
12.....	7	7	Dec. 5.....	12-13	13	Dec. 24.....	8	8
July 3.....	7-7¼	7¼	1981—May 5.....	13-14	14	1985—May 20.....	7½-8	7½
10.....	7¼	7¼	8.....	14	14	24.....	7½	7½
Aug. 21.....	7¼	7¼	Nov. 2.....	13-14	13	1986—Mar. 7.....	7-7½	7
Sept. 22.....	8	8	6.....	13	13	10.....	7	7
Oct. 16.....	8-8½	8½	Dec. 4.....	12	12	Apr. 21.....	6½-7	6½
20.....	8½	8½	1982—July 20.....	11½-12	11½	July 11.....	6	6
Nov. 1.....	8½-9½	9½	23.....	11½	11½	Aug. 21.....	5½-6	5½
3.....	9½	9½	Aug. 2.....	11-11½	11	22.....	5½	5½
1979—July 20.....	10	10	3.....	11	11	1987—Sept. 4.....	5½-6	6
Aug. 17.....	10-10½	10½	16.....	10½	10½	11.....	6	6
20.....	10½	10½	27.....	10-10½	10	1988—Aug. 9.....	6-6½	6½
Sept. 19.....	10½-11	11	30.....	10	10	11.....	6½	6½
21.....	11	11	Oct. 12.....	9½-10	9½	1989—Feb. 24.....	6½-7	7
Oct. 8.....	11-12	12	13.....	9½	9½	27.....	7	7
10.....	12	12	Nov. 22.....	9-9½	9	In effect Nov. 24, 1989	7	7
1980—Feb. 15.....	12-13	13	26.....	9	9			
19.....	13	13	Dec. 14.....	8½-9	9			
May 29.....	12-13	13	15.....	8½-9	8½			
30.....	12	12	17.....	8½	8½			
June 13.....	11-12	11						
16.....	11	11						

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. After May 19, 1986, 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. A temporary simplified seasonal program was established on Mar. 8, 1985, and the interest rate was a fixed rate ½ percent above the rate on adjustment credit. The program was reestablished for 1986 and 1987 but was not renewed for 1988.

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 30 days, a flexible rate somewhat above rates on market sources of funds ordinarily will be charged, but

in no case will the rate charged be 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; 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 13-week period. The surcharge was eliminated on Nov. 17, 1981.



1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS<sup>1</sup>

## Percent of deposits

Type of deposit, and deposit interval <sup>2</sup>	Depository institution requirements after implementation of the Monetary Control Act	
	Percent of deposits	Effective date
<i>Net transaction accounts</i> <sup>3,4</sup>		
\$0 million-\$40.4 million .....	3	12/19/89
More than \$40.4 million .....	12	12/19/89
<i>Nonpersonal time deposits</i> <sup>5</sup>		
By original maturity		
Less than 1½ years .....	3	10/6/83
1½ years or more .....	0	10/6/83
<i>Eurocurrency liabilities</i>		
All types .....	3	11/13/80

1. Reserve requirements in effect on Dec. 31, 1989. 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 (transaction accounts, nonpersonal time deposits, and Eurocurrency 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 shall apply in the following order: (1) net NOW accounts (NOW accounts less allowable deductions); (2) net other transaction accounts; and (3) nonpersonal time deposits or Eurocurrency liabilities starting with those with the highest reserve ratio. With respect to NOW accounts and

other transaction accounts, the exemption applies only to such accounts that would be subject to a 3 percent reserve requirement.

3. Transaction accounts include all deposits on which the account holder is permitted to make withdrawals by negotiable or transferable instruments, payment orders of withdrawal, and telephone and preauthorized transfers in excess of three per month for the purpose of making payments to third persons or others. However, 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 subject to time deposit reserve requirements).

4. 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. 19, 1989 for institutions reporting quarterly and Dec. 26, 1989 for institutions reporting weekly, the amount was decreased from \$41.5 million to \$40.4 million.

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

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS<sup>1</sup>

Millions of dollars

Type of transaction	1986	1987	1988	1989						
				Mar.	Apr.	May	June	July	Aug.	Sept.
<b>U.S. TREASURY SECURITIES</b>										
<i>Outright transactions (excluding matched transactions)</i>										
Treasury bills										
1 Gross purchases	22,604	18,983	8,223	0	3,077	311	0	0	0	0
2 Gross sales	2,502	6,051	587	0	0	321	571	5,517	934	0
3 Exchange	0	0	0	0	0	0	0	0	0	0
4 Redemptions	1,000	9,029	2,200	0	0	1,200	1,200	2,400	800	0
Others within 1 year										
5 Gross purchases	190	3,659	2,176	0	172	0	0	0	0	0
6 Gross sales	0	300	0	0	0	0	0	0	0	0
7 Maturity shift	18,674	21,504	23,854	2,646	1,657	2,863	1,828	1,749	4,200	1,832
8 Exchange	-20,180	-20,388	-24,588	-2,322	-110	-3,628	-1,434	-1,073	-4,025	0
9 Redemptions	0	70	0	0	0	0	0	0	0	0
1 to 5 years										
10 Gross purchases	893	10,231	5,485	0	1,436	0	0	0	0	0
11 Gross sales	0	452	800	0	0	75	0	13	150	0
12 Maturity shift	-17,058	-17,975	-17,720	-2,646	-1,532	-2,036	-1,828	-1,584	-3,321	-1,832
13 Exchange	16,985	18,938	22,515	2,322	0	3,328	1,434	787	3,425	0
5 to 10 years										
14 Gross purchases	236	2,441	1,579	0	287	0	0	0	0	0
15 Gross sales	0	0	175	0	0	0	0	9	0	0
16 Maturity shift	-1,620	-3,529	-5,946	0	-125	258	0	-165	-879	0
17 Exchange	2,050	950	1,797	0	110	200	0	286	400	0
Over 10 years										
18 Gross purchases	158	1,858	1,398	0	284	0	0	0	0	0
19 Gross sales	0	0	0	0	0	0	0	0	0	0
20 Maturity shift	0	0	-188	0	0	-1,086	0	0	0	0
21 Exchange	1,150	500	275	0	0	100	0	0	200	0
All maturities										
22 Gross purchases	24,081	37,170	18,863	0	5,255	311	0	0	0	0
23 Gross sales	2,502	6,803	1,562	0	0	396	571	5,539	1,084	0
24 Redemptions	1,000	9,099	2,200	0	0	1,200	1,200	2,400	800	0
<i>Matched transactions</i>										
25 Gross purchases	927,999	950,923	1,168,484	83,677	77,349	123,029	128,139	123,373	146,611	116,502
26 Gross sales	927,247	950,935	1,168,142	82,821	78,259	113,041	138,141	118,221	147,228	120,144
<i>Repurchase agreements<sup>2</sup></i>										
27 Gross purchases	170,431	314,621	152,613	0	22,244	31,419	6,203	4,961	0	9,396
28 Gross sales	160,268	324,666	151,497	0	12,547	41,117	6,203	4,961	0	9,396
29 Net change in U.S. government securities	29,988	11,234	15,872	-856	15,863	-20,971	8,232	-13,091	-1,267	3,642
<b>FEDERAL AGENCY OBLIGATIONS</b>										
<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	398	276	587	0	125	0	0	45	0	54
<i>Repurchase agreements<sup>2</sup></i>										
33 Gross purchases	31,142	80,353	57,259	0	7,207	12,732	1,666	1,137	0	4,011
34 Gross sales	30,521	81,350	56,471	0	3,366	16,573	1,666	1,137	0	4,011
35 Net change in federal agency obligations	222	-1,274	198	0	3,716	-3,841	0	-45	0	-54
36 Total net change in System Open Market Account	30,212	9,961	16,070	-856	19,579	-24,812	8,232	-13,136	-1,267	3,588

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

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

A10 Domestic Financial Statistics □ January 1990

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements<sup>1</sup>

Millions of dollars

Account	Wednesday					End of month		
	1989					1989		
	Sept. 27	Oct. 4	Oct. 11	Oct. 18	Oct. 25	Aug.	Sept.	Oct.
<b>Consolidated condition statement</b>								
<b>ASSETS</b>								
1 Gold certificate account	11,065	11,065	11,064	11,063	11,063	11,066	11,065	11,062
2 Special drawing rights certificate account	8,518	8,518	8,518	8,518	8,518	8,518	8,518	8,518
3 Coin	472	478	485	489	429	445	480	492
4 Loans								
4 To depository institutions	585	3,485	476	401	397	542	598	270
5 Other	0	0	0	0	0	0	0	0
6 Acceptances held under repurchase agreements	0	0	0	0	0	0	0	0
Federal agency obligations								
7 Bought outright	6,555	6,555	6,555	6,555	6,525	6,609	6,555	6,525
8 Held under repurchase agreements	1,058	0	0	0	0	0	0	0
U.S. Treasury securities								
Bought outright								
9 Bills	96,495	98,220	92,971	96,921	89,831	94,846	98,487	96,136
10 Notes	91,950	91,450	91,450	91,426	91,426	91,951	91,950	91,426
11 Bonds	30,614	30,614	30,614	30,614	30,614	30,613	30,614	30,614
12 Total bought outright <sup>1</sup>	219,058	220,283	215,035	218,961	211,871	217,409	221,051	218,176
13 Held under repurchase agreements	1,507	0	0	0	0	0	0	0
14 Total U.S. Treasury securities	220,565	220,283	215,035	218,961	211,871	217,409	221,051	218,176
15 Total loans and securities	228,764	230,324	222,065	225,917	218,793	224,560	228,203	224,971
16 Items in process of collection	6,130	6,677	11,059	8,119	5,958	6,206	6,909	10,120
17 Bank premises	775	775	777	777	777	776	775	775
Other assets								
18 Denominated in foreign currencies <sup>3</sup>	24,286	26,844	27,114	28,533	28,572	21,292	26,411	28,953
19 All other <sup>4</sup>	8,647	8,103	10,128	8,426	8,526	9,655	8,247	8,548
20 Total assets	288,656	292,783	291,209	291,842	282,636	282,515	290,607	293,439
<b>LIABILITIES</b>								
21 Federal Reserve notes	229,171	230,110	231,563	231,081	230,358	230,766	229,076	230,467
Deposits								
22 To depository institutions	36,021	42,365	37,914	40,617	32,642	31,924	32,253	32,351
23 U.S. Treasury—General account	9,768	4,728	4,558	6,138	5,827	6,652	13,452	13,124
24 Foreign—Official accounts	335	322	305	217	214	264	326	252
25 Other	376	278	217	277	810	275	318	292
26 Total deposits	46,501	47,693	42,994	47,249	39,492	39,116	46,348	46,018
27 Deferred credit items	5,326	6,443	8,958	5,900	5,336	5,572	6,408	8,649
28 Other liabilities and accrued dividends <sup>5</sup>	2,903	2,961	2,917	2,854	2,651	3,072	3,080	2,819
29 Total liabilities	283,901	287,207	286,431	287,084	277,836	278,524	284,911	287,954
<b>CAPITAL ACCOUNTS</b>								
30 Capital paid in	2,198	2,198	2,199	2,200	2,222	2,162	2,199	2,223
31 Surplus	2,112	2,112	2,112	2,112	2,112	1,809	2,112	2,112
32 Other capital accounts	445	1,266	467	446	465	22	1,385	1,150
33 Total liabilities and capital accounts	288,656	292,783	291,209	291,842	282,636	282,515	290,607	293,439
34 MEMO: Marketable U.S. Treasury securities held in custody for foreign and international accounts	239,416	236,311	234,560	233,490	234,056	242,857	237,904	235,318
<b>Federal Reserve note statement</b>								
35 Federal Reserve notes outstanding issued to bank	277,492	277,846	277,846	278,175	278,559	276,492	277,676	278,866
36 Less: Held by bank	48,322	47,737	46,283	47,094	48,201	45,727	48,601	48,398
37 Federal Reserve notes, net	229,171	230,110	231,563	231,081	230,358	230,766	229,076	230,467
Collateral held against notes net:								
38 Gold certificate account	11,065	11,065	11,064	11,063	11,063	11,066	11,065	11,062
39 Special drawing rights certificate account	8,518	8,518	8,518	8,518	8,518	8,518	8,518	8,518
40 Other eligible assets	0	0	0	0	0	0	0	0
41 U.S. Treasury and agency securities	209,587	210,527	211,982	211,500	210,777	211,182	209,493	210,887
42 Total collateral	229,171	230,110	231,563	231,081	230,358	230,766	229,076	230,467

1. Some of these data also appear in the Board's H.4.1 (503) release. For address, see inside front cover. Components may not add 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 90 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 Holdings<sup>1</sup>

Millions of dollars

Type and maturity groupings	Wednesday					End of month		
	1989					1989		
	Sept. 27	Oct. 4	Oct. 11	Oct. 18	Oct. 25	Aug. 31	Sept. 29	Oct. 31
1 Loans—Total.....	585	3,485	476	401	397	541	533	270
2 Within 15 days.....	511	3,274	249	379	378	354	455	193
3 16 days to 90 days.....	75	212	226	23	19	187	78	77
4 91 days to 1 year.....	0	0	0	0	0	0	0	0
5 Acceptances—Total.....	0	0	0	0	0	0	0	0
6 Within 15 days.....	0	0	0	0	0	0	0	0
7 16 days to 90 days.....	0	0	0	0	0	0	0	0
8 91 days to 1 year.....	0	0	0	0	0	0	0	0
9 U.S. Treasury securities—Total.....	219,058	220,283	215,035	218,961	211,871	217,409	221,051	218,176
10 Within 15 days.....	9,007	7,309	5,809	10,414	8,549	2,459	5,383	8,144
11 16 days to 90 days.....	51,446	52,824	48,787	48,491	45,903	50,331	54,519	48,677
12 91 days to 1 year.....	67,417	69,828	70,116	69,846	67,208	73,431	69,961	70,197
13 Over 1 year to 5 years.....	51,537	50,671	50,671	50,529	50,529	51,537	51,537	51,476
14 Over 5 years to 10 years.....	13,145	13,145	13,145	13,175	13,175	13,145	13,145	13,175
15 Over 10 years.....	26,506	26,506	26,506	26,506	26,506	26,506	26,506	26,506
16 Federal agency obligations—Total.....	6,555	6,555	6,555	6,555	6,525	6,609	6,555	6,525
17 Within 15 days.....	191	44	94	183	89	334	191	89
18 16 days to 90 days.....	619	759	665	589	635	472	619	672
19 91 days to 1 year.....	1,339	1,376	1,381	1,368	1,394	1,359	1,339	1,357
20 Over 1 year to 5 years.....	3,213	3,173	3,198	3,198	3,180	3,242	3,213	3,180
21 Over 5 years to 10 years.....	1,004	1,014	1,028	1,028	1,038	1,012	1,004	1,038
22 Over 10 years.....	189	189	189	189	189	189	189	189

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

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

A12 Domestic Financial Statistics □ January 1990

1.20 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE<sup>1</sup>

Billions of dollars, averages of daily figures

Item	1985 Dec.	1986 Dec.	1987 Dec.	1988 Dec.	1989							
					Mar.	Apr.	May	June	July	Aug.	Sept. <sup>r</sup>	Oct.
Seasonally adjusted												
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS <sup>2</sup>												
1 Total reserves <sup>3</sup> .....	48.49	58.14	58.69	60.71	59.85	59.46	58.74	58.35	58.70	58.75	59.22	59.62
2 Nonborrowed reserves .....	47.17	57.31	57.92	58.99	58.04	57.17	57.02	56.86	58.00	58.08	58.53	59.07
3 Nonborrowed reserves plus extended credit <sup>4</sup> .....	47.67	57.62	58.40	60.23	59.38	58.88	58.22	57.78	58.11	58.12	58.55	59.09
4 Required reserves.....	47.44	56.77	57.66	59.67	58.90	58.69	57.71	57.44	57.73	57.87	58.29	58.60
5 Monetary base <sup>5</sup> .....	219.51	241.45	257.99	275.50	278.61	278.67	278.33	279.06	279.98	280.29	282.02	282.68
Not seasonally adjusted												
6 Total reserves <sup>3</sup> .....	49.59	59.46	60.06	62.21	58.94	60.01	57.72	58.41	58.95	58.30	58.91	59.14
7 Nonborrowed reserves .....	48.27	58.64	59.28	60.50	57.13	57.72	56.00	56.92	58.26	57.62	58.21	58.58
8 Nonborrowed reserves plus extended credit <sup>4</sup> .....	48.77	58.94	59.76	61.74	58.46	59.43	57.20	57.84	58.37	57.66	58.24	58.61
9 Required reserves.....	48.53	58.09	59.03	61.17	57.98	59.23	56.69	57.51	57.99	57.41	57.97	58.12
10 Monetary base <sup>5</sup> .....	222.73	245.25	262.08	279.71	275.62	278.11	277.49	280.18	282.07	281.09	280.69	281.35
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS <sup>6</sup>												
11 Total reserves <sup>3</sup> .....	48.14	59.56	62.12	63.74	60.21	61.29	58.91	59.59	60.25	59.56	60.13	60.40
12 Nonborrowed reserves .....	46.82	58.73	61.35	62.02	58.40	59.00	57.19	58.10	59.56	58.88	59.43	59.84
13 Nonborrowed reserves plus extended credit <sup>4</sup> .....	47.32	59.04	61.83	63.27	59.73	60.71	58.39	59.01	59.67	58.93	59.45	59.86
14 Required reserves.....	47.08	58.19	61.09	62.70	59.25	60.51	57.88	58.68	59.29	58.67	59.19	59.38
15 Monetary base <sup>5</sup> .....	223.53	247.71	266.16	283.18	278.94	281.52	280.54	283.27	285.36	284.23	283.76	284.47

1. Latest monthly and biweekly figures are available from the Board's H.3(502) 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 incorporate adjustments for discontinuities associated with the implementation of the Monetary Control Act and other regulatory changes to reserve requirements. To adjust for discontinuities due to changes in reserve requirements on reservable nondeposit liabilities, the sum of such required reserves is subtracted from the actual series. Similarly, in adjusting for discontinuities in the monetary base, required clearing balances and adjustments to compensate for float also are subtracted from the actual series.

3. Total reserves not adjusted for discontinuities consist of reserve balances with Federal Reserve Banks, which exclude required clearing balances and adjustments to compensate for float, plus vault cash held during the lagged computation period by institutions having required reserve balances at Federal Reserve Banks plus the amount of vault cash equal to required reserves during the maintenance period at institutions having no required reserve balances.

4. 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.

5. The monetary base not adjusted for discontinuities consists of total reserves plus required clearing balances and adjustments to compensate for float at Federal Reserve Banks and the currency component of the money stock plus, for institutions not having required reserve balances, the excess of current vault cash over the amount applied to satisfy current reserve requirements. Currency and vault cash figures are measured over the weekly computation period ending Monday.

The seasonally adjusted monetary base consists of seasonally adjusted total reserves, which include excess reserves on a not seasonally adjusted basis, plus the seasonally adjusted currency component of the money stock and the remaining items seasonally adjusted as a whole.

6. Reflects actual reserve requirements, including those on nondeposit liabilities, with no adjustments to eliminate the effects of discontinuities associated with implementation of the Monetary Control Act or other regulatory changes to reserve requirements.

1.21 MONEY STOCK, LIQUID ASSETS, AND DEBT MEASURES<sup>1</sup>

Billions of dollars, averages of daily figures

Item <sup>2</sup>	1985 Dec.	1986 Dec.	1987 Dec.	1988 Dec.	1989			
					July <sup>r</sup>	Aug. <sup>r</sup>	Sept. <sup>r</sup>	Oct.
Seasonally adjusted								
1 M1 .....	620.5	725.9	752.3	790.3	777.1	777.4	781.1	787.6
2 M2 .....	2,567.4	2,811.2	2,909.9	3,069.6 <sup>r</sup>	3,117.4	3,136.5	3,156.0	3,176.4
3 M3 .....	3,201.7	3,494.9	3,677.6	3,915.4	4,002.4	4,009.0	4,012.3	4,027.3
4 L .....	3,828.5	4,135.1	4,336.7	4,672.2	4,793.3	4,812.8	4,824.3	n.a.
5 Debt .....	6,741.5	7,597.0	8,316.1	9,081.1	9,482.3	9,557.1	9,623.6	n.a.
M1 components								
6 Currency <sup>3</sup> .....	167.8	180.5	196.4	211.8	218.0	218.4	219.3	219.7
7 Travelers checks <sup>4</sup> .....	5.9	6.5	7.1	7.6	7.1	7.2	7.2	7.3
8 Demand deposits <sup>5</sup> .....	267.3	303.2	288.3	288.6	278.8	277.5	277.3	280.4
9 Other checkable deposits <sup>6</sup> .....	179.5	235.8	260.4	282.3	273.2	274.4	277.3	280.2
Nontransactions components								
10 In M2 <sup>7</sup> .....	1,946.9	2,085.3	2,157.6	2,279.3	2,340.3	2,359.1	2,374.9	2,388.7
11 In M3 only <sup>8</sup> .....	634.3	683.7	767.7	845.8 <sup>r</sup>	885.0	872.4	856.3	850.9
Savings deposits <sup>9</sup>								
12 Commercial Banks .....	125.0	155.8	178.5	192.5	181.9	183.0	184.2	185.1
13 Thrift institutions .....	176.6	215.2	237.8	238.8	219.6	219.3	220.0	220.6
Small-denomination time deposits <sup>10</sup>								
14 Commercial Banks .....	383.3	364.6	385.3	443.1	504.9	508.1	510.1	515.6
15 Thrift institutions .....	499.2	489.3	528.8	582.2	621.3	624.0	622.5	616.3
Money market mutual funds								
16 General purpose and broker-dealer .....	176.5	208.0	221.1	239.4	274.6	285.5	294.8	301.5
17 Institution-only .....	64.5	84.4	89.6	87.6	98.2	100.6	99.1	98.7
Large-denomination time deposits <sup>11</sup>								
18 Commercial Banks <sup>12</sup> .....	285.1	288.8	325.4	364.9	397.7	397.0	395.8	397.9
19 Thrift institutions .....	151.5	150.1	162.0	172.9	175.4	172.1	167.9	163.1
Debt components								
20 Federal debt .....	1,585.8	1,805.8	1,957.4	2,113.5	2,184.5	2,204.6	2,228.1	n.a.
21 Nonfederal debt .....	5,155.7	5,791.2	6,358.6	6,967.6	7,297.8	7,352.5	7,395.5	n.a.
Not seasonally adjusted								
22 M1 .....	633.5	740.4	766.4	804.4	781.7	777.5	778.4	784.3
23 M2 .....	2,576.2	2,821.1	2,918.7	3,077.3 <sup>r</sup>	3,125.2	3,137.5	3,149.4	3,172.3
24 M3 .....	3,213.3	3,507.4	3,688.6	3,925.2	4,004.1	4,010.6	4,010.4	4,024.7
25 L .....	3,841.5	4,150.0	4,350.9	4,685.6	4,784.2	4,807.5	4,819.1	n.a.
26 Debt .....	6,730.9	7,580.7	8,297.6	9,066.4	9,438.8	9,508.9	9,581.6	n.a.
M1 components								
27 Currency <sup>3</sup> .....	170.2	183.0	199.3	214.9	219.7	219.3	218.6	219.0
28 Travelers checks <sup>4</sup> .....	5.5	6.0	6.5	6.9	8.1	8.1	7.7	7.3
29 Demand deposits <sup>5</sup> .....	276.9	314.0	298.6	298.8	281.5	276.7	275.9	280.3
30 Other checkable deposits <sup>6</sup> .....	180.9	237.4	262.0	283.7	272.4	273.3	276.2	277.7
Nontransactions components								
31 M2 <sup>7</sup> .....	1,942.7	2,080.7	2,152.3	2,272.9	2,343.5	2,360.1	2,371.0	2,388.0
32 M3 only <sup>8</sup> .....	637.1	686.3	769.9	848.0	878.9	873.1	861.0	852.4
Money market deposit accounts								
33 Commercial Banks .....	332.8	379.6	358.8	352.5	330.8	335.7	338.9	342.0
34 Thrift institutions .....	180.7	192.9	167.5	150.3	129.0	129.7	130.2	131.0
Savings deposits <sup>9</sup>								
35 Commercial Banks .....	123.7	154.2	176.6	190.3	184.3	184.0	184.0	185.5
36 Thrift institutions .....	174.8	212.7	234.8	235.6	223.3	221.1	220.8	221.8
Small-denomination time deposits <sup>10</sup>								
37 Commercial Banks .....	384.0	365.3	386.1	444.1	504.3	507.6	510.5	516.0
38 Thrift institutions .....	499.9	489.8	529.1	582.4	619.8	621.5	619.7	616.8
Money market mutual funds								
39 General purpose and broker-dealer .....	176.5	208.0	221.1	239.4	274.6	285.5	294.8	301.5
40 Institution-only .....	64.5	84.4	89.6	87.6	98.2	100.6	99.1	98.7
Large-denomination time deposits <sup>11</sup>								
41 Commercial Banks <sup>12</sup> .....	285.4	289.1	325.8	365.6	394.9	397.7	397.9	399.6
42 Thrift institutions .....	151.8	150.7	163.0	174.1	173.3	171.3	168.3	164.9
Debt components								
43 Federal debt .....	1,583.7	1,803.9	1,955.6	2,111.8	2,164.2	2,183.6	2,208.3	n.a.
44 Nonfederal debt .....	5,147.1	5,776.8	6,342.0	6,954.6	7,274.6	7,325.3	7,373.3	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) release. Historical data are available from the *Monetary 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 (OCD) 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.

M2: M1 plus overnight (and continuing contract) repurchase agreements (RPs) issued by all commercial banks and overnight Eurodollars issued to U.S. residents by foreign branches of U.S. banks worldwide, MMDAs, savings and small-denomination time deposits (time deposits—including retail RPs—in amounts of less than \$100,000), and balances in both taxable and tax-exempt general purpose and broker-dealer money market mutual funds. Excludes individual retirement accounts (IRA) 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.

M3: M2 plus large-denomination time deposits and term RP liabilities (in amounts of \$100,000 or more) issued by commercial banks and thrift institutions, 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 balances in both taxable and tax-exempt, institution-only money market mutual funds. Excludes amounts held by depository institutions, the U.S. government, money market funds, and foreign banks and official institutions. Also subtracted is the estimated amount of overnight RPs and Eurodollars held by institution-only money market mutual funds.

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 mutual fund holdings of these assets.

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. The source of data on domestic nonfinancial debt is the Federal Reserve Board's flow of funds accounts. Debt data are based on monthly averages.

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 nonbank 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 balances at all depository institutions, credit union share draft balances, and demand deposits at thrift institutions.

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

8. Sum of large time deposits, term RPs, and term Eurodollars of U.S. residents, money market fund balances (institution-only), less the estimated amount of overnight RPs and Eurodollars held by institution-only money market funds.

9. Savings deposits exclude MMDAs.

10. Small-denomination time deposits—including retail RPs—are those issued in amounts of less than \$100,000. All individual retirement accounts (IRA) and Keogh accounts at commercial banks and thrifts are subtracted from small time deposits.

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

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

1.22 BANK DEBITS AND DEPOSIT TURNOVER<sup>1</sup>

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

Bank group, or type of customer	1986	1987	1988	1989					
				Mar.	Apr.	May	June	July	Aug.
<b>DEBITS TO</b>				<b>Seasonally adjusted</b>					
Demand deposits <sup>3</sup>									
1 All insured banks	188,346.0	217,116.2	226,888.4	249,088.3	245,230.1	266,468.1	284,129.2	276,453.7	292,446.5
2 Major New York City banks	91,397.3	104,496.3	107,547.3	111,387.4	107,808.9	120,984.1	129,166.6	114,991.8	121,378.1
3 Other banks	96,948.8	112,619.8	119,341.2	137,700.9	137,421.3	145,483.9	154,962.7	161,461.9	171,068.3
4 ATS-NOW accounts <sup>4</sup>	2,182.5	2,402.7	2,757.7	3,264.9	2,986.4	3,406.5	3,696.5	3,596.3	3,943.1
5 Savings deposits <sup>5</sup>	403.5	526.5	583.0	675.2	585.5	647.2	640.0	580.4	650.0
<b>DEPOSIT TURNOVER</b>									
Demand deposits <sup>3</sup>									
6 All insured banks	556.5	612.1	641.2	721.0	697.5	767.1	824.0	788.4	841.8
7 Major New York City banks	2,498.2	2,670.6	2,903.5	3,393.0	3,092.2	3,342.1	3,588.5	3,222.3	3,402.4
8 Other banks	321.2	357.0	376.8	440.4	433.9	467.5	501.8	512.6	548.8
9 ATS-NOW accounts <sup>4</sup>	15.6	13.8	14.7	17.1	15.7	18.2	19.8	19.1	20.6
10 Savings deposits <sup>5</sup>	3.0	3.1	3.1	3.6	3.2	3.6	3.6	3.2	3.6
<b>DEBITS TO</b>				<b>Not seasonally adjusted</b>					
Demand deposits <sup>3</sup>									
11 All insured banks	188,506.7	217,125.1	227,010.7	264,581.6	238,265.6	274,861.8	295,522.8	268,243.0	304,407.5
12 Major New York City banks	91,500.1	104,518.8	107,565.0	120,202.2	105,461.7	121,507.2	134,020.7	117,276.1	132,158.8
13 Other banks	97,006.7	112,606.2	119,445.7	144,379.4	132,803.9	153,354.6	161,502.1	150,966.9	172,248.7
14 ATS-NOW accounts <sup>4</sup>	2,184.6	2,404.8	2,754.7	3,228.6	3,205.2	3,325.2	3,770.8	3,549.0	3,762.6
15 MMDA <sup>6</sup>	1,609.4	1,954.2	2,430.1	2,636.7	2,700.2	2,910.5	3,136.0	2,686.7	3,068.7
16 Savings deposits <sup>5</sup>	404.1	526.8	578.0	649.6	649.6	637.9	641.4	610.4	656.7
<b>DEPOSIT TURNOVER</b>									
Demand deposits <sup>3</sup>									
17 All insured banks	556.7	612.3	641.7	782.3	676.6	805.9	855.6	761.3	891.5
18 Major New York City banks	2,499.1	2,674.9	2,901.4	3,603.3	3,017.6	3,482.5	3,795.0	3,247.5	3,911.6
19 Other banks	321.2	356.9	377.1	473.6	418.7	500.9	520.9	477.4	559.9
20 ATS-NOW accounts <sup>4</sup>	15.6	13.8	14.7	16.9	16.3	18.0	20.3	18.9	20.0
21 MMDA <sup>6</sup>	4.5	5.3	6.9	7.8	8.1	9.0	9.7	8.2	9.2
22 Savings deposits <sup>5</sup>	3.0	3.1	3.1	3.5	3.5	3.5	3.6	3.4	3.6

1. Historical tables containing revised data for earlier periods may be obtained from the Monetary and Reserves Projections Section, Division of Monetary Affairs, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

These data also appear on the Board's G.6 (406) release. For 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 (NOW) and accounts authorized for automatic transfer to demand deposits (ATS). ATS data are available beginning December 1978.

5. Excludes ATS and NOW accounts, MMDA and special club accounts, such as Christmas and vacation clubs.

6. Money market deposit accounts.



A16 Domestic Financial Statistics □ January 1990

1.23 LOANS AND SECURITIES All Commercial Banks<sup>1</sup>

Billions of dollars; averages of Wednesday figures

Category	1988		1989									
	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
Seasonally adjusted												
1 Total loans and securities <sup>2</sup> .....	2,410.2	2,417.2	2,422.8	2,451.9	2,464.9	2,470.9	2,486.3	2,496.8	2,518.1	2,534.4	2,544.1	2,575.5
2 U.S. government securities .....	358.8	361.4	360.4	361.8	368.8	370.7	373.5	373.8	374.4	376.6	378.8	391.7
3 Other securities .....	195.9	194.0	189.6	190.4	189.7	187.2	186.4	185.7	184.6	182.8	182.9	182.7
4 Total loans and leases <sup>2</sup> .....	1,855.6	1,861.9	1,872.9	1,899.7	1,906.5	1,913.1	1,926.5	1,937.3	1,959.1	1,974.9	1,982.4	2,001.1
5 Commercial and industrial .....	601.8	601.9	606.6	619.0	617.8	620.6	626.3	624.9	632.1	637.3	636.9	641.1
6 Bankers acceptances held <sup>3</sup> .....	4.3	4.1	4.4	4.2	4.0	4.1	4.2	4.2	4.1	4.5	4.8	5.4
7 Other commercial and industrial .....	597.4	597.8	602.2	614.8	613.7	616.6	622.1	620.7	628.1	632.8 <sup>f</sup>	632.1	635.7
8 U.S. addressees <sup>4</sup> .....	591.3	591.8	596.6	609.9	608.3	611.7	616.6	615.2	622.2	627.1	626.6 <sup>f</sup>	629.4
9 Non-U.S. addressees <sup>4</sup> .....	6.1	5.9	5.7	4.9	5.4	4.8	5.4	5.5	5.9	5.7	5.5	6.2
10 Real estate .....	665.3	672.0	678.9	685.6	691.8	699.5	705.5	712.0	719.9	729.0	734.4	741.1
11 Individual .....	353.0	355.5	357.9	358.9	360.6	362.9	365.4	366.0	367.0	369.3	372.1	374.4
12 Security .....	38.2	38.5	37.7	44.7	43.6	40.0	38.1	41.3	40.5	39.9	40.6	42.3
13 Nonbank financial institutions .....	30.2	30.0	30.3	30.6	29.7	29.2	28.7 <sup>f</sup>	30.3 <sup>f</sup>	31.4 <sup>f</sup>	31.8 <sup>f</sup>	32.1	33.3
14 Agricultural .....	30.3	30.7	30.7	30.7	30.7	30.4	30.3	30.3	30.4	30.3	30.2	30.1
15 State and political subdivisions .....	47.7	46.8	44.4	44.5	44.6	44.6	44.7	44.5	44.2	43.9	43.5	42.9
16 Foreign banks .....	8.1	7.6	7.8	8.5	8.2	8.3	9.4	9.3	8.9	9.3	8.5	9.8
17 Foreign official institutions .....	4.9	4.9	4.8	4.8	4.8	4.9	4.9	4.7	4.5	4.3	4.3	4.0
18 Lease financing receivables .....	29.1	29.2	29.4	29.6	29.6	29.8	30.0	29.9	30.3	30.3	31.0	31.6
19 All other loans .....	47.0	44.8	44.4	42.7	45.2	42.9	43.3 <sup>f</sup>	44.1 <sup>f</sup>	49.9 <sup>f</sup>	49.5 <sup>f</sup>	48.6 <sup>f</sup>	50.5
Not seasonally adjusted												
20 Total loans and securities <sup>2</sup> .....	2,409.2	2,429.6	2,430.7	2,453.6	2,462.8	2,473.9	2,487.4	2,500.9	2,511.8	2,526.9	2,541.2	2,565.5
21 U.S. government securities .....	357.5	361.6	362.2	366.3	370.2	370.9	372.6	372.6	373.1	376.8	378.5	388.3
22 Other securities .....	196.0	193.7	191.7	190.1	188.9	187.2	186.8	186.0	184.1	183.1	182.8	181.6
23 Total loans and leases <sup>2</sup> .....	1,855.7	1,874.2	1,876.9	1,897.2	1,903.7	1,915.9	1,928.0	1,942.3	1,954.6	1,966.9	1,980.0	1,995.6
24 Commercial and industrial .....	599.3	605.0	605.8	618.3	621.1	625.2	630.0	629.0	631.0	632.7	632.2	636.0
25 Bankers acceptances held <sup>3</sup> .....	4.3	4.1	4.1	4.1	4.0	4.0	4.3	4.4	4.2	4.6	4.9 <sup>f</sup>	5.5
26 Other commercial and industrial .....	595.0	600.9	601.7	614.2	617.1	621.3	625.8	624.6	626.8	628.0	627.3	630.5
27 U.S. addressees <sup>4</sup> .....	588.9	594.8	596.4	608.9	611.8	616.0	620.2	619.0	621.1	622.6	621.8	625.0
28 Non-U.S. addressees <sup>4</sup> .....	6.1	6.1	5.3	5.3	5.3	5.3	5.5	5.6	5.6	5.5	5.5	5.5
29 Real estate .....	667.2	673.3	678.9	683.6	689.2	697.4	704.1	712.1	720.6	730.4	736.5	741.9
30 Individual .....	354.1	359.4	360.7	358.2	357.7	360.3	363.2	364.5	365.9	369.3	374.0	375.6
31 Security .....	37.6	38.9	38.2	43.8	44.1	42.0	38.9	42.9	40.2	38.6	39.1	40.5
32 Nonbank financial institutions .....	30.3	31.1	30.7	30.0	29.1	29.0	28.9 <sup>f</sup>	30.5 <sup>f</sup>	31.4 <sup>f</sup>	31.7 <sup>f</sup>	32.0 <sup>f</sup>	32.9
33 Agricultural .....	30.5	30.5	30.1	29.8	29.6	29.6	30.1	30.7	31.1	31.2	31.1	31.0
34 State and political subdivisions .....	47.1	46.6	45.8	45.5	45.1	44.9	44.6	44.1	43.6	43.4	42.9	42.5
35 Foreign banks .....	8.2	7.9	8.1	8.5	8.0	8.0	9.0	9.1	9.0	9.1	8.7	9.8
36 Foreign official institutions .....	4.9	4.9	4.8	4.8	4.8	4.9	4.9	4.7	4.5	4.3	4.3	4.0
37 Lease financing receivables .....	28.9	29.4	29.7	29.7	29.7	29.8	30.0	30.0	30.2	30.2	30.9	31.4
38 All other loans .....	47.5	47.3	44.0	45.0	45.4	44.7	44.4 <sup>f</sup>	44.8 <sup>f</sup>	47.2 <sup>f</sup>	46.1 <sup>f</sup>	48.1	50.0

1. Data have been revised because of benchmarking beginning January 1984. These data also appear in the Board's G.7 (407) release. For address, see inside front cover.

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

3. Includes nonfinancial commercial paper held.

4. United States includes the 50 states and the District of Columbia.

1.24 MAJOR NONDEPOSIT FUNDS OF COMMERCIAL BANKS<sup>1</sup>

Monthly averages, billions of dollars

Source	1988		1989									
	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May <sup>f</sup>	June <sup>f</sup>	July <sup>f</sup>	Aug.	Sept. <sup>f</sup>	Oct.
<i>Seasonally adjusted</i>												
1 Total nondeposit funds <sup>2</sup>	217.8	215.2	208.2 <sup>f</sup>	211.3 <sup>f</sup>	212.1 <sup>f</sup>	205.9 <sup>f</sup>	209.9	227.1	228.3	229.8 <sup>f</sup>	238.0	248.4
2 Net balances due to related foreign offices <sup>3</sup>	9.3	6.8	8.2 <sup>f</sup>	10.7 <sup>f</sup>	8.2 <sup>f</sup>	3.0 <sup>f</sup>	-1	7.9	11.1	9.3	9.7	9.9
3 Borrowings from other than commercial banks in United States <sup>4</sup>	208.5 <sup>f</sup>	208.4	200.0	200.6	203.9	202.9	210.0	219.2	217.2	220.5	228.3	238.5
4 Domestically chartered banks	169.1	169.4	163.0	161.3	165.8	164.2	169.2	179.1	175.4	178.2	184.9	192.0
5 Foreign-related banks	39.3	39.0	37.0	39.3	38.1	38.7	40.7	40.1	41.8	42.3	43.4	46.4
<i>Not seasonally adjusted</i>												
6 Total nondeposit funds <sup>2</sup>	214.5	209.6	207.4 <sup>f</sup>	216.1 <sup>f</sup>	217.7 <sup>f</sup>	208.6 <sup>f</sup>	217.5	230.2	224.0	228.6 <sup>f</sup>	233.9	241.5
7 Net balances due to related foreign offices <sup>3</sup>	10.4	9.2 <sup>f</sup>	7.9 <sup>f</sup>	10.5 <sup>f</sup>	7.2 <sup>f</sup>	.9 <sup>f</sup>	2.5	8.1	8.1	8.9 <sup>f</sup>	10.7	9.7
8 Domestically chartered banks	-19.1	-20.6	-20.2	-17.6	-19.5	-22.8 <sup>f</sup>	-21.9	-18.3	-16.4	-15.5 <sup>f</sup>	-14.2	-14.8
9 Foreign-related banks	29.4 <sup>f</sup>	29.9	28.1 <sup>f</sup>	28.1 <sup>f</sup>	26.7 <sup>f</sup>	23.7 <sup>f</sup>	24.5	26.4	24.6	24.4	24.9	24.4
10 Borrowings from other than commercial banks in United States <sup>4</sup>	204.2 <sup>f</sup>	200.3	199.5	205.7 <sup>f</sup>	210.6 <sup>f</sup>	207.7	215.0	222.2	215.9	219.7	223.3	231.9
11 Domestically chartered banks	167.8	163.3	161.3	165.1	170.9	168.1	173.8	180.5	173.5	177.7	180.7	187.2
12 Federal funds and security RP borrowings <sup>5</sup>	163.2	159.8	157.9	161.9	167.5 <sup>f</sup>	163.8	170.1	177.0	170.8	175.1	178.1	184.8
13 Other <sup>6</sup>	4.6	3.5	3.4	3.2	3.5	4.3	3.7	3.4	2.7	2.6	2.6	2.4
14 Foreign-related banks <sup>6</sup>	36.4 <sup>f</sup>	37.0	38.1 <sup>f</sup>	40.6 <sup>f</sup>	39.6	39.6 <sup>f</sup>	41.2	41.7	42.4	42.0	42.6	44.7
MEMO												
Gross large time deposits <sup>7</sup>												
15 Seasonally adjusted	424.5	429.2	434.9	440.3	446.7	452.7	456.8	458.8	461.6	460.4 <sup>f</sup>	458.0	459.4
16 Not seasonally adjusted	425.6	429.8	434.5	440.2	448.2	450.6	455.5	457.3	458.8	461.2 <sup>f</sup>	460.1	461.1
U.S. Treasury demand balances at commercial banks <sup>8</sup>												
17 Seasonally adjusted	23.0	24.9	20.3	20.3	20.3	20.9	27.1	27.4	22.7	22.9	23.8	19.9
18 Not seasonally adjusted	16.3	22.9	25.0	25.9	18.1	20.2	34.3	26.2	23.0	15.8	24.9	20.7

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

These data also appear in the Board's G.10 (411) release. For address, see inside front cover.

2. Includes federal funds, 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 IBFs.

4. Other borrowings are 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. Based on daily average data reported weekly by approximately 120 large banks and quarterly or annual data reported by other banks.

6. Figures are partly daily averages 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 □ January 1990

## 1.25 ASSETS AND LIABILITIES OF COMMERCIAL BANKING INSTITUTIONS Last-Wednesday-of-Month Series<sup>1</sup>

Billions of dollars

Account	1988											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	
<b>ALL COMMERCIAL BANKING INSTITUTIONS<sup>2</sup></b>												
1 Loans and securities .....	2,601.6	2,587.0	2,624.0	2,627.1	2,623.0	2,659.8	2,660.7	2,677.1	2,692.5	2,695.7	2,728.1	
2 Investment securities .....	533.5	533.5	535.8	539.1	538.3	541.1	541.6	538.3	542.8	542.4	545.4	
3 U.S. government securities .....	345.3	347.3	351.3	355.5	356.6	359.1	362.2	360.3	365.3	366.4	370.8	
4 Other .....	188.2	186.2	184.5	183.6	181.7	182.0	179.4	178.1	177.5	176.1	174.6	
5 Trading account assets .....	19.2	21.5	20.1	21.8	17.8	19.2	18.2	19.8	18.7	18.3	26.6	
6 Total loans .....	2,048.9	2,032.1	2,068.0	2,066.2	2,066.8	2,099.5	2,109.0	2,119.0	2,130.0	2,135.0	2,156.1	
7 Interbank loans .....	165.7	159.9	173.2	154.9	150.7	160.5	155.0	162.4	162.9	158.0	164.2	
8 Loans excluding interbank .....	1,883.2	1,872.2	1,894.9	1,911.3	1,916.2	1,939.0	1,945.9	1,956.6	1,968.1	1,977.1	1,992.0	
9 Commercial and industrial .....	608.8	604.6	617.6	622.9	627.3	631.1	628.3	635.3	631.9	630.3	634.9	
10 Real estate .....	676.3	679.7	684.1	692.6	699.4	706.7	715.1	722.8	733.9	737.5	743.2	
11 Individual .....	361.4	360.8	358.3	358.1	361.8	363.8	366.0	366.2	371.4	375.5	376.1	
12 All other .....	236.6	227.0	234.8	237.7	227.7	237.4	236.6	232.3	231.0	233.7	237.8	
13 Total cash assets .....	246.3	216.1	227.4	211.5	215.8	248.3	214.2	211.7	212.0	219.6	213.0	
14 Reserves with Federal Reserve Banks .....	34.5	31.5	27.7	30.9	33.4	27.8	27.9	30.6	28.7	31.7	28.0	
15 Cash in vault .....	30.3	27.5	26.6	26.8	26.9	27.9	27.6	27.4	28.5	28.0	27.9	
16 Cash items in process of collection .....	92.3	76.4	89.1	75.9	78.8	107.6	78.7	75.2	77.4	82.6	77.5	
17 Demand balances at U.S. depository institutions .....	34.4	28.7	33.3	28.8	28.5	34.9	29.6	28.8	29.7	29.0	28.8	
18 Other cash assets .....	54.8	52.0	50.7	49.0	48.3	50.2	50.5	49.7	47.7	48.3	50.7	
19 Other assets .....	200.0	194.6	191.4	194.1	200.7	206.8	198.7	201.1	199.6	203.9	203.8	
<b>20 Total assets/total liabilities and capital .....</b>	<b>3,047.9</b>	<b>2,997.8</b>	<b>3,042.8</b>	<b>3,032.7</b>	<b>3,039.5</b>	<b>3,114.9</b>	<b>3,073.6</b>	<b>3,090.0</b>	<b>3,104.0</b>	<b>3,119.3</b>	<b>3,144.9</b>	
21 Deposits .....	2,145.7	2,097.1	2,125.2	2,123.7	2,134.2	2,182.6	2,138.2	2,152.0	2,166.6	2,175.3	2,194.2	
22 Transaction deposits .....	642.7	586.6	602.6	583.2	594.5	628.5	580.5	579.4	583.4	588.5	588.0	
23 Savings deposits .....	535.6	528.8	527.3	523.2	512.0	509.7	507.4	514.0	518.9	520.7	527.6	
24 Time deposits .....	967.5	981.7	995.3	1,017.3	1,027.6	1,044.3	1,050.2	1,058.6	1,064.4	1,066.1	1,078.6	
25 Borrowings .....	473.1	493.6	502.9	483.6	486.7	510.6	512.7	510.2	504.6	516.5	526.5	
26 Other liabilities .....	233.7	209.1	216.5	223.9	217.4	218.6	218.4	223.1	226.3	221.4	222.4	
27 Residual (assets less liabilities) .....	195.3	198.0	198.2	201.4	201.2	203.2	204.4	204.7	206.5	206.1	201.9	
<b>MEMO</b>												
28 U.S. government securities (including trading account) .....	359.4	364.4	366.2	372.1	369.5	372.3	374.4	373.5	377.5	378.5	390.4	
29 Other securities (including trading account) .....	193.4	190.5	189.7	188.8	186.6	188.0	185.4	184.6	184.0	182.3	181.6	
<b>DOMESTICALLY CHARTERED COMMERCIAL BANKS<sup>3</sup></b>												
30 Loans and securities .....	2,391.9	2,385.1	2,405.9	2,407.8	2,407.8	2,446.0	2,439.9	2,452.1	2,467.6	2,473.6	2,506.5	
31 Investment securities .....	507.2	507.0	509.0	513.1	513.8	516.1	517.3	514.2	519.4	519.0	521.6	
32 U.S. government securities .....	333.2	334.5	338.1	342.7	344.1	345.9	349.5	347.8	353.5	354.5	358.7	
33 Other .....	174.0	172.6	171.0	170.4	169.7	170.2	167.8	166.5	165.9	164.5	162.9	
34 Trading account assets .....	19.2	21.5	20.1	21.8	17.8	19.2	18.2	19.8	18.7	18.3	26.6	
35 Total loans .....	1,865.4	1,856.6	1,876.8	1,872.8	1,876.2	1,910.6	1,904.5	1,918.1	1,929.4	1,936.3	1,958.3	
36 Interbank loans .....	133.1	131.4	138.9	122.3	120.2	131.5	119.3	126.4	127.0	125.1	134.9	
37 Loans excluding interbank .....	1,732.3	1,725.2	1,737.8	1,750.5	1,756.0	1,779.2	1,785.1	1,791.7	1,802.5	1,811.2	1,823.5	
38 Commercial and industrial .....	500.6	498.9	503.4	506.1	511.3	515.5	511.6	515.6	512.8	510.4	514.2	
39 Real estate .....	654.3	657.7	661.7	669.8	676.0	683.2	691.6	698.2	708.7	712.2	717.1	
40 Individual .....	361.1	360.5	358.0	357.7	361.4	363.5	365.6	365.8	371.1	375.2	375.8	
41 All other .....	216.3	208.1	214.7	216.9	207.3	217.0	216.3	212.0	209.9	213.5	216.4	
42 Total cash assets .....	223.1	193.5	206.4	191.4	195.3	227.0	192.3	190.1	191.7	197.6	191.5	
43 Reserves with Federal Reserve Banks .....	33.1	30.1	26.6	29.5	30.7	26.7	26.6	29.6	27.0	29.5	26.3	
44 Cash in vault .....	30.3	27.4	26.6	26.8	26.8	27.9	27.6	27.4	28.5	28.0	27.9	
45 Cash items in process of collection .....	91.4	75.6	88.1	75.1	77.9	106.6	77.7	74.4	76.5	81.3	76.3	
46 Demand balances at U.S. depository institutions .....	32.4	26.8	31.2	26.6	26.8	32.9	27.5	27.0	28.0	27.3	26.9	
47 Other cash assets .....	35.9	33.6	33.9	33.4	33.1	33.0	32.9	31.7	31.7	31.6	34.2	
48 Other assets .....	135.6	128.1	129.6	130.6	134.6	133.6	131.6	128.4	127.5	131.5	126.3	
<b>49 Total assets/liabilities and capital .....</b>	<b>2,750.5</b>	<b>2,706.7</b>	<b>2,741.8</b>	<b>2,729.9</b>	<b>2,737.7</b>	<b>2,806.6</b>	<b>2,763.9</b>	<b>2,770.6</b>	<b>2,786.7</b>	<b>2,802.8</b>	<b>2,824.3</b>	
50 Deposits .....	2,073.0	2,026.1	2,052.7	2,047.4	2,056.2	2,103.0	2,058.8	2,071.3	2,086.9	2,094.5	2,112.4	
51 Transaction deposits .....	632.9	577.4	593.5	574.1	584.8	618.7	571.2	570.2	574.7	578.8	578.4	
52 Savings deposits .....	533.1	526.4	524.8	520.7	509.4	507.1	504.8	511.3	516.2	517.9	525.0	
53 Time deposits .....	907.0	922.3	934.4	952.6	961.9	977.2	982.9	989.9	995.9	997.7	1,009.0	
54 Borrowings .....	363.7	377.1	378.7	362.8	368.2	383.0	387.3	380.2	375.5	390.8	393.2	
55 Other liabilities .....	122.0	109.0	115.8	121.7	115.6	120.9	116.9	117.8	121.3	114.9	120.4	
56 Residual (assets less liabilities) .....	191.8	194.5	194.6	197.9	197.7	199.7	200.8	201.2	203.0	202.6	198.4	
<b>MEMO</b>												
57 Real estate loans, revolving .....	40.1	40.7	41.7	42.5	43.4	44.3	45.3	45.7	46.4	47.1	47.9	
58 Real estate loans, other .....	614.2	617.0	620.0	627.3	632.6	638.9	646.2	652.5	662.4	665.0	669.2	

1. Back data are available from the Banking and Monetary Statistics section, Board of Governors of the Federal Reserve System, Washington, D.C., 20551. These data also appear in the Board's weekly H.8 (S10) release.

2. Figures are partly estimated. They include all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries. Loan and securities data for domestically chartered commercial banks are estimates for the last Wednesday of the month based on a sample of weekly reporting banks and quarter-end condition report data. Data for other banking institutions are estimates made for

the last Wednesday of the month based on a weekly reporting sample of foreign-related institutions and quarter-end condition reports.

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

4. Insured domestically chartered commercial banks include all member banks and insured nonmember banks.

1.26 ASSETS AND LIABILITIES OF LARGE WEEKLY REPORTING COMMERCIAL BANKS<sup>1</sup>

Millions of dollars, Wednesday figures

Account	1989								
	Aug. 30	Sept. 6	Sept. 13 <sup>2</sup>	Sept. 20 <sup>2</sup>	Sept. 27 <sup>2</sup>	Oct. 4	Oct. 11	Oct. 18	Oct. 25
1 Cash and balances due from depository institutions	104,331	118,718	110,729	117,428	111,758	120,336	124,614	119,016	105,871
2 Total loans, leases, and securities, net	<b>1,221,208<sup>6</sup></b>	<b>1,237,404<sup>6</sup></b>	<b>1,222,533</b>	<b>1,235,219</b>	<b>1,223,190</b>	<b>1,232,964</b>	<b>1,231,316</b>	<b>1,242,015</b>	<b>1,241,756</b>
3 U.S. Treasury and government agency	143,784	144,871	144,457	144,907	144,135	148,304	150,548	155,831	157,964
4 Trading account	12,200	13,474	13,260	12,784	12,103	14,086	14,966	17,855	19,574
5 Investment account	131,584	131,397	131,197	132,122	132,031	134,218	135,582	137,975	138,392
6 Mortgage-backed securities <sup>4</sup>	63,919 <sup>5</sup>	64,015 <sup>5</sup>	64,850	64,813	65,831	65,950	66,171	67,887	68,834
All other maturing in									
7 One year or less	20,453	20,299	19,944	20,081	18,723	20,354	20,540	20,238	19,751
8 Over one through five years	37,697 <sup>7</sup>	37,293 <sup>7</sup>	36,909	37,132	36,883	35,934	36,415	36,338	36,212
9 Over five years	9,514 <sup>7</sup>	9,790 <sup>7</sup>	9,494	10,097	10,594	11,979	12,455	13,512	13,595
10 Other securities	70,560	70,339	70,241	70,035	69,797	69,311	69,057	68,806	68,368
11 Trading account	856	792	836	856	914	891	745	778	913
12 Investment account	69,703	69,547	69,405	69,179	68,883	68,420	68,311	68,028	67,455
13 States and political subdivisions, by maturity	41,562	41,408	41,375	41,274	41,220	41,061	41,007	40,867	40,192
14 One year or less	4,874	4,873	4,876	4,861	4,818	4,925	4,918	4,906	4,892
15 Over one year	36,689	36,535	36,499	36,412	36,402	36,136	36,089	35,960	35,299
16 Other bonds, corporate stocks, and securities	28,140	28,139	28,030	27,905	27,662	27,359	27,304	27,161	27,263
17 Other trading account assets	5,676	6,065	6,022	5,487	5,296	5,422	6,661	5,889	6,082
18 Federal funds sold <sup>8</sup>	63,375	71,050	62,096	69,415	63,032	69,303	61,968	66,272	65,760
19 To commercial banks	45,418	51,473	41,175	48,554	43,952	48,990	40,306	43,350	44,373
20 To nonbank brokers and dealers in securities	12,447	12,517	14,234	13,795	12,668	13,750	14,839	16,273	14,886
21 To others	5,509	7,059	6,686	7,066	6,412	6,563	6,823	6,650	6,502
22 Other loans and leases, gross	974,503 <sup>9</sup>	981,737 <sup>9</sup>	975,544	981,208	977,492	982,852	985,930	988,236	986,678
23 Other loans, gross	949,137 <sup>9</sup>	956,355 <sup>9</sup>	950,131	955,568	951,858	957,081	959,900	962,097	960,620
24 Commercial and industrial	316,521 <sup>9</sup>	318,168 <sup>9</sup>	314,894	316,948	314,655	317,694	318,932	318,431	318,084
25 Bankers acceptances and commercial paper	2,203 <sup>9</sup>	2,190 <sup>9</sup>	2,111	2,089	2,134	2,217	2,116	2,242	2,251
26 All other	314,318 <sup>9</sup>	315,978 <sup>9</sup>	312,783	314,858	312,521	315,476	316,815	316,189	315,831
27 U.S. addressees	312,701 <sup>9</sup>	314,348 <sup>9</sup>	311,205	312,964	310,747	313,858	315,086	314,396	314,247
28 Non-U.S. addressees	1,616 <sup>9</sup>	1,630	1,578	1,894	1,774	1,618	1,730	1,792	1,586
29 Real estate loans	340,668 <sup>9</sup>	342,567 <sup>9</sup>	340,847	341,942	342,801	343,311	343,750	345,510	345,521
30 Revolving, home equity	25,527	25,608	25,771	25,915	26,053	26,110	26,229	26,349	26,408
31 All other	315,141 <sup>9</sup>	316,959 <sup>9</sup>	315,076	316,027	316,748	317,201	317,520	319,160	319,113
32 To individuals for personal expenditures	171,425 <sup>9</sup>	171,754 <sup>9</sup>	172,587	173,113	173,315	173,381	172,992	173,156	173,568
33 To depository and financial institutions	47,540 <sup>9</sup>	48,380 <sup>9</sup>	47,683	47,033	46,999	48,937	50,898	50,825	50,695
34 Commercial banks in the United States	21,389 <sup>9</sup>	21,540 <sup>9</sup>	20,916	20,530	20,620	21,099	22,323	23,098	22,363
35 Banks in foreign countries	4,336	4,392	4,618	4,415	4,811	5,125	5,589	5,150	5,297
36 Nonbank depository and other financial institutions	21,815	22,447 <sup>9</sup>	22,148	22,088	21,568	22,713	22,986	22,577	22,434
37 For purchasing and carrying securities	16,284	17,520	17,159	18,871	16,698	16,773	16,171	16,682	16,948
38 To finance agricultural production	5,873	5,850	5,834	5,775	5,720	5,710	5,670	5,670	5,585
39 To states and political subdivisions	26,506	26,374	26,209	26,166	26,222	26,070	25,916	25,825	26,061
40 To foreign governments and official institutions	1,592 <sup>9</sup>	1,541 <sup>9</sup>	1,595	1,665	1,575	1,575	1,558	1,518	1,441
41 All other	22,727 <sup>9</sup>	24,199 <sup>9</sup>	23,323	24,055	23,790	23,630	24,014	24,480	23,299
42 Lease financing receivables	25,366	25,383 <sup>9</sup>	25,413	25,640	25,634	25,772	26,030	26,139	26,076
43 Less: Unearned income	4,893	4,857 <sup>9</sup>	4,888	4,899	4,902	4,876	4,874	4,902	4,905
44 Loan and lease reserve <sup>5</sup>	31,795	31,802	30,939	30,933	31,660	37,353	37,975	38,116	38,194
45 Other loans and leases, net	937,814 <sup>9</sup>	945,079 <sup>9</sup>	939,717	945,376	940,930	940,624	943,081	945,217	943,578
46 All other assets	121,946 <sup>9</sup>	127,430 <sup>9</sup>	129,005	123,458	127,471	130,288	130,159	131,404	128,840
47 Total assets	<b>1,447,486</b>	<b>1,483,552<sup>9</sup></b>	<b>1,462,267</b>	<b>1,476,105</b>	<b>1,462,420</b>	<b>1,483,589</b>	<b>1,486,090</b>	<b>1,492,435</b>	<b>1,476,467</b>
48 Demand deposits	214,943	236,234	221,536	223,412	222,460	232,522	238,528	233,296	216,476
49 Individuals, partnerships, and corporations	172,079	185,681	179,643	174,592	175,709	182,556	190,516	183,417	173,175
50 States and political subdivisions	5,182	5,905	5,198	6,142	6,415	5,634	5,419	5,917	5,977
51 U.S. government	3,083	4,595	2,202	6,097	3,113	5,347	1,795	4,326	2,262
52 Depository institutions in the United States	19,472	23,643	19,108	20,449	19,490	21,168	23,961	23,235	19,716
53 Banks in foreign countries	6,113	6,078	6,552	6,217	7,049	7,295	6,778	7,058	6,429
54 Foreign governments and official institutions	677	940	537	859	973	716	843	786	746
55 Certified and officers' checks	8,336	9,392	8,296	9,056	9,711	9,808	9,215	8,556	8,171
56 Transaction balances other than demand deposits	73,456	77,796	75,996	73,890	72,787	77,407	76,476	75,992	74,792
57 Nontransaction balances	686,806	689,928	689,604	687,077	687,094	691,322	692,206	699,509	700,130
58 Individuals, partnerships, and corporations	647,404 <sup>9</sup>	650,952 <sup>9</sup>	650,706	648,694	648,638	653,071	653,821	661,460	661,596
59 States and political subdivisions	30,631	30,065	30,189	29,714	29,859	29,689	29,859	29,737	29,988
60 U.S. government	659	888	858	880	872	865	938	928	932
61 Depository institutions in the United States	7,463 <sup>9</sup>	7,370 <sup>9</sup>	7,210	7,136	7,064	7,040	6,943	6,762	6,989
62 Foreign governments, official institutions, and banks	648	652	641	652	661	656	643	622	626
63 Liabilities for borrowed money	282,519	287,884	287,252	302,954	293,146	299,152	298,712	301,263	300,180
64 Borrowings from Federal Reserve Banks	0	55	0	370	0	3,040	70	30	0
65 Treasury tax-and-loan notes	15,812	4,027	8,167	24,889	25,038	11,838	11,530	10,228	14,321
66 All other liabilities for borrowed money <sup>6</sup>	266,707	283,802	279,080	277,695	268,108	284,274	287,112	291,006	285,859
67 Other liabilities and subordinated notes and debentures	87,621	88,405 <sup>7</sup>	84,795	86,306	85,049	86,169	82,906	84,423	87,028
68 Total liabilities	<b>1,345,344</b>	<b>1,380,246<sup>9</sup></b>	<b>1,359,184</b>	<b>1,373,639</b>	<b>1,360,536</b>	<b>1,386,572</b>	<b>1,388,828</b>	<b>1,394,483</b>	<b>1,378,606</b>
69 Residual (total assets minus total liabilities) <sup>7</sup>	102,141	103,306	103,083	102,466	101,883	97,016	97,262	97,952	97,861
MEMO									
70 Total loans and leases (gross) and investments adjusted <sup>8</sup>	1,191,089 <sup>9</sup>	1,201,049 <sup>9</sup>	1,196,268	1,201,968	1,195,180	1,205,103	1,211,536	1,218,587	1,218,119
71 Total loans and leases (gross) adjusted <sup>8</sup>	971,070 <sup>9</sup>	979,774 <sup>9</sup>	975,547	981,539	975,952	982,066	985,270	988,060	985,702
72 Time deposits in amounts of \$100,000 or more	219,564	219,066	218,837	218,143	217,552	218,333	217,843	218,983	220,418
73 U.S. Treasury securities maturing in one year or less	16,697	16,305	16,991	17,118	16,434	16,607	17,539	17,371	17,768
74 Loans sold outright to affiliates—total	1,702	1,674	1,598	1,634	1,670	1,556	1,323	1,517	1,622
75 Commercial and industrial	1,374	1,346	1,270	1,312	1,329	1,204	982	1,176	1,271
76 Other	328	328	327	322	340	353	341	341	351
77 Nontransaction savings deposits (including MMDAs)	253,369	257,098	256,700	254,516	255,211	258,009	258,652	259,762	259,460

1. Beginning Jan. 6, 1988, the "Large bank" reporting group was revised somewhat, eliminating some former reporters with less than \$2 billion of assets and adding some new reporters with assets greater than \$3 billion.  
 2. For adjustment bank data see this table in the March 1989 Bulletin. The adjustment data for 1988 should be added to the reported data for 1988 to establish comparability with data reported for 1989.  
 3. Includes U.S. government-issued or guaranteed certificates of participation in pools of residential mortgages.  
 4. Includes securities purchased under agreements to resell.  
 5. Includes allocated transfer risk reserve.

6. Includes federal funds purchased and securities sold under agreements to repurchase; for information on these liabilities at banks with assets of \$1 billion or more on Dec. 31, 1977, see table 1.13.  
 7. This is not a measure of equity capital for use in capital-adequacy analysis or for other analytic uses.  
 8. Exclusive of loans and federal funds transactions with domestic commercial banks.  
 9. Loans sold are those sold outright to 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.

A20 Domestic Financial Statistics □ January 1990

1.28 ASSETS AND LIABILITIES OF LARGE WEEKLY REPORTING COMMERCIAL BANKS IN NEW YORK CITY<sup>1</sup>

Millions of dollars, Wednesday figures

Account	1989									
	Aug. 30	Sept. 6	Sept. 13	Sept. 20	Sept. 27	Oct. 4	Oct. 11	Oct. 18	Oct. 25	
1 Cash balances due from depository institutions	20,658	24,680	21,990	28,005	26,341	30,552	26,926	27,270	24,144	
<b>2 Total loans, leases, and securities, net<sup>2</sup></b>	<b>213,405</b>	<b>219,579</b>	<b>212,867</b>	<b>221,294</b>	<b>211,911</b>	<b>213,517</b>	<b>211,371</b>	<b>213,066</b>	<b>210,064</b>	
<i>Securities</i>										
3 U.S. Treasury and government agency <sup>3</sup>	0	0	0	0	0	0	0	0	0	
4 Trading account <sup>4</sup>	0	0	0	0	0	0	0	0	0	
5 Investment account	15,670	15,552	15,584	15,294	14,753	14,900	15,117	15,527	15,793	
6 Mortgage-backed securities <sup>4</sup>	8,208 <sup>5</sup>	8,297 <sup>5</sup>	8,324 <sup>5</sup>	7,646 <sup>5</sup>	7,639 <sup>5</sup>	7,662	7,662	8,132	8,420	
All other maturing in										
7 One year or less	2,865	2,670	2,673	3,025	2,498	2,628	2,722	2,685	2,712	
8 Over one through five years	3,246	3,235	3,236	3,272	3,265	3,260	3,244	3,299	3,252	
9 Over five years	1,351 <sup>6</sup>	1,350 <sup>6</sup>	1,350 <sup>6</sup>	1,351 <sup>6</sup>	1,350 <sup>6</sup>	1,350	1,384	1,411	1,409	
10 Other securities <sup>3</sup>	0	0	0	0	0	0	0	0	0	
11 Trading account <sup>4</sup>	0	0	0	0	0	0	0	0	0	
12 Investment account	17,014	16,977	16,909	16,814	16,796	16,771	16,791	16,592	16,800	
States and political subdivisions, by maturity										
13 One year or less	10,084	10,005	9,952	9,834	9,782	9,761	9,809	9,729	9,101	
14 Over one year	1,130	1,145	1,156	1,125	1,075	1,090	1,092	1,081	1,067	
15 Other bonds, corporate stocks, and securities	8,954	8,860	8,795	8,709	8,707	8,671	8,717	8,648	8,034	
16 Other trading account assets <sup>7</sup>	6,930	6,971	6,957	6,980	7,014	7,010	6,982	6,863	6,978	
	0	0	0	0	0	0	0	0	0	
<i>Loans and leases</i>										
18 Federal funds sold <sup>5</sup>	18,644	21,178	15,972	21,380	15,675	20,567	16,055	17,797	15,519	
19 To commercial banks	11,004	12,746	7,403	13,377	8,544	12,776	7,447	7,910	6,700	
20 To nonbank brokers and dealers in securities	4,573	4,682	4,945	4,092	3,988	3,926	4,548	6,236	5,295	
21 To others	3,067	3,750	3,624	3,912	3,142	3,865	4,059	3,651	3,524	
22 Other loans and leases, gross	175,931	179,498	178,111	181,507	179,244	180,904	183,532	183,281	182,810	
23 Other loans, gross	170,304	173,882	172,468	175,826	173,575	175,246	177,880	177,546	177,085	
24 Commercial and industrial	58,351	59,801	58,619	59,278	58,343	58,977	60,963	60,592	60,476	
25 Bankers acceptances and commercial paper	555	530	525	461	544	562	499	529	600	
26 All other	57,796	59,271	58,094	58,817	57,799	58,416	60,464	60,063	59,876	
27 U.S. addressees	57,280	58,787	57,615	58,079	57,161	57,844	59,776	59,339	59,269	
28 Non-U.S. addressees	516	484	480	738	638	572	688	724	607	
29 Real estate loans	57,306	58,180	58,766	59,052	59,130	59,259	59,363	59,658	59,520	
30 Revolving, home equity	3,655	3,667	3,682	3,699	3,717	3,729	3,765	3,776	3,788	
31 All other	53,651	54,513	55,084	55,353	55,413	55,530	55,598	55,881	55,731	
32 To individuals for personal expenditures	19,883	19,775	19,848	20,017	20,086	19,947	19,955	20,028	20,006	
33 To depository and financial institutions	17,583	17,972	17,828	18,375	18,333	19,485	20,132	19,472	19,247	
34 Commercial banks in the United States	7,520	7,906	7,463	8,156	7,958	8,541	8,628	8,489	7,983	
35 Banks in foreign countries	2,814	2,785	3,126	2,788	3,248	3,524	4,002	3,673	3,862	
36 Nonbank depository and other financial institutions	7,250	7,281	7,239	7,431	7,127	7,419	7,501	7,311	7,402	
37 For purchasing and carrying securities	6,239	7,049	6,409	7,468	6,186	6,237	5,874	6,660	6,923	
38 To finance agricultural production	144	144	134	136	134	159	153	145	134	
39 To states and political subdivisions	5,919	5,938	5,928	5,926	5,938	5,942	5,796	5,776	6,010	
40 To foreign governments and official institutions	456	413	427	530	481	530	468	427	330	
41 All other	4,421	4,609	4,509	5,043	4,903	4,738	5,176	4,788	4,440	
42 Lease financing receivables	5,627	5,616	5,643	5,681	5,669	5,658	5,651	5,735	5,726	
43 Less: Unearned income	1,749	1,735	1,759	1,768	1,770	1,749	1,762	1,762	1,758	
44 Loan and lease reserve	12,106	11,891	11,949	11,934	12,786	17,876	18,370	18,368	18,381	
45 Other loans and leases, net <sup>6</sup>	162,076	165,872	164,403	167,805	164,688	161,279	163,408	163,150	162,672	
46 All other assets	49,638	54,152 <sup>7</sup>	52,153 <sup>7</sup>	46,759 <sup>7</sup>	49,354 <sup>7</sup>	52,525	53,628	56,913	56,399	
<b>47 Total assets</b>	<b>283,701</b>	<b>298,411<sup>7</sup></b>	<b>287,010<sup>7</sup></b>	<b>296,058<sup>7</sup></b>	<b>287,606<sup>7</sup></b>	<b>296,595</b>	<b>291,924</b>	<b>297,249</b>	<b>290,607</b>	
<i>Deposits</i>										
48 Demand deposits	47,605	51,504	48,315	51,800	53,430	53,632	55,395	54,149	49,626	
49 Individuals, partnerships, and corporations	32,976	35,787	34,536	35,283	36,296	36,592	39,689	37,565	34,971	
50 States and political subdivisions	423	757	618	643	836	747	728	587	536	
51 U.S. government	594	885	200	1,018	572	1,085	255	776	351	
52 Depository institutions in the United States	5,281	4,812	4,379	5,465	4,764	4,594	4,844	5,928	5,209	
53 Banks in foreign countries	4,944	4,723	5,264	4,852	5,735	6,000	5,520	5,588	5,082	
54 Foreign governments and official institutions	472	794	379	620	801	571	682	609	601	
55 Certified and officers' checks	2,915	3,746	2,940	3,919	4,427	4,044	3,675	3,096	2,874	
56 Transaction balances other than demand deposits (ATS, NOW, Super NOW, telephone transfers)	8,095	8,375	8,399	8,140	7,998	8,422	8,367	8,219	8,077	
57 Nontransaction balances	113,216	113,437	113,350	112,839	112,107	113,952	112,870	113,540	113,590	
58 Individuals, partnerships, and corporations	102,889	103,428	103,386	102,982	102,187	103,989	102,880	103,703	103,538	
59 States and political subdivisions	7,775	7,478	7,400	7,318	7,389	7,422	7,472	7,494	7,647	
60 U.S. government	33	29	28	29	29	29	29	29	29	
61 Depository institutions in the United States	2,264	2,246	2,268	2,239	2,223	2,228	2,214	2,047	2,103	
62 Foreign governments, official institutions, and banks	254	256	266	271	279	284	273	266	273	
63 Liabilities for borrowed money	58,444	65,984	62,276 <sup>8</sup>	64,063	59,378	67,632	65,559	70,695	66,232	
64 Borrowings from Federal Reserve Banks	0	0	0	0	0	3,010	0	0	0	
65 Treasury tax-and-loan notes	3,876	868	1,810	6,020	5,932	2,484	2,338	1,856	2,939	
66 All other liabilities for borrowed money <sup>8</sup>	54,568	65,116	60,467 <sup>8</sup>	58,043	53,445	62,138	63,221	68,839	63,292	
67 Other liabilities and subordinated notes and debentures	27,726	30,377 <sup>9</sup>	25,492 <sup>9</sup>	30,356 <sup>9</sup>	27,000 <sup>9</sup>	29,552	26,384	26,472	28,891	
<b>68 Total liabilities</b>	<b>255,085</b>	<b>269,678<sup>7</sup></b>	<b>257,833<sup>7</sup></b>	<b>267,199<sup>7</sup></b>	<b>259,913<sup>7</sup></b>	<b>273,190</b>	<b>268,574</b>	<b>273,076</b>	<b>266,415</b>	
<b>69 Residual (total assets minus total liabilities)<sup>9</sup></b>	<b>28,616</b>	<b>28,733</b>	<b>29,177</b>	<b>28,859</b>	<b>27,693</b>	<b>23,405</b>	<b>23,350</b>	<b>24,174</b>	<b>24,192</b>	
MEMO										
70 Total loans and leases (gross) and investments adjusted <sup>2,10</sup>	208,736	212,553	211,709	213,463	209,966	211,825	215,419	216,798	215,520	
71 Total loans and leases (gross) adjusted <sup>10</sup>	176,051	180,024	179,217	181,355	178,417	180,154	183,511	184,678	183,646	
72 Time deposits in amounts of \$100,000 or more	42,365	42,754	42,508	42,423	41,649	42,655	41,931	42,246	42,378	
73 U.S. Treasury securities maturing in one year or less	2,788	2,552	2,590	2,880	2,498	2,456	3,005	2,937	2,987	

1. These data also appear in the Board's H.4.2 (504) release. For address, see inside front cover.  
 2. Excludes trading account securities.  
 3. Not available due to confidentiality.  
 4. Includes U.S. government-issued or guaranteed certificates of participation in pools of residential mortgages.  
 5. Includes securities purchased under agreements to resell.  
 6. Includes allocated transfer risk reserve.

7. Includes trading account securities.  
 8. Includes federal funds purchased and securities sold under agreements to repurchase.  
 9. Not a measure of equity capital for use in capital adequacy analysis or for other analytic uses.  
 10. Exclusive of loans and federal funds transactions with domestic commercial banks.

1.30 LARGE WEEKLY REPORTING U.S. BRANCHES AND AGENCIES OF FOREIGN BANKS<sup>1</sup> Assets and Liabilities

Millions of dollars, Wednesday figures

Account	1989								
	Aug. 30	Sept. 6	Sept. 13	Sept. 20	Sept. 27	Oct. 4	Oct. 11	Oct. 18	Oct. 25
1 Cash and due from depository institutions ...	11,345	12,271	11,342	13,100	12,184	12,441	11,639	12,739	11,626
2 Total loans and securities ...	138,376	138,202	138,782	136,509	136,163	135,944	134,974	138,708	135,632
3 U.S. Treasury and government agency securities ...	7,911	8,194	7,896	7,967	8,000	7,829	7,482	8,162	8,146
4 Other securities ...	5,899	5,882	5,859	5,908	5,985	5,931	5,941	5,930	6,090
5 Federal funds sold <sup>2</sup> ...	7,769	7,377	8,155	6,269	5,923	6,479	5,908	7,348	4,459
6 To commercial banks in the United States ...	6,630	6,149	6,696	5,112	4,820	5,062	4,484	5,730	2,966
7 To others ...	1,139	1,228	1,459	1,157	1,103	1,417	1,424	1,618	1,493
8 Other loans, gross ...	116,797	116,749	116,872	116,365	116,255	115,705	115,643	117,268	116,937
9 Commercial and industrial ...	73,193	74,065	73,838	73,302	73,563	73,851	73,164	74,324	73,804
10 Bankers acceptances and commercial paper ...	1,781	2,065	1,887	1,852	2,119	2,277	2,492	2,393	2,387
11 All other ...	71,412	72,000	71,951	71,450	71,444	71,574	70,672	71,931	71,417
12 U.S. addressees ...	69,590	70,160	70,088	69,616	69,659	69,791	68,897	70,027	69,563
13 Non-U.S. addressees ...	1,822	1,840	1,863	1,834	1,785	1,783	1,775	1,904	1,854
14 Loans secured by real estate <sup>3</sup> ...	16,552	16,408	16,282	16,422	16,452	16,231	16,309	16,289	16,981
15 To financial institutions ...	22,889	21,666	22,431	22,134	22,295	21,271	21,912	22,229	22,198
16 Commercial banks in the United States ...	17,090	16,297	17,040	16,980	16,998	16,159	16,490	16,480	16,530
17 Banks in foreign countries ...	1,657	1,380	1,249	1,035	1,064	1,095	1,370	1,635	1,482
18 Nonbank financial institutions ...	4,142	3,989	4,142	4,119	4,233	3,917	4,052	4,114	4,186
19 To foreign governments and official institutions ...	629	636	628	647	630	633	530	485	483
20 For purchasing and carrying securities ...	1,775	2,292	1,996	2,216	1,626	1,810	1,909	2,111	1,629
21 All other ...	1,759	1,682	1,697	1,644	1,689	1,909	1,819	1,830	1,842
22 Other assets (claims on nonrelated parties) ...	35,828	35,258	35,999	35,242	35,721	35,996	36,857	36,552	36,633
23 Net due from related institutions ...	13,046	15,760	13,855	14,783	13,700	16,102	16,954	14,062	17,133
24 Total assets ...	198,597	201,492	199,979	199,633	197,768	200,482	200,426	202,062	201,023
25 Deposits or credit balances due to other than directly related institutions ...	49,768	50,133	50,212	49,661	50,483	50,305	49,710	50,613	50,896
26 Transaction accounts and credit balances <sup>4</sup> ...	3,223	3,300	3,513	3,567	3,915	3,896	3,393	3,557	3,860
27 Individuals, partnerships, and corporations ...	2,020	2,146	2,135	2,106	2,181	2,188	2,298	2,275	2,268
28 Other ...	1,203	1,154	1,378	1,461	1,734	1,708	1,095	1,282	1,592
29 Nontransaction accounts <sup>5</sup> ...	46,545	46,833	46,699	46,094	46,568	46,409	46,317	47,056	47,036
30 Individuals, partnerships, and corporations ...	38,595	38,365	38,331	38,118	38,566	38,677	38,741	38,944	39,102
31 Other ...	7,950	8,468	8,368	7,976	8,002	7,732	7,576	8,112	7,934
32 Borrowings from other than directly related institutions ...	84,538	89,018	87,127	87,119	82,006	88,226	86,978	85,739	87,719
33 Federal funds purchased <sup>6</sup> ...	35,462	40,597	36,761	37,984	32,216	40,525	39,415	38,918	39,913
34 From commercial banks in the United States ...	18,200	22,417	18,089	18,465	17,300	20,471	20,401	19,459	19,698
35 From others ...	17,262	18,180	18,672	19,519	14,916	20,054	19,014	19,459	20,215
36 Other liabilities for borrowed money ...	49,076	48,421	50,366	49,135	49,790	47,701	47,563	46,821	47,806
37 To commercial banks in the United States ...	33,570	32,012	33,915	32,610	33,196	31,059	30,678	30,307	31,252
38 To others ...	15,506	16,409	16,451	16,525	16,594	16,642	16,885	16,514	16,554
39 Other liabilities to nonrelated parties ...	37,139	36,391	37,033	36,315	37,206	37,095	36,484	36,925	36,393
40 Net due to related institutions ...	27,153	25,948	25,606	26,536	28,073	24,856	27,255	28,783	26,015
41 Total liabilities ...	198,597	201,492	199,979	199,633	197,768	200,482	200,426	202,062	201,023
MEMO									
42 Total loans (gross) and securities adjusted <sup>7</sup> ...	114,656	115,756	115,046	114,417	114,345	114,723	114,000	116,498	116,136
43 Total loans (gross) adjusted <sup>7</sup> ...	100,846	101,680	101,291	100,542	100,360	100,963	100,577	102,406	101,900

1. Effective Jan. 4, 1989, the reporting panel includes a new group of large U.S. branches and agencies of foreign banks. Earlier data included 65 U.S. branches and agencies of foreign banks that included those branches and agencies with assets of \$750 million or more on June 30, 1980, plus those branches and agencies that had reached the \$750 million asset level on Dec. 31, 1984. These data also appear in the Board's H.4.2 (S04) release. For address, see inside front cover.

2. Includes securities purchased under agreements to resell.

3. Effective Jan. 4, 1989, loans secured by real estate are being reported as a

separate component of Other loans, gross. Formerly, these loans were included in "All other", line 21.

4. Includes credit balances, demand deposits, and other checkable deposits.

5. Includes savings deposits, money market deposit accounts, and time deposits.

6. Includes securities sold under agreements to repurchase.

7. Exclusive of loans to and federal funds sold to commercial banks in the United States.

1.31 GROSS DEMAND DEPOSITS Individuals, Partnerships, and Corporations<sup>1</sup>

Billions of dollars, estimated daily-average balances, not seasonally adjusted

Type of holder	Commercial banks									
	1984 Dec.	1985 Dec.	1986 Dec.	1987 Dec.	1988			1989		
					June	Sept.	Dec.	Mar.	June	Sept.
<b>1 All holders—Individuals, partnerships, and corporations</b> .....	<b>302.7</b>	<b>321.0</b>	<b>363.6</b>	<b>343.5</b>	<b>346.5</b>	<b>337.8</b>	<b>354.7</b>	<b>330.4</b>	<b>329.3</b>	↑
2 Financial business .....	31.7	32.3	41.4	36.3	37.2	34.8	38.6	36.3	33.0	n.a.
3 Nonfinancial business .....	166.3	178.5	202.0	191.9	194.3	190.3	201.2	182.2	185.9	↓
4 Consumer .....	81.5	85.5	91.1	90.0	89.8	87.8	88.3	87.4	86.6	
5 Foreign .....	3.6	3.5	3.3	3.4	3.4	3.2	3.7	3.7	2.9	
6 Other .....	19.7	21.2	25.8	21.9	21.9	21.7	22.8	20.7	21.0	
	Weekly reporting banks									
	1984 Dec.	1985 Dec.	1986 Dec.	1987 Dec.	1988			1989		
					June	Sept.	Dec.	Mar.	June	Sept.
<b>7 All holders—Individuals, partnerships, and corporations</b> .....	<b>157.1</b>	<b>168.6</b>	<b>195.1</b>	<b>183.8</b>	<b>191.5</b>	<b>185.3</b>	<b>198.3</b>	<b>181.9</b>	<b>182.2</b>	<b>186.6</b>
8 Financial business .....	25.3	25.9	32.5	28.6	30.0	27.2	30.5	27.2	25.4	26.3
9 Nonfinancial business .....	87.1	94.5	106.4	100.0	103.1	101.5	108.7	98.6	99.8	101.6
10 Consumer .....	30.5	33.2	37.5	39.1	42.3	41.8	42.6	41.1	42.4	43.0
11 Foreign .....	3.4	3.1	3.3	3.3	3.4	3.1	3.6	3.3	2.9	2.8
12 Other .....	10.9	12.0	15.4	12.7	12.8	11.7	12.9	11.7	11.7	12.9

1. Figures include cash items in process of collection. Estimates of gross deposits are based on reports supplied by a sample of commercial banks. Types of depositors in each category are described in the June 1971 *Bulletin*, p. 466. Figures may not add to totals because of rounding.

2. Beginning in March 1984, these data reflect a change in the panel of weekly reporting banks, and are not comparable to earlier data. Estimates in billions of dollars for December 1983 based on the new weekly reporting panel are: financial business, 24.4; nonfinancial business, 80.9; consumer, 30.1; foreign, 3.1; other 9.5.

3. Beginning March 1985, financial business deposits and, by implication, total gross demand deposits have been redefined to exclude demand deposits due to thrift institutions. Historical data have not been revised. The estimated volume of such deposits for December 1984 is \$5.0 billion at all insured commercial banks and \$3.0 billion at weekly reporting banks.

4. Historical data back to March 1985 have been revised to account for corrections of bank reporting errors. Historical data before March 1985 have not been revised, and may contain reporting errors. Data for all commercial banks for March 1985 were revised as follows (in billions of dollars): all holders, -.3; financial business, -.8; nonfinancial business, -.4; consumer, .9; foreign, .1; other, -.1. Data for weekly reporting banks for March 1985 were revised as follows (in billions of dollars): all holders, -.1; financial business, -.7; nonfinancial business, -.5; consumer, 1.1; foreign, .1; other, -.2.

5. Beginning March 1988, these data reflect a change in the panel of weekly reporting banks, and are not comparable to earlier data. Estimates in billions of dollars for December 1987 based on the new weekly reporting panel are: financial business, 29.4; nonfinancial business, 105.1; consumer, 41.1; foreign, 3.4; other, 13.1.

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Instrument	1984 Dec.	1985 Dec.	1986 Dec.	1987 Dec.	1988 Dec.	1989					
						Apr.	May	June	July	Aug.	Sept.
Commercial paper (seasonally adjusted unless noted otherwise)											
1 All issuers .....	237,586	298,779	329,991	357,129	455,017	494,292	497,369	503,445	506,095	516,476	506,779
Financial companies <sup>1</sup>											
Dealer-placed paper <sup>2</sup>											
2 Total .....	56,485	78,443	101,072	101,958	159,947	170,549	167,795	167,681	179,354	180,822	178,358
3 Bank-related (not seasonally adjusted) <sup>3</sup> .....	2,035	1,602	2,265	1,428	1,248	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Directly placed paper <sup>3</sup>											
4 Total .....	110,543	135,320	151,820	173,939	192,442	207,231	206,497	211,020	205,847	208,915	206,521
5 Bank-related (not seasonally adjusted) <sup>3</sup> .....	42,105	44,778	40,860	43,173	43,155	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
6 Nonfinancial companies <sup>3</sup> .....	70,558	85,016	77,099	81,232	102,628	116,512	123,077	124,744	121,217	125,478	123,300
Bankers dollar acceptances (not seasonally adjusted) <sup>6</sup>											
7 Total .....	78,364	68,413	64,974	70,565	66,631	64,357	62,396	64,115	65,588	65,764	64,042
Holder											
8 Accepting banks .....	9,811	11,197	13,423	10,943	9,086	9,616	8,908	9,417	9,355	9,844	9,656
9 Own bills .....	8,621	9,471	11,707	9,464	8,022	8,107	8,115	8,371	8,279	8,783	8,922
10 Bills bought .....	1,191	1,726	1,716	1,479	1,064	1,509	794	1,046	1,076	1,061	735
Federal Reserve Banks											
11 Own account .....	0	0	0	0	0	0	0	0	0	0	0
12 Foreign correspondents .....	671	937	1,317	965	1,493	1,400	1,374	1,177	1,026	1,014	1,016
13 Others .....	67,881	56,279	50,234	58,658	56,052	53,340	52,113	53,521	55,207	54,906	53,370
Basis											
14 Imports into United States .....	17,845	15,147	14,670	16,483	14,984	15,234	14,900	15,093	15,338	16,140	16,265
15 Exports from United States .....	16,305	13,204	12,960	15,227	14,410	14,371	14,452	15,063	15,270	14,895	14,322
16 All other .....	44,214	40,062	37,344	38,855	37,237	34,752	33,044	33,959	34,980	34,729	33,455

1. Institutions engaged primarily in activities such as, but not limited to, commercial savings, and mortgage banking; sales, personal, and mortgage financing; factoring, finance leasing, and other business lending; insurance underwriting; and other investment activities.

2. Includes all financial company paper sold by dealers in the open market.

3. Beginning January 1989, bank-related series have been discontinued.

4. As reported by financial companies that place their paper directly with investors.

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

6. Beginning January 1988, the number of respondents in the bankers acceptance survey were reduced from 155 to 111 institutions—those with \$100 million or more in total acceptances. The new reporting group accounts for over 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
1986— Mar. 7 .....	9.00	1986 .....	8.33	1987— Jan. ....	7.50	1988— Mar. ....	8.50
Apr. 21 .....	8.50	1987 .....	8.21	Feb. ....	7.50	Apr. ....	8.50
July 11 .....	8.00	1988 .....	9.32	Mar. ....	7.50	May. ....	8.84
Aug. 26 .....	7.50	1986— Jan. ....	9.50	Apr. ....	7.75	June. ....	9.00
1987— Apr. 1 .....	7.75	Feb. ....	9.50	May. ....	8.14	July. ....	9.29
May 1 .....	8.00	Mar. ....	9.10	June. ....	8.25	Aug. ....	9.84
15 .....	8.25	Apr. ....	8.83	July. ....	8.25	Sept. ....	10.00
Sept. 4 .....	8.75	May. ....	8.50	Aug. ....	8.25	Oct. ....	10.00
Oct. 7 .....	9.25	June. ....	8.50	Sept. ....	8.70	Nov. ....	10.05
22 .....	9.00	July. ....	8.16	Oct. ....	9.07	Dec. ....	10.50
Nov. 5 .....	8.75	Aug. ....	7.90	Nov. ....	8.78		
1988— Feb. 2 .....	8.50	Sept. ....	7.50	Dec. ....	8.75	1989— Jan. ....	10.50
May 11 .....	9.00	Oct. ....	7.50	1988— Jan. ....	8.75	Feb. ....	10.93
July 14 .....	9.50	Nov. ....	7.50	Feb. ....	8.51	Mar. ....	11.50
Aug. 11 .....	10.00	Dec. ....	7.50			Apr. ....	11.50
Nov. 28 .....	10.50					May. ....	11.50
1989— Feb. 10 .....	11.00					June. ....	11.07
24 .....	11.50					July. ....	10.98
June 5 .....	11.00					Aug. ....	10.50
July 31 .....	10.50					Sept. ....	10.50
						Oct. ....	10.50
						Nov. ....	10.50

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



A24 Domestic Financial Statistics □ January 1990

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.

Instrument	1986	1987	1988	1989				1989, week ending				
				July	Aug.	Sept.	Oct.	Sept. 29	Oct. 6	Oct. 13	Oct. 20	Oct. 27
<b>MONEY MARKET RATES</b>												
1 Federal funds <sup>1,2</sup> .....	6.80	6.66	7.57	9.24	8.99	9.02	8.84	9.02	9.18	8.93	8.76	8.72
2 Discount window borrowing <sup>1,2,3</sup> .....	6.32	5.66	6.20	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Commercial paper <sup>4,5</sup>												
3 1-month .....	6.61	6.74	7.58	8.95	8.79	8.87	8.66	8.92	8.90	8.69	8.51	8.55
4 3-month .....	6.49	6.82	7.66	8.68	8.57	8.70	8.53	8.77	8.82	8.57	8.36	8.42
5 6-month .....	6.39	6.85	7.68	8.35	8.32	8.50	8.24	8.58	8.58	8.27	8.10	8.07
Finance paper, directly placed <sup>4,5</sup>												
6 1-month .....	6.57	6.61	7.44	8.80	8.67	8.76	8.54	8.79	8.79	8.56	8.38	8.45
7 3-month .....	6.38	6.54	7.38	8.32	8.20	8.35	8.29	8.33	8.61	8.30	8.16	8.14
8 6-month .....	6.31	6.37	7.14	7.80	7.49	7.56	7.50	7.56	7.63	7.50	7.44	7.47
Bankers acceptances <sup>3,6</sup>												
9 3-month .....	6.38	6.75	7.56	8.54	8.47	8.59	8.42	8.70	8.70	8.40	8.30	8.32
10 6-month .....	6.28	6.78	7.60	8.19	8.22	8.37	8.08	8.48	8.41	8.04	7.99	7.92
Certificates of deposit, secondary market <sup>7</sup>												
11 1-month .....	6.61	6.75	7.59	8.96	8.77	8.83	8.62	8.90	8.87	8.63	8.47	8.54
12 3-month .....	6.51	6.87	7.73	8.76	8.64	8.78	8.60	8.88	8.91	8.63	8.42	8.49
13 6-month .....	6.50	7.01	7.91	8.59	8.56	8.75	8.45	8.85	8.81	8.46	8.30	8.29
14 Eurodollar deposits, 3-month <sup>8</sup> .....	6.70	7.07	7.85	8.85	8.71	8.85	8.67	8.86	9.03	8.80	8.51	8.58
U.S. Treasury bills <sup>9</sup>												
Secondary market <sup>9</sup>												
15 3-month .....	5.97	5.78	6.67	7.88	7.90	7.75	7.64	7.84	7.76	7.66	7.50	7.60
16 6-month .....	6.02	6.03	6.91	7.61	7.74	7.74	7.62	7.85	7.83	7.63	7.53	7.50
17 1-year .....	6.07	6.33	7.13	7.36	7.61	7.65	7.45	7.78	7.76	7.46	7.33	7.28
Auction average <sup>10</sup>												
18 3-month .....	5.98	5.82	6.68	7.92	7.91	7.72	7.59	7.72	7.83	7.63	7.37	7.52
19 6-month .....	6.03	6.05	6.92	7.63	7.72	7.74	7.61	7.79	7.92	7.60	7.42	7.50
20 1-year .....	6.07	6.33	7.17	7.58	7.45	7.61	7.35	7.61	n.a.	n.a.	n.a.	7.35
<b>CAPITAL MARKET RATES</b>												
U.S. Treasury notes and bonds <sup>11</sup>												
Constant maturities <sup>12</sup>												
21 1-year .....	6.45	6.77	7.65	7.89	8.18	8.22	7.99	8.38	8.35	8.00	7.85	7.81
22 2-year .....	6.86	7.42	8.10	7.82	8.14	8.28	7.98	8.41	8.33	7.96	7.86	7.81
23 3-year .....	7.06	7.68	8.26	7.83	8.13	8.26	8.02	8.42	8.32	8.00	7.94	7.86
24 5-year .....	7.30	7.94	8.47	7.83	8.09	8.17	7.97	8.32	8.21	7.95	7.92	7.83
25 7-year .....	7.54	8.23	8.71	7.94	8.11	8.23	8.03	8.37	8.25	8.02	7.98	7.90
26 10-year .....	7.67	8.39	8.85	8.02	8.11	8.19	8.01	8.31	8.18	8.00	7.99	7.89
27 20-year .....	7.84	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
28 30-year .....	7.78	8.59	8.96	8.08	8.12	8.15	8.00	8.26	8.13	7.99	7.99	7.91
29 Composite <sup>13</sup>												
Over 10 years (long-term) .....	8.14	8.64	8.98	8.19	8.26	8.31	8.15	8.43	8.29	8.15	8.13	8.05
State and local notes and bonds												
Moody's series <sup>14</sup>												
30 Aaa .....	6.95	7.14	7.36	6.69	6.67	6.97	6.93	7.20	7.05	6.87	6.89	6.90
31 Baa .....	7.76	8.17	7.83	7.17	7.03	7.26	7.33	7.45	7.34	7.29	7.32	7.35
32 Bond Buyer series <sup>15</sup> .....	7.32	7.63	7.68	6.96	7.06	7.26	7.22	7.40	7.27	7.19	7.19	7.22
Corporate bonds												
Seasoned issues <sup>16</sup>												
33 All industries .....	9.71	9.91	10.18	9.34	9.36	9.41	9.34	9.45	9.44	9.35	9.30	9.29
34 Aaa .....	9.02	9.38	9.71	8.93	8.96	9.01	8.92	9.03	9.02	8.94	8.88	8.85
35 A .....	9.47	9.68	9.94	9.14	9.14	9.23	9.19	9.28	9.27	9.19	9.16	9.14
36 A .....	9.95	9.99	10.24	9.42	9.45	9.51	9.44	9.56	9.52	9.43	9.39	9.41
37 Baa .....	10.39	10.58	10.83	9.87	9.88	9.91	9.81	9.94	9.92	9.82	9.77	9.75
38 A-rated, recently offered utility bonds <sup>17</sup> .....	9.61	9.96	10.20	9.54	9.55	9.55	9.39	9.60	9.40	9.33	9.37	9.39
MEMO: Dividend/price ratio <sup>18</sup>												
39 Preferred stocks .....	8.76	8.37	9.23	8.81	8.75	8.82	8.85	8.82	8.84	8.91	8.86	8.79
40 Common stocks .....	3.48	3.08	3.64	3.38	3.28	3.29	3.29	3.30	3.21	3.21	3.36	3.36

1. Weekly, monthly and annual figures are averages of all calendar days, where the rate for a weekend or holiday is taken to be the rate prevailing on the preceding business day. The daily rate is the average of the rates on a given day weighted by the volume of transactions at these rates.  
 2. Weekly figures are averages for statement week ending Wednesday.  
 3. Rate for the Federal Reserve Bank of New York.  
 4. Unweighted average of offering rates quoted by at least five dealers (in the case of commercial paper), or finance companies (in the case of finance paper). Before November 1979, maturities for data shown are 30-59 days, 90-119 days, and 120-179 days for commercial paper; and 30-59 days, 90-119 days, and 150-179 days for finance paper.  
 5. Yields are quoted on a bank-discount basis, rather than in an investment yield basis (which would give a higher figure).  
 6. Dealer closing offered rates for top-rated banks. Most representative rate (which may be, but need not be, the average of the rates quoted by the dealers).  
 7. Unweighted average of offered rates quoted by at least five dealers early in the day.  
 8. Calendar week average. For indication purposes only.  
 9. Unweighted average of closing bid rates quoted by at least five dealers.  
 10. Rates are recorded in the week in which bills are issued. Beginning with the Treasury bill auction held on Apr. 18, 1983, bidders were required to state the percentage yield (on a bank discount basis) that they would accept to two decimal

places. Thus, average issuing rates in bill auctions will be reported using two rather than three decimal places.  
 11. Yields are based on closing bid prices quoted by at least five dealers.  
 12. Yields adjusted to constant maturities by the U.S. Treasury. That is, yields are read from a yield curve at fixed maturities. Based on only recently issued, actively traded securities.  
 13. Averages (to maturity or call) for 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 20 years to maturity, issued by 20 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 30-year maturity and 5 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	1986	1987	1988	1989								
				Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
Prices and trading (averages of daily figures)												
<i>Common stock prices</i>												
1 New York Stock Exchange (Dec. 31, 1965 = 50)	136.03	161.78	149.97	165.08	164.56	169.38	175.30	180.76	185.15	192.93	193.02	192.49
2 Industrial	155.85	195.31	180.83	200.00	197.58	204.81	211.81	216.75	221.74	231.32	230.86	229.40
3 Transportation	119.87	140.52	134.09	162.66	153.85	164.32	169.05	173.47	179.32	197.53	202.02	190.36
4 Utility	71.36	74.29	72.22	77.84	87.16	79.69	84.21	87.95	90.40	92.90	93.44	94.67
5 Finance	147.19	146.48	127.41	137.19	146.14	143.26	146.82	154.08	157.78	164.86	165.51	166.55
6 Standard & Poor's Corporation (1941-43 = 10)	236.39	287.00	265.88	294.01	292.71	302.25	313.93	323.73	331.92	346.61	347.33	347.40
7 American Stock Exchange (Aug. 31, 1973 = 50)	264.91	316.78	295.08	323.97	327.47	336.82	349.50	362.73	368.52	379.28	382.75	383.63
<i>Volume of trading (thousands of shares)</i>												
8 New York Stock Exchange	141,020	188,922	161,386	169,223	159,024	161,863	171,495	180,680	162,501	171,683	151,752	182,394
9 American Stock Exchange	11,846	13,832	9,955	11,780	11,395	11,529	11,699	13,519	11,702	14,538	12,631	n.a.
Customer financing (end-of-period balances, in millions of dollars)												
10 Margin credit at broker-dealers <sup>3</sup>	36,840	31,990	32,740	31,480	32,130	32,610	33,140	34,730	34,360	33,940	35,020	35,110
<i>Free credit balances at brokers<sup>4</sup></i>												
11 Margin-account <sup>5</sup>	4,880	4,750	5,660	5,605	5,345	5,450	5,250	6,900	5,420	5,580	5,680	6,000
12 Cash-account	19,000	15,640	16,595	16,195	16,045	16,125	15,965	19,080	16,345	16,015	15,310	16,340
Margin requirements (percent of market value and effective date) <sup>6</sup>												
	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. Beginning July 5, 1983, the American Stock Exchange rebased its index effectively cutting previous readings in half.

3. Beginning July 1983, under the revised Regulation T, margin credit at broker-dealers includes 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 in accounts with no unfulfilled commitments to the brokers and are subject to withdrawal by customers on demand.

5. New series beginning June 1984.

6. These regulations, adopted by the Board of Governors pursuant to the Securities Exchange Act of 1934, limit the amount of credit 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.

A26 Domestic Financial Statistics □ January 1990

1.37 SELECTED FINANCIAL INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1986	1987	1988		1989							
			Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
SAIF-insured institutions												
1 Assets	1,163,851	1,250,855	1,332,905	1,350,500	1,337,382	1,339,115	1,340,502 <sup>r</sup>	1,345,403 <sup>r</sup>	1,346,623 <sup>r</sup>	1,338,619 <sup>r</sup>	1,331,995 <sup>r</sup>	1,318,249
2 Mortgages	697,451	721,593	763,001	764,513	767,260	767,603	769,398 <sup>r</sup>	773,436 <sup>r</sup>	774,406 <sup>r</sup>	772,777 <sup>r</sup>	771,726 <sup>r</sup>	770,286
3 Mortgage-backed securities	158,193	201,828	212,512	214,587	211,308	213,090	215,203	216,176	216,301	211,263 <sup>r</sup>	204,268 <sup>r</sup>	195,255
4 Contra-assets to mortgage assets <sup>1</sup>	41,799	42,344	37,739	37,950	37,157	37,013	37,842 <sup>r</sup>	37,792 <sup>r</sup>	37,497 <sup>r</sup>	37,582 <sup>r</sup>	37,214 <sup>r</sup>	36,831
5 Commercial loans	23,683	23,163	25,513	33,889	32,974	32,955	32,866	32,809 <sup>r</sup>	33,006 <sup>r</sup>	33,096 <sup>r</sup>	33,184 <sup>r</sup>	32,944
6 Consumer loans	51,622	57,902	61,504	61,922	61,998	61,981	61,402	61,739	61,879	60,744 <sup>r</sup>	61,077 <sup>r</sup>	61,003
7 Contra-assets to non-mortgage loans <sup>2</sup>	3,041	3,467	2,959	3,056	2,840	2,923 <sup>r</sup>	3,074	2,894 <sup>r</sup>	2,912	3,145 <sup>r</sup>	3,164 <sup>r</sup>	3,130
8 Cash and investment securities	164,844	169,717	179,830	186,986	178,813	177,178	177,094	175,895 <sup>r</sup>	174,293 <sup>r</sup>	175,203 <sup>r</sup>	175,187 <sup>r</sup>	171,621
9 Other	112,898	122,462	131,243	129,610	125,026	126,243	125,455 <sup>r</sup>	126,034 <sup>r</sup>	127,147 <sup>r</sup>	126,262 <sup>r</sup>	126,930 <sup>r</sup>	127,101
10 Liabilities and net worth	1,163,851	1,250,855	1,332,905	1,350,500	1,337,382	1,339,115	1,340,502 <sup>r</sup>	1,345,403 <sup>r</sup>	1,346,623 <sup>r</sup>	1,338,619 <sup>r</sup>	1,331,995 <sup>r</sup>	1,318,249
11 Savings capital	890,664	932,616	971,497	971,700	963,820	957,358	956,663	954,495	955,566	960,070	963,140 <sup>r</sup>	960,341
12 Borrowed money	196,929	249,917	281,088	299,400	299,415	305,675	312,988	318,669 <sup>r</sup>	318,369 <sup>r</sup>	312,062 <sup>r</sup>	301,546 <sup>r</sup>	289,631
13 FHLBB	100,025	116,363	127,548	134,168	135,712	140,089	146,007	148,000 <sup>r</sup>	146,520 <sup>r</sup>	144,217 <sup>r</sup>	141,875 <sup>r</sup>	138,331
14 Other	96,904	133,554	153,540	165,232	163,703	165,586	166,981	170,669	171,849	167,845 <sup>r</sup>	159,671 <sup>r</sup>	151,300
15 Other	23,975	21,941	29,178	24,216	29,751	31,749	29,593 <sup>r</sup>	31,644 <sup>r</sup>	33,599 <sup>r</sup>	29,864 <sup>r</sup>	31,888 <sup>r</sup>	33,920
16 Net worth	52,282	46,382	51,143	55,185	58,882	58,962	57,113 <sup>r</sup>	56,122 <sup>r</sup>	54,633 <sup>r</sup>	52,799 <sup>r</sup>	50,963 <sup>r</sup>	50,004
SAIF-insured federal savings banks												
17 Assets	210,562	284,270	374,930	425,983	423,846	432,675	443,185	455,152	469,950	495,806	507,026	
18 Mortgages	113,638	161,926	210,732	227,869	234,391	238,415	244,092	249,936	257,184	276,666	285,261	
19 Mortgage-backed securities	29,766	45,826	57,815	64,957	62,773	65,896	68,047	69,967	73,967	73,946	74,343	
20 Contra-assets to mortgage assets <sup>1</sup>	n.a.	9,100	10,901	13,140	12,258	12,685	12,936	13,053	13,231	13,654	13,932	
21 Commercial loans	n.a.	6,504	9,041	16,731	16,172	16,320	16,317	16,498	16,935	18,014	18,264	
22 Consumer loans	13,180	17,696	22,679	24,222	25,033	25,977	26,097	26,767	27,956	28,128	28,968	
23 Contra-assets to non-mortgage loans <sup>2</sup>	n.a.	678	803	889	814	857	972	863	1,072	975	980	
24 Finance leases plus interest	n.a.	591	831	880	907	946	1,011	1,047	1,072	1,083	1,088	
25 Cash and investment	n.a.	35,347	48,028	61,029	57,434	57,986	60,319	61,279	62,002	65,681	65,949	
26 Other	19,034	24,069	29,942	35,428	33,954	34,664	35,006	37,367	38,034	39,808	40,281	
27 Liabilities and net worth	210,562	284,270	374,930	425,983	423,846	432,675	443,185	455,152	469,950	495,806	507,026	
28 Savings capital	157,872	203,196	263,984	298,197	298,515	301,770	307,581	315,726	324,369	342,146	352,530	
29 Borrowed money	37,329	60,716	83,628	99,286	98,304	102,902	107,180	109,998	114,848	121,890	121,151	
30 FHLBB	19,897	29,617	39,630	46,265	46,470	48,951	51,532	53,513	55,457	58,500	59,737	
31 Other	17,432	31,099	43,998	53,021	51,834	53,951	55,648	56,485	59,391	63,390	61,414	
32 Other	4,263	5,324	8,319	8,075	8,270	8,884	8,651	9,310	10,179	9,836	10,687	
33 Net worth	11,098	15,034	18,882	20,235	21,625	22,700	23,103	23,411	23,924	25,726	26,306	

↑  
n.a.  
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1.37—Continued

Account	1986	1987	1988		1989							
			Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Credit unions <sup>5</sup>												
34 Total assets/liabilities and capital.....	147,726	↑	174,406	174,593	175,027	176,270	178,175	177,417	178,812	180,664	179,029	180,035
35 Federal .....	95,483		113,717	114,566	114,909	115,543	117,555	115,416	116,705	117,632	117,475	117,463
36 State .....	52,243		61,135	60,027	60,118	60,727	60,620	62,001	62,107	63,032	61,554	62,572
37 Loans outstanding.....	86,137	n.a.	112,452	113,191	114,012	113,880	114,572	115,249	116,947	119,101	119,720	120,577
38 Federal .....	55,304		73,100	73,766	74,083	73,917	74,395	75,003	76,052	77,729	78,472	78,946
39 State .....	30,833		39,352	39,425	39,927	39,963	40,177	40,246	40,895	41,372	41,248	41,631
40 Savings .....	134,327	↓	159,021	159,010	159,106	161,073	164,322	161,388	162,134	164,415	162,405	162,754
41 Federal .....	87,954		103,223	104,431	104,629	105,262	107,368	105,208	105,787	106,984	106,266	106,038
42 State .....	46,373		55,798	54,579	54,477	55,811	56,954	56,180	56,347	57,431	56,139	56,716
Life insurance companies												
43 Assets .....	937,551	1,044,459	1,144,854	1,157,140	1,176,042 <sup>7</sup>	1,186,208 <sup>7</sup>	1,199,125 <sup>7</sup>	1,209,242 <sup>7</sup>	1,221,332	1,232,195	↑	↑
Securities											n.a.	n.a.
44 Government .....	84,640	84,426	89,510	88,167	84,042 <sup>7</sup>	84,190 <sup>7</sup>	84,485 <sup>7</sup>	82,873 <sup>7</sup>	83,847	84,564		
45 United States <sup>6</sup> .....	59,033	57,078	61,108	60,685	58,473 <sup>7</sup>	58,509 <sup>7</sup>	58,417 <sup>7</sup>	57,127 <sup>7</sup>	57,790	57,817		
46 State and local .....	11,659	10,681	11,189	11,126	8,918 <sup>7</sup>	8,817 <sup>7</sup>	8,860 <sup>7</sup>	8,911 <sup>7</sup>	8,953	9,036		
47 Foreign <sup>7</sup> .....	13,948	16,667	17,213	16,356	16,651 <sup>7</sup>	16,864 <sup>7</sup>	17,208 <sup>7</sup>	16,835 <sup>7</sup>	17,104	17,711		
48 Business .....	n.a. <sup>7</sup>	n.a. <sup>7</sup>	n.a. <sup>7</sup>	n.a. <sup>7</sup>	667,026 <sup>7</sup>	678,541 <sup>7</sup>	687,777 <sup>7</sup>	697,703 <sup>7</sup>	706,960	714,398		
49 Bonds .....	401,943	472,684	532,197	538,053	560,385 <sup>7</sup>	571,365 <sup>7</sup>	579,232 <sup>7</sup>	587,889 <sup>7</sup>	595,500	601,786		
50 Stocks .....	n.a. <sup>7</sup>	n.a. <sup>7</sup>	n.a. <sup>7</sup>	n.a. <sup>7</sup>	106,641 <sup>7</sup>	107,176 <sup>7</sup>	108,545 <sup>7</sup>	109,814 <sup>7</sup>	111,460	112,612		
51 Mortgages .....	193,842	203,545	229,234	232,639	232,941 <sup>7</sup>	233,556 <sup>7</sup>	234,632 <sup>7</sup>	235,312 <sup>7</sup>	236,651	237,444		
52 Real estate .....	31,615	34,172	36,673	37,972	37,453 <sup>7</sup>	37,603 <sup>7</sup>	37,842 <sup>7</sup>	37,976 <sup>7</sup>	38,598	38,190		
53 Policy loans .....	54,055	53,626	53,148	53,020	54,517 <sup>7</sup>	54,738 <sup>7</sup>	54,921 <sup>7</sup>	55,201 <sup>7</sup>	55,525	55,746		
54 Other assets .....	80,592	89,586	94,116	95,518	98,063 <sup>7</sup>	97,580 <sup>7</sup>	99,468 <sup>7</sup>	100,173 <sup>7</sup>	99,751	101,853		

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. Holding of stock in Federal Home Loan Bank and Finance leases plus interest are included in "Other" (line 9).

4. Excludes checking, club, and school accounts.

5. Data include all federally insured credit unions, both federal and state chartered, serving natural persons.

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

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

NOTE. *FSLIC-insured institutions*: Estimates by the FHLBB for all institutions insured by the FSLIC and based on the FHLBB thrift Financial Report.

*FSLIC-insured federal savings banks*: Estimates by the FHLBB for federal savings banks insured by the FSLIC and based on the FHLBB thrift Financial Report.

*Savings banks*: Estimates by the National Council of Savings Institutions for all savings banks in the United States and for FDIC-insured savings banks that have converted to federal savings banks.

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

As of June 1989 Savings bank data are no longer available.

A28 Domestic Financial Statistics □ January 1990

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year 1987	Fiscal year 1988 <sup>r</sup>	Fiscal year 1989	Calendar year					
				1989					
				May	June	July	Aug.	Sept.	Oct.
<i>U.S. budget<sup>1</sup></i>									
1 Receipts, total	854,143	908,166	990,789	71,025 <sup>r</sup>	108,249 <sup>r</sup>	66,191 <sup>r</sup>	76,161 <sup>r</sup>	99,233	68,426
2 On-budget	640,741	666,675	727,123	49,403 <sup>r</sup>	84,043 <sup>r</sup>	45,673 <sup>r</sup>	57,156 <sup>r</sup>	75,711	50,122
3 Off-budget	213,402	241,491	263,666	21,622	24,206	20,518	19,004	23,522	18,304
4 Outlays, total	1,003,804 <sup>r</sup>	1,063,318	1,142,777 <sup>r</sup>	96,491 <sup>r</sup>	100,460 <sup>r</sup>	84,430 <sup>r</sup>	98,310 <sup>r</sup>	105,299 <sup>r</sup>	94,515
5 On-budget	809,972 <sup>r</sup>	860,626	931,556 <sup>r</sup>	77,761 <sup>r</sup>	83,927 <sup>r</sup>	66,624 <sup>r</sup>	79,218 <sup>r</sup>	86,548 <sup>r</sup>	75,096
6 Off-budget	193,832	202,691	211,221	18,730	16,534	17,806	19,092	18,750	19,419
7 Surplus, or deficit (-), total	-149,661 <sup>r</sup>	-155,151	-151,988 <sup>r</sup>	-25,466	7,789	-18,239	-22,150	-6,066 <sup>r</sup>	-26,089
8 On-budget	-169,231 <sup>r</sup>	-193,951	-204,433 <sup>r</sup>	-28,358	116	-20,951	-22,062	-10,837 <sup>r</sup>	-24,974
9 Off-budget	19,570	38,800	52,445	2,891	7,673	2,712	-88	4,771	-1,115
Source of financing (total)									
10 Borrowing from the public	151,717 <sup>r</sup>	166,139	140,156 <sup>r</sup>	10,214	1,098	-3,962	35,854	6,618 <sup>r</sup>	36,690
11 Operating cash (decrease, or increase (-))	-5,052	-7,963	3,425	21,396	-11,649	21,564	-3,235	-15,589	-2,513
12 Other	2,996 <sup>r</sup>	-3,025	8,407 <sup>r</sup>	-6,144	2,762	636	-10,469	14,977 <sup>r</sup>	-8,088
MEMO									
13 Treasury operating balance (level, end of period)	36,436	44,398	40,973	32,065	43,713	22,149	25,384	40,973	43,486
14 Federal Reserve Banks	9,120	13,024	13,452	5,289	12,154	5,312	6,652	13,452	13,124
15 Tax and loan accounts	27,316	31,375	27,521	26,776	31,560	16,837	18,732	27,521	30,362

1. In accordance with the Balanced Budget and Emergency Deficit Control Act of 1985, all former off-budget entries are now presented on-budget. The Federal Financing Bank (FFB) activities are now shown as separate accounts under the agencies that use the FFB to finance their programs. The act has also moved two social security trust funds (Federal old-age survivors insurance and Federal disability insurance trust funds) off-budget.

2. Includes SDRs; reserve position on the U.S. quota in the IMF; loans to

international monetary fund; other cash and monetary assets; accrued interest payable to the public; allocations of special drawing rights; deposit funds; miscellaneous liability (including checks outstanding) and asset accounts; seigniorage; increment on gold; net gain/loss for U.S. currency valuation adjustment; net gain/loss for IMF valuation adjustment; and profit on the sale of gold.  
SOURCE: Monthly Treasury Statement of Receipts and Outlays of the U.S. Government and the Budget of the U.S. Government.

1.39 U.S. BUDGET RECEIPTS AND OUTLAYS<sup>1</sup>

Millions of dollars

Source or type	Fiscal year 1988	Fiscal year 1989	Calendar year						
			1987	1988		1989	1989		
			H2	H1	H2	H1	Aug.	Sept.	Oct.
<b>RECEIPTS</b>									
<b>1 All sources</b>	<b>908,166<sup>r</sup></b>	<b>990,789</b>	<b>421,525<sup>r</sup></b>	<b>475,724<sup>r</sup></b>	<b>449,394<sup>r</sup></b>	<b>527,574<sup>r</sup></b>	<b>76,161<sup>r</sup></b>	<b>99,233</b>	<b>68,426</b>
2 Individual income taxes, net	401,181	445,690	192,575	207,659	200,300 <sup>r</sup>	233,572 <sup>r</sup>	36,932	45,026	35,493
3 Withheld	341,435	361,386	170,203	169,300	179,600	174,230	34,200	28,120	32,751
4 Presidential Election Campaign Fund	33	32	4	28	4	28	1	1	0
5 Nonwithheld	132,199	154,839	31,223	101,614	29,880	121,563	4,076	18,943	3,684
6 Refunds	72,487	70,567	8,853	63,283	9,186 <sup>r</sup>	62,251 <sup>r</sup>	1,345	2,038	943
Corporation income taxes									
7 Gross receipts	109,683	117,015	52,821	58,002	56,409	61,585	2,872	20,085	3,279
8 Refunds	15,487	13,723	7,119	8,706	7,250 <sup>r</sup>	7,259 <sup>r</sup>	909	655	2,549
9 Social insurance taxes and contributions, net	334,335	359,416	143,755	181,058	157,603	200,127	28,470	29,259	24,308
10 Employment taxes and contributions <sup>2</sup>	305,093	332,859	130,388	164,412	144,983	184,569	24,127	29,632	23,100
11 Self-employment taxes and contributions <sup>3</sup>	17,691	18,405	1,889	14,839	3,032	16,371	-733	2,540	0
12 Unemployment insurance	24,584	22,011	10,977	14,363	10,359	13,279	3,983	-796	859
13 Other net receipts <sup>4</sup>	4,659	4,547	2,390	2,284	2,262	2,277	360	424	350
14 Excise taxes	35,540	34,386	17,680	16,440	19,299 <sup>r</sup>	16,814 <sup>r</sup>	2,965	2,428	2,970
15 Customs deposits	16,198	15,411 <sup>r</sup>	7,806 <sup>r</sup>	7,522 <sup>r</sup>	8,107 <sup>r</sup>	7,918 <sup>r</sup>	1,677 <sup>r</sup>	1,352	1,493
16 Estate and gift taxes	7,594	8,745	3,610	3,863	4,054	4,583	753	631	835
17 Miscellaneous receipts <sup>5</sup>	19,909	22,927 <sup>r</sup>	10,399	9,950	10,873	10,235	3,399	1,107	2,598
<b>OUTLAYS</b>									
<b>18 All types</b>	<b>1,063,318<sup>r</sup></b>	<b>1,142,777<sup>r</sup></b>	<b>532,839</b>	<b>513,210</b>	<b>552,998<sup>r</sup></b>	<b>565,524<sup>r</sup></b>	<b>98,310<sup>r</sup></b>	<b>105,299<sup>r</sup></b>	<b>94,515</b>
19 National defense	290,361	303,551	146,995	143,080	150,496	148,098	26,018	28,641	19,930
20 International affairs	10,471	9,596	4,487	7,150	2,636	6,605	848	868	2,117
21 General science, space, and technology	10,841	12,891	5,469	5,361	5,852	6,238	1,202	1,190	1,342
22 Energy	2,297	3,745	1,468	555	1,966	2,221	287	-182	363
23 Natural resources and environment	14,625 <sup>r</sup>	16,084	7,590	6,776	9,144 <sup>r</sup>	7,022	1,264	1,423	1,975
24 Agriculture	17,210	16,948	14,640	7,872	6,911 <sup>r</sup>	9,619	-274	-61	904
25 Commerce and housing credit	18,828 <sup>r</sup>	27,718 <sup>r</sup>	3,852	5,951	19,836 <sup>r</sup>	4,129	2,070	10,003	5,496
26 Transportation	27,272	27,623	14,096	12,700	14,922	13,035 <sup>r</sup>	2,623	2,348	2,618
27 Community and regional development	5,294	5,755	2,075	2,765	2,690	1,833	649	964	790
28 Education, training, employment, and social services	31,938	35,697	15,592	15,451	16,152	18,083 <sup>r</sup>	3,493	2,937	3,251
29 Health	44,490	48,391	20,750	22,643	23,360	24,078	4,520	3,613	4,511
30 Social security and medicare	298,219 <sup>r</sup>	317,506 <sup>r</sup>	158,469	135,322	149,017 <sup>r</sup>	162,195	27,625	26,909	27,143
31 Income security	129,332	136,765	61,201	65,555	64,978	70,937	11,176	12,126	9,711
32 Veterans benefits and services	29,406 <sup>r</sup>	30,066	14,956	13,241	15,797	14,891	2,246	3,628	1,503
33 Administration of justice	8,436 <sup>r</sup>	9,396	4,105 <sup>r</sup>	4,379 <sup>r</sup>	4,351 <sup>r</sup>	4,801 <sup>r</sup>	763 <sup>r</sup>	836	842
34 General government	9,518 <sup>r</sup>	8,940	3,560	4,337	5,137	3,858	785	997	842
35 General-purpose fiscal assistance	1,816	n.a.	1,175	448	0	0	n.a.	n.a.	n.a.
36 Net interest <sup>6</sup>	151,748	169,314	71,933	76,098	78,317	86,009	16,011	13,684	14,124
37 Undistributed offsetting receipts <sup>7</sup>	-36,967	-37,212	-17,684	-17,766	-18,771	-18,131	-2,998	-4,625	-2,945

1. Functional details do not add 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 and 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*.

A30 Domestic Financial Statistics □ January 1990

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars

Item	1987		1988				1989		
	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30
1 Federal debt outstanding .....	2,354.3	2,435.2	2,493.2	2,555.1	2,614.6	2,707.3	2,763.6	2,824.0	2,881.1
2 Public debt securities .....	2,350.3	2,431.7	2,487.6	2,547.7	2,602.2	2,684.4	2,740.9	2,799.9	2,857.4
3 Held by public .....	1,893.1	1,954.1	1,996.7	2,013.4	2,051.7	2,095.2	2,133.4	2,142.1	n.a.
4 Held by agencies .....	457.2	477.6	490.8	534.2	550.4	589.2	607.5	657.8	n.a.
5 Agency securities .....	4.0	3.5	5.6	7.4	12.4	22.9	22.7	24.0	n.a.
6 Held by public .....	3.0	2.7	5.1	7.0	12.2	22.6	22.3	23.6	n.a.
7 Held by agencies .....	1.0	.8	.6	.5	.2	.3	.4	.5	n.a.
8 Debt subject to statutory limit .....	2,336.0	2,417.4	2,472.6	2,532.2	2,586.9	2,669.1	2,725.6	2,784.6	2,829.8
9 Public debt securities .....	2,334.7	2,416.3	2,472.1	2,532.1	2,586.7	2,668.9	2,725.5	2,784.3	2,829.5
10 Other debt <sup>1</sup> .....	1.3	1.1	.5	.1	.1	.2	.2	.2	.3
11 MEMO: Statutory debt limit .....	2,800.0	2,800.0	2,800.0	2,800.0	2,800.0	2,800.0	2,800.0	2,800.0	2,870.0

1. Includes 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 Ownership

Billions of dollars, end of period

Type and holder	1985	1986	1987	1988	1988	1989		
					Q4	Q1	Q2	Q3
1 Total gross public debt .....	1,945.9	2,214.8	2,431.7	2,684.4	2,684.4	2,740.9	2,799.9	2,857.4
By type								
2 Interest-bearing debt .....	1,943.4	2,212.0	2,428.9	2,663.1	2,663.1	2,738.3	2,797.4	2,836.3
3 Marketable .....	1,437.7	1,619.0	1,724.7	1,821.3	1,821.3	1,871.7	1,877.3	1,892.8
4 Bills .....	399.9	426.7	389.5	414.0	414.0	417.0	397.1	406.6
5 Notes .....	812.5	927.5	1,037.9	1,083.6	1,083.6	1,121.4	1,137.2	1,133.2
6 Bonds .....	211.1	249.8	282.5	308.9	308.9	318.4	328.0	338.0
7 Nonmarketable <sup>1</sup> .....	505.7	593.1	704.2	841.8	841.8	866.6	920.1	943.5
8 State and local government series .....	87.5	110.5	139.3	151.5	151.5	154.4	156.0	158.6
9 Foreign issues <sup>2</sup> .....	7.5	4.7	4.0	6.6	6.6	6.7	6.2	6.8
10 Government .....	7.5	4.7	4.0	6.6	6.6	6.7	6.2	6.8
11 Public .....	.0	.0	.0	.0	.0	.0	.0	.0
12 Savings bonds and notes .....	78.1	90.6	99.2	107.6	107.6	110.4	112.3	114.0
13 Government account series <sup>3</sup> .....	332.2	386.9	461.3	575.6	575.6	594.7	645.2	663.7
14 Non-interest-bearing debt .....	2.5	2.8	2.8	21.3	21.3	2.6	2.5	21.1
By holder <sup>4</sup>								
15 U.S. government agencies and trust funds .....	348.9	403.1	477.6	589.2	589.2	607.5	657.8	
16 Federal Reserve Banks .....	181.3	211.3	222.6	238.4	238.4	228.6	231.8	
17 Private investors .....	1,417.2	1,602.0	1,745.2	1,852.8	1,852.8	1,900.2	1,905.4	
18 Commercial banks .....	198.2	203.5	201.5	192.2	192.2	203.3	n.a.	
19 Money market funds .....	25.1	28.0	14.6	18.8	18.8	13.0	11.6	
20 Insurance companies .....	78.5	105.6	104.9	111.2	111.2	112.5	n.a.	
21 Other companies .....	59.0	68.8	84.6	86.5	86.5	n.a.	n.a.	
22 State and local Treasurys .....	226.7	262.8	284.6	313.6	313.6	326.3	n.a.	
Individuals								
23 Savings bonds .....	79.8	92.3	101.1	109.6	109.6	112.2	114.0	
24 Other securities .....	75.0	70.5	72.3	77.8	77.8	n.a.	n.a.	
25 Foreign and international <sup>5</sup> .....	212.5	251.6	287.3	349.5	349.5	363.1	355.8	
26 Other miscellaneous investors <sup>6</sup> .....	462.4	518.9	594.3	600.6	600.6	n.a.	n.a.	

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

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

3. Held almost entirely by U.S. Treasury agencies and trust funds.

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

5. Consists of investments of foreign and international accounts. Excludes non-interest-bearing notes issued to the International Monetary Fund.

6. 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. Treasury Bulletin.

1.42 U.S. GOVERNMENT SECURITIES DEALERS Transactions<sup>1</sup>

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

Item	1986	1987	1988	1989			1989						
				Aug.	Sept.	Oct.	Sept. 20	Sept. 27	Oct. 4	Oct. 11	Oct. 18	Oct. 25	
Immediate delivery <sup>2</sup>													
1 U.S. Treasury securities	95,444	110,050	101,623	119,802	100,270	130,805	112,499	104,516	95,164	135,070	170,957	126,066	
<i>By maturity</i>													
2 Bills	34,247	37,924	29,387	30,893	27,668 <sup>r</sup>	35,891	34,218	26,911	27,850	31,378	42,838	35,763	
3 Other within 1 year	2,115	3,271	3,426	2,659	2,620	3,313	2,528	3,165 <sup>r</sup>	3,661	2,391	3,299	3,476	
4 1-5 years	24,667	27,918	27,777	36,330	31,526	39,957	31,558	36,966	30,273	40,082	57,404	39,069	
5 5-10 years	20,455	24,014	24,939	31,471	24,719	34,361	28,831	23,080	21,442	42,989	46,326	30,359	
6 Over 10 years	13,961	16,923	16,093	18,450	13,737	17,283	15,364	14,395	11,938	18,230	21,090	17,400	
<i>By type of customer</i>													
7 U.S. government securities dealers	3,669	2,936	2,761	3,824	2,794	4,296	2,641	2,697 <sup>r</sup>	3,901	4,236	4,424	4,583	
8 U.S. government securities brokers	49,558	61,539	59,844	71,862	60,193	77,566	67,680	61,873	54,372	78,213	104,153	75,291	
9 All others <sup>3</sup>	42,217	45,575	39,019	44,116	37,283	48,943	42,178	39,946	36,891	52,622	62,380	46,192	
10 Federal agency securities	16,747	18,084	15,903	19,048	19,193	20,978	23,126	18,141	18,305	21,566	23,514	21,123	
11 Certificates of deposit	4,355	4,112	3,369	2,463	2,677	2,422	2,529	3,137	2,419	2,920	2,726	2,016	
12 Bankers acceptances	3,272	2,965	2,316	1,910	2,086	2,169	1,933	2,140	2,290	2,029	2,311	2,063	
13 Commercial paper	16,660	17,135	22,927	31,006	29,145	34,166	28,147	32,529	32,884	34,869	37,418	32,331	
Futures contracts <sup>4</sup>													
14 Treasury bills	3,311	3,233	2,627	1,696	2,645	2,797	3,000	2,326	2,561	1,521	4,201	3,363	
15 Treasury coupons	7,175	8,963	9,695	10,537	8,796	10,326	10,365	9,328	7,927	11,521	12,482	10,419	
16 Federal agency securities	16	5	1	8	38	20	43	31	30	4	42	6	
Forward transactions <sup>5</sup>													
17 U.S. Treasury securities	1,876	2,029	2,095	2,926	2,116	2,168	2,473	2,854	1,232	2,262	3,321	2,593	
18 Federal agency securities	7,830	9,290	8,008	12,067	8,614	10,561	10,117	7,294	7,420	12,805	12,894	9,105	

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. The figures exclude allotments of, and exchanges for, new U.S. Treasury securities, redemptions of called or matured securities, purchases or sales of securities under repurchase agreement, reverse repurchase (resale), or similar contracts.

2. Data for immediate transactions do not include forward transactions.

3. Includes, among others, all other dealers and brokers in commodities and

securities, nondealer departments of commercial banks, foreign banking agencies, and the Federal Reserve System.

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

5. Forward transactions are agreements arranged in the over-the-counter market in which securities are purchased (sold) for delivery after 5 business days from the date of the transaction for Treasury securities (Treasury bills, notes, and bonds) or after 30 days for mortgage-backed agency issues.



A32 Domestic Financial Statistics □ January 1990

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing<sup>1</sup>

Averages of daily figures, in millions of dollars

Item	1986	1987	1988	1989			1989				
				Aug.	Sept.	Oct.	Sept. 27	Oct. 4	Oct. 11	Oct. 18	Oct. 25
<b>Positions</b>											
Net immediate <sup>2</sup>											
1 U.S. Treasury securities .....	12,912	-6,216	-22,765	3,771 <sup>r</sup>	12,193 <sup>r</sup>	10,680	8,809 <sup>r</sup>	6,369	4,862	11,605	13,243
2 Bills .....	12,761	4,317	2,238	10,317	20,418 <sup>r</sup>	19,166	20,207 <sup>r</sup>	16,983	18,202	18,633	20,766
3 Other within 1 year .....	3,705	1,557	-2,236	-834	197	-1,650	357	-1,755	-2,067	-1,430	-1,323
4 1-5 years .....	9,146	649	-3,020	8,027	5,302 <sup>r</sup>	9,677	4,589 <sup>r</sup>	7,287	6,850	9,594	10,248
5 5-10 years .....	-9,505	-6,564	-9,663	-8,764 <sup>r</sup>	-8,630	-10,499	-10,439	-11,067	-13,425	-8,997	-9,649
6 Over 10 years .....	-3,197	-6,174	-10,084	-4,976	-5,093	-6,014	-5,904	-5,079	-4,698	-6,194	-6,799
7 Federal agency securities .....	32,984	31,911	28,230	35,268	36,097 <sup>r</sup>	36,256	34,440 <sup>r</sup>	32,650	37,444	38,105	34,904
8 Certificates of deposit .....	10,485	8,188	7,300	6,729	7,065	7,124	6,777	6,990	6,863	7,103	6,926
9 Bankers acceptances .....	5,526	3,660	2,486	1,875	2,154	2,105	2,105	1,818	1,866	2,234	2,086
10 Commercial paper .....	8,089	7,496	6,152	7,490	8,258	9,055	7,822 <sup>r</sup>	7,485	8,279	9,821	9,732
Futures positions											
11 Treasury bills .....	-18,059	-3,373	-2,210	-5,376	-6,106	-7,462	-6,872	-6,831	-7,076	-5,032	-8,215
12 Treasury coupons .....	3,473	5,988	6,224	-2,664	-4,797	-9,293	-4,501 <sup>r</sup>	-5,116	-7,952	-9,870	-10,265
13 Federal agency securities .....	-153	-95	0	7	-26	68	-29	-55	7	92	103
Forward positions											
14 U.S. Treasury securities .....	-2,144	-1,211	346	-1,463	-607 <sup>r</sup>	1,385	188 <sup>r</sup>	512	1,093	1,988	1,258
15 Federal agency securities .....	-11,840	-18,817	-16,348	-20,640	-17,478	-15,368	-15,446	-14,924	-16,717	-15,312	-13,817
<b>Financing<sup>3</sup></b>											
Reverse repurchase agreements <sup>4</sup>											
16 Overnight and continuing .....	98,913	126,709	136,327	162,006	157,149 <sup>r</sup>	134,243	148,221	161,202	160,663	168,242	165,045
17 Term .....	108,607	148,288	177,477	222,799	212,378 <sup>r</sup>	189,932	213,871	215,752	229,964	232,477	243,807
Repurchase agreements <sup>5</sup>											
18 Overnight and continuing .....	141,823	170,763	172,695	226,043	228,923 <sup>r</sup>	196,854	215,280	231,938	234,582	248,470	243,940
19 Term .....	102,397	121,270	137,056	189,187	172,069 <sup>r</sup>	155,577	178,567	172,804	181,784	193,551	205,520

1. Data for dealer positions and sources of financing are obtained from reports submitted to the Federal Reserve Bank of New York by the U.S. Treasury securities dealers on its published list of primary dealers.

2. Data for positions are averages of daily figures, in terms of par value, based on the number of trading days in the period. Positions are net amounts and are shown on a commitment basis. Data for financing are in terms of actual amounts borrowed or lent and are based on Wednesday figures.

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

reverses to maturity, which are securities that were sold after having been obtained under reverse repurchase agreements that mature on the same day as the securities. Data for immediate positions do not include forward positions.

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

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

6. Includes both repurchase agreements undertaken to finance positions and "matched book" repurchase agreements.

NOTE: Data on positions for the period May 1 to Sept. 30, 1986, are partially estimated.

## 1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1984	1985	1986	1987	1989				
					May	June	July	Aug.	Sept.
<b>1 Federal and federally sponsored agencies</b> .....	<b>271,564</b>	<b>293,905</b>	<b>307,361</b>	<b>341,386</b>	<b>407,324</b>	<b>406,837</b>	<b>411,874</b>	<b>411,979</b>	<b>408,591</b>
2 Federal agencies .....	35,145	36,390	36,958	37,981	36,275	36,404	36,453	36,453	36,584
3 Defense Department <sup>1</sup> .....	142	71	33	13	7	7	7	7	7
4 Export-Import Bank <sup>2,3</sup> .....	15,882	15,678	14,211	11,978	11,007	11,014	11,014	11,014	10,990
5 Federal Housing Administration <sup>4</sup> .....	133	115	138	183	196	218	245	255	295
6 Government National Mortgage Association participation certificates <sup>5</sup> .....	2,165	2,165	2,165	1,615	0	0	0	0	0
7 Postal Service <sup>6</sup> .....	1,337	1,940	3,104	6,103	6,445	6,445	6,445	6,445	6,445
8 Tennessee Valley Authority .....	15,435	16,347	17,222	18,089	18,620	18,720	18,742	18,732	18,847
9 United States Railway Association <sup>6</sup> .....	51	74	85	0	0	0	0	0	0
10 Federally sponsored agencies <sup>7</sup> .....	237,012	257,515	270,553	303,405	371,049	370,433	375,421	375,526	372,007
11 Federal Home Loan Banks .....	65,085	74,447	88,752	115,725	156,354	153,892	151,487	149,269	143,578
12 Federal Home Loan Mortgage Corporation .....	10,270	11,926	13,589	17,645	21,620	25,243	25,690	27,165	26,738
13 Federal National Mortgage Association .....	83,720	93,896	93,563	97,057	105,404	106,308	109,926	110,155	111,507
14 Farm Credit Banks <sup>8</sup> .....	72,192	68,851	62,478	55,275	53,375	52,387	53,158	53,511	54,041
15 Student Loan Marketing Association <sup>9</sup> .....	5,745	8,395	12,171	16,503	26,469	24,256	26,813	27,079	27,126
16 Financing Corporation <sup>10</sup> .....	0	0	0	1,200	6,980	7,500	7,500	7,500	8,170
17 Farm Credit Financial Assistance Corporation <sup>11</sup> .....	0	0	0	0	847	847	847	847	847
<b>MEMO</b>									
<b>18 Federal Financing Bank debt<sup>12</sup></b> .....	<b>145,217</b>	<b>153,373</b>	<b>157,510</b>	<b>152,417</b>	<b>140,220</b>	<b>139,568</b>	<b>138,814</b>	<b>137,690</b>	<b>136,092</b>
<i>Lending to federal and federally sponsored agencies</i>									
19 Export-Import Bank <sup>3</sup> .....	15,852	15,670	14,205	11,972	11,001	11,008	11,008	11,008	10,984
20 Postal Service <sup>6</sup> .....	1,087	1,690	2,854	5,853	6,195	6,195	6,195	6,195	6,195
21 Student Loan Marketing Association .....	5,000	5,000	4,970	4,940	4,910	4,910	4,910	4,910	4,910
22 Tennessee Valley Authority .....	13,710	14,622	15,797	16,709	17,240	17,340	17,362	17,352	17,467
23 United States Railway Association <sup>6</sup> .....	51	74	85	0	0	0	0	0	0
<i>Other Lending<sup>13</sup></i>									
24 Farmers Home Administration .....	58,971	64,234	65,374	59,674	56,311	55,586	54,911	54,611	53,311
25 Rural Electrification Administration .....	20,693	20,654	21,680	21,191	19,236	19,236	19,257	19,270	19,275
26 Other .....	29,853	31,429	32,545	32,078	25,327	25,293	25,171	24,344	23,950

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. Off-budget Aug. 17, 1974, through Sept. 30, 1976; on-budget thereafter.

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 1981, the Association obtained financing through the Federal Financing Bank (FFB). Borrowing excludes that obtained from the FFB, which is shown on line 21.

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 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.

13. 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.

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1.45 NEW SECURITY ISSUES Tax-Exempt State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1986	1987	1988	1989							
				Mar.	Apr.	May	June	July	Aug.	Sept. <sup>r</sup>	Oct.
<b>1 All issues, new and refunding<sup>1</sup></b>	<b>147,011</b>	<b>102,407</b>	<b>114,522</b>	<b>8,626</b>	<b>7,464</b>	<b>7,435</b>	<b>13,775</b>	<b>8,735</b>	<b>9,824</b>	<b>10,818</b>	<b>8,229</b>
<i>Type of issue</i>											
2 General obligation	46,346	30,589	30,312	2,185	2,301	2,342	4,960	3,789	2,199	3,500	3,032
3 Revenue	100,664	71,818	84,210	6,441	5,163	5,093	8,815	4,946	7,625	7,318	5,197
<i>Type of issuer</i>											
4 State	14,474	10,102	8,830	256	1,407	392	1,989	970	694	764	1,388
5 Special district and statutory authority <sup>2</sup>	89,997	65,460	74,409	5,962	4,238	4,979	8,033	4,868	7,027	7,567	4,254
6 Municipalities, counties, and townships	42,541	26,845	31,193	2,408	1,819	2,064	3,753	2,897	2,103	2,487	2,587
<b>7 Issues for new capital, total</b>	<b>83,492</b>	<b>56,789</b>	<b>79,665</b>	<b>6,486</b>	<b>6,061</b>	<b>5,938</b>	<b>10,078</b>	<b>6,816</b>	<b>6,612</b>	<b>7,470</b>	<b>6,518</b>
<i>Use of proceeds</i>											
8 Education	12,307	9,524	15,021	1,055	1,225	1,024	2,678	998	1,302	1,639	1,124
9 Transportation	7,246	3,677	6,825	445	743	748	576	500	556	976	257
10 Utilities and conservation	14,594	7,912	8,496	901	759	467	1,058	551	813	622	437
11 Social welfare	11,353	11,106	19,027	1,329	1,048	1,376	1,509	1,632	1,553	1,242	1,562
12 Industrial aid	6,190	7,474	5,624	253	374	361	329	440	447	381	232
13 Other purposes	31,802	18,020	24,672	2,503	1,912	1,962	3,928	2,695	1,941	2,610	2,807

1. Par amounts of long-term issues based on date of sale.  
2. Includes school districts beginning 1986.

SOURCES. 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 or issuer, or use	1986	1987	1988	1989							
				Feb.	Mar.	Apr.	May	June	July	Aug. <sup>r</sup>	Sept.
<b>1 All issues<sup>1</sup></b>	<b>424,737</b>	<b>392,156</b>	<b>408,843</b>	<b>14,846</b>	<b>26,191</b>	<b>14,405</b>	<b>21,471<sup>r</sup></b>	<b>24,450<sup>r</sup></b>	<b>17,658<sup>r</sup></b>	<b>14,822</b>	<b>15,073</b>
<b>2 Bonds<sup>2</sup></b>	<b>356,304</b>	<b>325,648</b>	<b>351,042</b>	<b>12,308</b>	<b>25,577</b>	<b>13,396</b>	<b>19,662<sup>r</sup></b>	<b>21,622<sup>r</sup></b>	<b>12,604<sup>r</sup></b>	<b>12,787</b>	<b>12,800</b>
<i>Type of offering</i>											
3 Public, domestic	232,742	209,279	200,164	10,114	22,995	11,471	17,756 <sup>r</sup>	18,714 <sup>r</sup>	11,184 <sup>r</sup>	11,971	10,800
4 Private placement, domestic <sup>1</sup>	80,760	92,070	127,700	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5 Sold abroad	42,801	24,299	23,178	2,194	2,582	1,925	1,906	2,908	1,420	816	2,000
<i>Industry group</i>											
6 Manufacturing	90,788	61,666	69,573	1,319	7,456	1,457	7,716	3,273	2,701 <sup>r</sup>	2,627	2,102
7 Commercial and miscellaneous	41,909	49,327	61,986	1,118	882	843	2,162	1,628	1,331 <sup>r</sup>	1,090	1,393
8 Transportation	10,423	11,974	9,976	102	0	100	150	480	0	423	0
9 Public utility	30,973	23,004	19,318	670	153	1,695	385	2,936	1,173	670	1,074
10 Communication	16,441	7,340	5,902	230	63	453	122	4	300	358	308
11 Real estate and financial	165,770	172,343	184,287	8,869	17,023	8,848	9,128 <sup>r</sup>	13,302 <sup>r</sup>	7,099 <sup>r</sup>	7,619	7,923
<b>12 Stocks<sup>2</sup></b>	<b>68,433</b>	<b>66,508</b>	<b>57,802</b>	<b>2,538<sup>r</sup></b>	<b>614<sup>r</sup></b>	<b>1,009<sup>r</sup></b>	<b>1,809<sup>r</sup></b>	<b>2,828<sup>r</sup></b>	<b>5,054<sup>r</sup></b>	<b>2,035</b>	<b>2,273</b>
<i>Type</i>											
13 Preferred	11,514	10,123	6,544	975	0	495	306 <sup>r</sup>	335 <sup>r</sup>	920	1,013	519
14 Common	50,316	43,225	35,911	1,563 <sup>r</sup>	614 <sup>r</sup>	514 <sup>r</sup>	1,503 <sup>r</sup>	2,493 <sup>r</sup>	4,134 <sup>r</sup>	1,023	1,754
15 Private placement <sup>1</sup>	6,603	13,157	15,346	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>Industry group</i>											
16 Manufacturing	15,027	13,880	7,608	833	130 <sup>r</sup>	155 <sup>r</sup>	299 <sup>r</sup>	630 <sup>r</sup>	593 <sup>r</sup>	393	193
17 Commercial and miscellaneous	10,617	12,888	8,449	273 <sup>r</sup>	26	282 <sup>r</sup>	115	512 <sup>r</sup>	438	343	155
18 Transportation	2,427	2,439	1,535	0	53	169	39	0	0	0	0
19 Public utility	4,020	4,322	1,898	11	108	0	192	125	25	137	709
20 Communication	1,825	1,458	515	19	0	93	280 <sup>r</sup>	25	29	20	0
21 Real estate and financial	34,517	31,521	37,798	1,402	297	310	884 <sup>r</sup>	1,536	3,969 <sup>r</sup>	1,020	1,195

1. Figures which represent gross proceeds of issues maturing in more than one year, are principal amount or number of units multiplied by offering price. Excludes 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 include only public offerings.

3. Data are not available on a monthly basis. Before 1987, annual totals include underwritten issues only.

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 Asset Position

Millions of dollars

Item	1987	1988	1989							
			Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
<b>INVESTMENT COMPANIES<sup>1</sup></b>										
1 Sales of own shares <sup>2</sup> .....	381,260	271,237	22,741	23,149	25,496	24,661	25,817	25,330	26,800'	22,820
2 Redemptions of own shares <sup>3</sup> .....	314,252	267,451	22,252	24,135	26,183	22,483	22,562	20,053	22,262	21,499
3 Net sales .....	67,008	3,786	489	-986	-687	2,178	3,255	5,277	4,538'	1,321
4 Assets <sup>4</sup> .....	453,842	472,297	482,697	483,067	497,329	509,781	515,814	535,910	539,553	538,722
5 Cash position <sup>5</sup> .....	38,006	45,090	47,908	46,262	48,788	49,177	48,428	47,888	47,209	46,072
6 Other .....	415,836	427,207	434,789	436,805	448,541	460,604	467,386	488,022	492,344	492,650

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 investment income dividends. Excludes reinvestment of capital gains distributions and share issue of conversions from one fund to another in the same group.

3. Excludes share redemption resulting from conversions from one fund to another in the same group.

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

5. Also includes all U.S. government securities and other short-term debt securities.

NOTE: Investment Company Institute data based on reports of members, which comprise substantially all open-end investment companies registered with the Securities and Exchange Commission. Data reflect newly formed companies after their initial offering of securities.

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

1.48 CORPORATE PROFITS AND THEIR DISTRIBUTION

Billions of dollars; quarterly data are at seasonally adjusted annual rates.

Account	1986	1987	1988	1987	1988				1989		
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1 Corporate profits with inventory valuation and capital consumption adjustment .....	282.1	298.7	328.6	308.2	318.1	325.3	330.9	340.2	316.3	307.8	292.3
2 Profits before tax .....	221.6	266.7	306.8	276.2	288.8	305.3	314.4	318.8	318.0	296.0	272.0
3 Profits tax liability .....	106.3	124.7	137.9	127.3	129.0	138.4	141.2	143.2	144.4	134.9	122.4
4 Profits after tax .....	115.3	142.0	168.9	148.9	159.9	166.9	173.2	175.6	173.6	161.1	149.5
5 Dividends .....	91.3	98.7	110.4	102.8	105.7	108.6	112.2	115.2	118.5	120.9	123.3
6 Undistributed profits .....	24.0	43.3	58.5	46.1	54.2	58.3	61.1	60.4	55.1	40.2	26.3
7 Inventory valuation .....	6.7	-18.9	-25.0	-20.4	-20.7	-28.8	-30.4	-20.1	-38.3	-21.0	n.a.
8 Capital consumption adjustment .....	53.8	50.9	46.8	52.4	49.9	48.9	46.9	41.5	36.6	32.3	26.3

▲Trade and services are no longer being reported separately. They are included in Commercial and other, line 10.

1.50 TOTAL NONFARM BUSINESS EXPENDITURES on New Plant and Equipment ▲

Billions of dollars; quarterly data are at seasonally adjusted annual rates.

Industry	1987	1988	1989 <sup>1</sup>	1988				1989			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3 <sup>1</sup>	Q4 <sup>1</sup>
1 Total nonfarm business .....	389.67	430.76	473.65	413.34	427.54	435.61	442.11	459.47	470.86	481.24	483.04
<i>Manufacturing</i>											
2 Durable goods industries .....	71.01	78.30	82.23	75.28	77.38	79.15	80.56	81.26	82.97	82.51	82.17
3 Non-durable goods industries .....	74.88	88.01	99.67	82.69	85.24	89.62	92.76	93.96	98.57	102.90	103.27
<i>Nonmanufacturing</i>											
4 Mining .....	11.39	12.66	12.22	12.61	13.15	12.53	12.38	12.15	12.70	12.34	11.70
<i>Transportation</i>											
5 Railroad .....	5.92	7.06	24.75	6.96	6.99	6.84	7.45	8.02	7.37	7.24	8.75
6 Air .....	6.53	7.28	7.85	6.33	6.91	8.09	7.69	7.04	9.49	11.30	10.31
7 Other .....	6.40	7.00	9.53	7.06	7.05	7.08	6.89	8.07	7.40	7.22	6.79
<i>Public utilities</i>											
8 Electric .....	31.63	32.03	34.65	30.80	31.31	32.07	33.69	33.69	35.34	34.96	34.61
9 Gas and other .....	13.25	14.64	16.11	14.25	14.49	14.61	15.04	17.12	16.67	15.58	15.08
10 Commercial and other <sup>2</sup> .....	168.65	183.76	204.02	177.37	185.21	185.61	185.65	198.15	200.36	207.18	210.36

1. 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 (Department of Commerce).

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1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities<sup>1</sup>

Billions of dollars, end of period

Account	1985	1986	1987	1988				1989		
				Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>ASSETS</b>										
Accounts receivable, gross <sup>2</sup>										
1 Consumer	111.9	134.7	141.1	141.5	144.4	146.3	146.2	140.2	144.9	147.2
2 Business	157.5	173.4	207.4	219.7	224.0	223.3	236.5	243.1	250.5	248.8
3 Real estate	28.0	32.6	39.5	41.4	42.5	43.1	43.5	45.4	47.4	48.9
4 Total	297.4	340.6	388.1	402.6	410.9	412.7	426.2	428.7	442.8	444.9
<i>Less:</i>										
5 Reserves for unearned income	39.2	41.5	45.3	46.8	46.3	48.4	50.0	50.9	52.1	53.7
6 Reserves for losses	4.9	5.8	6.8	6.8	6.8	7.1	7.3	7.4	7.5	7.8
7 Accounts receivable, net	253.3	293.3	336.0	348.9	357.8	357.3	368.9	370.4	383.2	383.5
8 All other	45.3	58.6	58.3	60.1	70.5	68.7	72.4	75.1	81.5	83.1
9 Total assets	298.6	351.9	394.2	409.1	428.3	426.0	441.3	445.5	464.6	466.6
<b>LIABILITIES</b>										
10 Bank loans	18.0	18.6	16.4	14.9	13.3	11.9	15.4	11.6	12.2	12.3
11 Commercial paper	99.2	117.8	128.4	125.2	131.6	129.4	142.0	147.9	149.2	147.4
Debt										
12 Other short-term	12.7	17.5	28.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13 Long-term	94.4	117.5	137.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
14 Due to parent	n.a.	n.a.	n.a.	49.0	51.4	51.5	50.6	56.8	59.7	60.4
15 Not elsewhere classified	n.a.	n.a.	n.a.	132.4	139.8	139.3	137.9	134.5	141.3	146.1
16 All other liabilities	41.5	44.1	52.8	56.1	58.7	58.9	59.8	58.1	63.5	60.4
17 Capital, surplus, and undivided profits	32.8	36.4	31.5	31.5	33.5	34.9	35.6	36.6	38.7	40.0
18 Total liabilities and capital	298.6	351.9	394.2	409.1	428.3	426.0	441.3	445.5	464.6	466.6

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

2. Excludes pools of securitized assets.

1.52 DOMESTIC FINANCE COMPANIES Business Credit Outstanding and Net Change<sup>1</sup>

Millions of dollars, seasonally adjusted

Type	1986	1987	1988	1989						
				Apr.	May	June	July	Aug.	Sept.	
1 Total	172,060	205,810	234,529	244,882	245,861	249,322	251,126	253,822	258,851	
Retail financing of installment sales										
2 Automotive	26,015	35,782	36,548	38,415	38,816	39,042	39,183	39,355	39,258	
3 Equipment	23,112	25,170	28,298	28,790	27,638	27,773	28,128	29,039	29,639	
4 Pools of securitized assets <sup>2</sup>	n.a.	n.a.	n.a.	817	846	807	769	793	755	
Wholesale										
5 Automotive	23,010	30,507	33,300	34,383	34,534	34,021	33,233	33,566	37,243	
6 Equipment	5,348	5,600	5,983	6,153	6,096	6,165	6,244	6,497	6,602	
7 All other	7,033	8,342	9,341	9,852	9,929	9,862	10,001	9,990	9,957	
8 Pools of securitized assets <sup>2</sup>	n.a.	n.a.	n.a.	0	0	0	0	0	0	
Leasing										
9 Automotive	19,827	21,952	24,673	25,544	26,011	26,515	26,701	26,739	26,865	
10 Equipment	38,179	43,335	57,455	60,246	61,022	63,370	64,086	64,186	65,170	
11 Pools of securitized assets <sup>2</sup>	n.a.	n.a.	n.a.	733	824	796	887	990	948	
12 Loans on commercial accounts receivable and factored commercial accounts receivable	15,978	18,078	17,796	18,677	18,772	19,302	19,989	20,098	19,611	
13 All other business credit	13,557	17,043	21,134	21,272	21,371	21,669	21,904	22,571	22,804	
<b>Net change (during period)</b>										
14 Total	15,763	33,750	22,662	4,696	978	3,462	1,803	2,697	5,029	
Retail financing of installment sales										
15 Automotive	5,355	9,767	766	720	401	226	141	172	-97	
16 Equipment	629	2,058	1,384	583	-1,152	135	354	911	600	
17 Pools of securitized assets <sup>2</sup>	n.a.	n.a.	n.a.	-38	29	-39	-38	24	-38	
Wholesale										
18 Automotive	-978	7,497	2,793	856	151	-513	-788	332	3,677	
19 Equipment	780	252	226	65	-56	79	79	253	104	
20 All other	224	1,309	999	170	78	-68	139	-11	-32	
21 Pools of securitized assets <sup>2</sup>	n.a.	n.a.	n.a.	0	0	0	0	0	0	
Leasing										
22 Automotive	3,552	2,125	2,721	-40	467	504	187	38	126	
23 Equipment	3,411	5,156	9,962	762	776	2,348	716	99	984	
24 Pools of securitized assets <sup>2</sup>	n.a.	n.a.	n.a.	-23	91	-28	91	103	-42	
25 Loans on commercial accounts receivable and factored commercial accounts receivable	213	2,100	-282	883	95	530	687	109	-487	
26 All other business credit	2,576	3,486	4,091	760	100	298	235	667	234	

1. These data also appear in the Board's G.20 (422) release. For address, see inside front cover.

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

## 1.53 MORTGAGE MARKETS

Millions of dollars; exceptions noted.

Item	1986	1987	1988	1989						
				Apr.	May	June	July	Aug.	Sept.	Oct.
Terms and yields in primary and secondary markets										
PRIMARY MARKETS										
Conventional mortgages on new homes										
<i>Terms<sup>1</sup></i>										
1 Purchase price (thousands of dollars).....	118.1	137.0	150.0	169.2	151.8	150.5	174.5	160.8	160.6	n.a.
2 Amount of loan (thousands of dollars).....	86.2	100.5	110.5	124.5	112.3	111.0	125.3	119.4	118.6	n.a.
3 Loan/price ratio (percent).....	75.2	75.2	75.5	75.0	75.3	75.2	73.8	75.6	75.3	n.a.
4 Maturity (years).....	26.6	27.8	28.0	28.4	28.3	27.8	28.6	28.3	28.5	n.a.
5 Fees and charges (percent of loan amount) <sup>2</sup> .....	2.48	2.26	2.19	1.70	2.12	1.91	2.42	2.31	2.13	n.a.
6 Contract rate (percent per year).....	9.82	8.94	8.81	9.88	9.82	10.09	10.06	9.83	9.86	n.a.
<i>Yield (percent per year)</i>										
7 FHLBB series <sup>3</sup> .....	10.26	9.31	9.18	10.17	10.18	10.42	10.48	10.22	10.23	n.a.
8 HUD series <sup>4</sup> .....	10.07	10.17	10.30	10.84	10.43	10.04	9.70	10.05	10.04	9.79
SECONDARY MARKETS										
<i>Yield (percent per year)</i>										
9 FHA mortgages (HUD series) <sup>5</sup> .....	9.91	10.16	10.49	10.88	10.55	10.08	9.61	9.95	9.94	9.73
10 GNMA securities <sup>6</sup> .....	9.30	9.43	9.83	10.36	10.11	9.75	9.55	9.48	9.47	9.21
Activity in secondary markets										
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
<i>Mortgage holdings (end of period)</i>										
11 Total.....	98,048	95,030	101,329	102,191	102,564	103,309	104,421	105,896	107,052	108,180
12 FHA/VA-insured.....	29,683	21,660	19,762	19,607	19,612	19,586	19,630	19,589	19,608	19,843
13 Conventional.....	68,365	73,370	81,567	82,584	82,952	83,723	84,791	86,307	87,444	88,337
<i>Mortgage transactions (during period)</i>										
14 Purchases.....	30,826	20,531	23,110	1,163	1,419	1,862	2,091	2,724	2,223	2,267
<i>Mortgage commitments<sup>7</sup></i>										
15 Contracted (during period).....	32,987	25,415	23,435	1,118	1,626	2,573	2,513	2,842	2,328	2,963
16 Outstanding (end of period).....	3,386	4,886	2,148	4,661	4,673	5,236	5,648	5,755	5,865	6,548
FEDERAL HOME LOAN MORTGAGE CORPORATION										
<i>Mortgage holdings (end of period)<sup>8</sup></i>										
17 Total.....	13,517	12,802	15,105	18,918	19,443	20,121	20,533	21,024	n.a.	n.a.
18 FHA/VA.....	746	686	620	599	586	585	585	589	n.a.	n.a.
19 Conventional.....	12,771	12,116	14,485	18,320	18,857	19,535	19,948	20,435	n.a.	n.a.
<i>Mortgage transactions (during period)</i>										
20 Purchases.....	103,474	76,845	44,077	5,861	5,141	7,392	5,720	7,283	n.a.	n.a.
21 Sales.....	100,236	75,082	39,780	5,554	4,474	6,551	5,180	6,650 <sup>9</sup>	n.a.	n.a.
<i>Mortgage commitments<sup>9</sup></i>										
22 Contracted (during period).....	110,855	71,467	66,026	4,196	5,186	7,948	6,608	5,705	n.a.	n.a.

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

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

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

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

5. Average gross yields on 30-year, minimum-downpayment, Federal Housing Administration-insured first mortgages for immediate delivery in the private secondary market. 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 Government National Mortgage Association guaranteed, mortgage-backed, fully modified pass-through securities, assuming prepayment in 12 years on pools of 30-year FHA/VA mortgages carrying the prevailing ceiling rate. Monthly figures are averages of Friday figures from the *Wall Street Journal*.

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

8. Includes participation as well as whole loans.

9. Includes conventional and government-underwritten loans. FHLMC's mortgage commitments and mortgage transactions include activity under mortgage/securities swap programs, while the corresponding data for FNMA exclude swap activity.

A38 Domestic Financial Statistics □ January 1990

1.54 MORTGAGE DEBT OUTSTANDING<sup>1</sup>

Millions of dollars, end of period

Type of holder, and type of property	1986	1987	1988	1988			1989	
				Q2	Q3	Q4	Q1	Q2 <sup>P</sup>
1 All holders.....	2,618,324	2,977,293	3,268,285	3,120,536	3,189,132	3,268,285	3,328,824	3,391,259
2 1- to 4-family.....	1,719,673	1,959,607	2,189,475	2,070,829	2,134,225	2,189,475	2,230,006	2,281,317
3 Multifamily.....	247,831	273,954	290,355	280,239	284,675	290,355	296,139	297,860
4 Commercial.....	555,039	654,863	701,652	681,660	683,207	701,652	716,695	725,341
5 Farm.....	95,781	88,869	86,803	87,808	87,025	86,803	85,984	86,741
6 Selected financial institutions.....	1,507,944	1,704,560	1,874,967	1,791,714	1,833,800	1,874,967	1,905,052	1,932,154
7 Commercial banks <sup>2</sup> .....	502,534	591,369	669,160	629,617	650,799	669,160	688,662	715,049
8 1- to 4-family.....	235,814	276,270	314,283	296,265	307,041	314,283	324,681	338,872
9 Multifamily.....	31,173	33,330	34,131	34,225	33,960	34,131	34,172	34,954
10 Commercial.....	222,799	267,340	305,242	283,942	294,398	305,242	313,941	324,878
11 Farm.....	12,748	14,429	15,504	15,185	15,400	15,504	15,868	16,345
12 Savings institutions <sup>3</sup> .....	777,967	860,467	929,647	898,742	914,280	929,647	936,091	933,694
13 1- to 4-family.....	559,067	602,408	678,263	638,638	665,294	678,263	682,658	684,828
14 Multifamily.....	97,059	106,359	111,302	107,482	109,287	111,302	111,502	110,009
15 Commercial.....	121,236	150,943	139,416	151,870	139,029	139,416	140,255	138,201
16 Farm.....	605							
17 Life insurance companies.....	193,842	212,375	232,639	220,870	225,627	232,639	234,910	236,160
18 1- to 4-family.....	87,227	13,226	15,284	14,172	14,917	15,284	12,690	12,745
19 Multifamily.....	20,952	22,524	23,562	23,021	23,139	23,562	24,636	25,103
20 Commercial.....	149,111	166,722	184,124	174,086	178,166	184,124	188,073	188,756
21 Farm.....	10,952	9,903	9,669	9,591	9,405	9,669	9,511	9,556
22 Finance companies <sup>4</sup> .....	33,601	40,349	43,521	42,485	43,094	43,521	45,389	47,251
23 Federal and related agencies.....	203,800	192,721	200,570	199,474	198,027	200,570	199,847	201,909
24 Government National Mortgage Association.....	889	444	26	42	64	26	26	24
25 1- to 4-family.....	47	25	26	24	51	26	26	24
26 Multifamily.....	842	419		18	13			
27 Farmers Home Administration <sup>5</sup> .....	48,421	43,051	42,018	42,767	41,836	42,018	41,780	40,711
28 1- to 4-family.....	21,625	18,169	18,347	18,248	18,268	18,347	18,347	18,391
29 Multifamily.....	7,608	8,044	8,513	8,213	8,349	8,513	8,615	8,778
30 Commercial.....	8,446	6,603	5,343	6,288	5,300	5,343	5,101	3,885
31 Farm.....	10,742	10,235	9,815	10,018	9,919	9,815	9,717	9,657
32 Federal Housing and Veterans Administration.....	5,047	5,574	5,973	5,673	5,666	5,973	6,075	6,424
33 1- to 4-family.....	2,386	2,557	2,672	2,564	2,432	2,672	2,550	2,827
34 Multifamily.....	2,661	3,017	3,301	3,109	3,234	3,301	3,525	3,597
35 Federal National Mortgage Association.....	97,895	96,649	103,013	102,368	102,453	103,013	101,991	103,309
36 1- to 4-family.....	90,718	89,666	95,833	95,404	95,417	95,833	94,727	95,714
37 Multifamily.....	7,177	6,983	7,180	6,964	7,036	7,180	7,264	7,595
38 Federal Land Banks.....	39,984	34,131	32,115	33,048	32,566	32,115	31,261	31,467
39 1- to 4-family.....	2,353	2,008	1,890	1,945	1,917	1,890	1,839	1,851
40 Farm.....	37,631	32,123	30,225	31,103	30,649	30,225	29,422	29,616
41 Federal Home Loan Mortgage Corporation.....	11,564	12,872	17,425	15,576	15,442	17,425	18,714	19,974
42 1- to 4-family.....	10,010	11,430	15,077	13,631	13,322	15,077	16,192	17,305
43 Multifamily.....	1,554	1,442	2,348	1,945	2,120	2,348	2,522	2,669
44 Mortgage pools or trusts <sup>6</sup> .....	565,428	718,297	810,887	754,045	782,802	810,887	839,684	861,827
45 Government National Mortgage Association.....	262,697	317,555	340,527	322,616	333,177	340,527	348,622	353,154
46 1- to 4-family.....	256,920	309,806	331,257	314,728	324,573	331,257	337,563	341,951
47 Multifamily.....	5,777	7,749	9,270	7,888	8,604	9,270	11,059	11,203
48 Federal Home Loan Mortgage Corporation.....	171,372	212,634	226,406	216,155	220,684	226,406	234,695	242,789
49 1- to 4-family.....	166,667	205,977	219,988	209,702	214,195	219,988	228,389	236,404
50 Multifamily.....	4,705	6,657	6,418	6,453	6,489	6,418	6,306	6,385
51 Federal National Mortgage Association.....	97,174	139,960	178,250	157,438	167,170	178,250	188,071	196,501
52 1- to 4-family.....	95,791	137,988	172,331	153,253	162,228	172,331	181,352	188,774
53 Multifamily.....	1,383	1,972	5,919	4,185	4,942	5,919	6,719	7,727
54 Farmers Home Administration <sup>5</sup> .....	348	245	104	106	106	104	96	85
55 1- to 4-family.....	142	121	26	23	27	26	24	23
56 Multifamily.....								
57 Commercial.....	132	63	38	41	38	38	34	26
58 Farm.....	74	61	40	42	41	40	38	36
59 Individuals and others <sup>7</sup> .....	341,152	361,715	381,861	375,303	374,503	381,861	384,241	395,369
60 1- to 4-family.....	197,868	201,704	215,077	212,017	209,784	215,077	215,379	225,059
61 Multifamily.....	66,940	75,458	78,411	76,736	77,502	78,411	78,814	79,840
62 Commercial.....	53,315	63,192	67,489	65,433	66,276	67,489	69,291	69,595
63 Farm.....	23,029	21,361	20,884	21,117	20,941	20,884	20,757	20,875

1. Based on data from various institutional and governmental sources, with 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 bank trust departments.

3. Includes savings banks and savings and loan associations. Beginning 1987:1, data reported by FSLIC-insured institutions 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 1- to 4-family loans.

5. FmHA-guaranteed securities 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 Farmers Home Administration.

6. Outstanding principal balances of mortgage pools backing 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. agencies.

1.55 CONSUMER INSTALLMENT CREDIT<sup>1</sup> Total Outstanding, and Net Change, seasonally adjusted

Millions of dollars

Holder, and type of credit	1987	1988	1989								
			Jan.	Feb.	Mar.	Apr.	May	June	July	Aug. <sup>r</sup>	Sept.
Amounts outstanding (end of period)											
<b>1 Total</b>	<b>607,721</b>	<b>659,507</b>	<b>682,020</b>	<b>687,397</b>	<b>691,162</b>	<b>693,911</b>	<b>698,132</b>	<b>700,849</b>	<b>700,344</b>	<b>703,001</b>	<b>703,607</b>
<i>By major holder</i>											
2 Commercial banks	282,910	318,925	316,797	318,423	318,242	320,458	323,363	324,438	323,621	326,135	327,399
3 Finance companies <sup>2</sup>	140,281	145,180	141,795	143,419	143,070	144,378	145,523	146,055	145,488	144,386	144,188
4 Credit unions	80,087	86,118	87,093	87,813	88,514	89,330	89,890	90,073	89,852	90,016	90,039
5 Retailers <sup>3</sup>	40,975	43,498	40,986	41,052	41,300	41,301	41,323	41,649	41,798	41,989	42,221
6 Savings institutions	59,851	62,099	62,867	63,109	62,735	61,919	61,311	59,920	60,092	59,229	58,900
7 Gasoline companies	3,618	3,687	3,655	3,677	3,682	3,787	3,897	4,017	3,936	3,976	3,886
8 Pools of securitized assets <sup>4</sup>	n.a.	n.a.	28,827	29,903	33,619	32,737	32,826	34,696	35,557	37,270	36,974
<i>By major type of credit</i>											
9 Automobile	265,976	281,174	286,382	288,767	288,850	289,654	290,741	290,192	288,526	288,533	287,691
10 Commercial banks	109,201	123,259	122,160	122,983	123,062	123,878	125,118	125,592	124,881	126,597	126,921
11 Credit unions	40,351	41,326	41,707	41,964	42,211	42,510	42,687	42,684	42,624	42,747	42,803
12 Finance companies	98,195	97,204	87,968	88,789	89,567	90,268	90,976	91,184	90,213	89,439	88,317
13 Savings institutions	18,228	19,385	19,506	19,464	19,231	18,866	18,566	18,032	17,972	17,603	17,995
14 Pools of securitized assets <sup>4</sup>	n.a.	n.a.	15,042	15,568	14,779	14,132	13,395	12,700	12,835	12,147	11,955
15 Revolving	153,884	174,792	176,716	178,570	182,831	184,500	186,502	189,622	191,028	194,398	195,153
16 Commercial banks	99,119	117,572	111,133	111,706	112,553	114,130	115,407	115,561	115,967	117,012	117,894
17 Retailers	36,389	38,692	36,176	36,257	36,489	36,497	36,504	36,814	36,963	37,134	37,355
18 Gasoline companies	3,618	3,687	3,655	3,677	3,682	3,787	3,897	4,017	3,936	3,976	3,886
19 Savings institutions	10,367	10,151	10,479	10,722	10,860	10,918	11,008	10,951	11,176	11,206	11,000
20 Credit unions	4,391	4,691	4,785	4,866	4,947	5,035	5,109	5,187	n.a.	n.a.	n.a.
21 Pools of securitized assets <sup>4</sup>	n.a.	n.a.	10,489	11,342	14,299	14,134	14,578	17,117	17,795	19,827	19,731
22 Mobile home	26,387	25,744	26,036	25,992	24,168	23,993	23,952	23,685	23,630	22,938	22,846
23 Commercial banks	9,220	8,974	8,974	8,974	8,844	8,836	8,878	8,847	8,830	8,808	8,793
24 Finance companies	7,762	7,186	7,376	7,308	5,687	5,659	5,684	5,674	5,624	5,100	5,087
25 Savings institutions	9,406	9,583	9,687	9,710	9,637	9,498	9,390	9,163	9,176	9,030	8,966
26 Other	161,475	177,798	192,886	194,068	195,314	195,763	196,936	197,349	197,161	197,132	197,916
27 Commercial banks	65,370	69,120	74,532	74,760	73,783	73,614	73,966	74,438	73,944	73,718	73,791
28 Finance companies	34,324	40,790	46,451	47,322	47,816	48,451	48,863	49,197	49,650	49,847	50,784
29 Credit unions	35,344	40,102	40,601	40,983	41,357	41,785	42,094	42,228	42,036	42,025	41,949
30 Retailers	4,586	4,807	4,809	4,795	4,811	4,804	4,819	4,834	4,835	4,855	4,866
31 Savings institutions	21,850	22,981	23,196	23,214	23,006	22,638	22,347	21,773	21,769	21,390	21,239
32 Pools of securitized assets <sup>4</sup>	n.a.	n.a.	3,296	2,993	4,541	4,471	4,853	4,879	4,927	5,296	5,288
Net change (during period)											
<b>33 Total</b>	<b>35,674</b>	<b>51,786</b>	<b>22,513</b>	<b>5,376</b>	<b>3,765</b>	<b>2,749</b>	<b>4,221</b>	<b>2,717</b>	<b>-505</b>	<b>2,657</b>	<b>606</b>
<i>By major holder</i>											
34 Commercial banks	19,884	36,015	-2,128	1,626	-181	2,216	2,904	1,076	-817	2,514	1,264
35 Finance companies <sup>2</sup>	6,349	4,899	-3,385	1,624	-349	1,309	1,145	532	-567	-1,102	-198
36 Credit unions	3,853	6,031	975	720	701	815	560	184	-222	164	23
37 Retailers <sup>3</sup>	1,568	2,523	-2,512	67	247	2	21	326	149	192	231
38 Savings institutions	3,689	2,248	768	242	-375	-815	-609	-1,390	172	-863	-329
39 Gasoline companies	332	69	-32	22	6	104	110	120	-81	39	-89
40 Pools of securitized assets <sup>4</sup>	n.a.	n.a.	n.a.	1,076	3,716	-882	89	1,870	861	1,713	-296
<i>By major type of credit</i>											
41 Automobile	18,663	15,198	5,208	2,385	82	804	1,087	-549	-1,667	7	-842
42 Commercial banks	7,919	14,058	-1,099	823	79	816	1,239	474	-711	1,716	324
43 Credit unions	1,916	975	381	257	247	300	177	-3	-60	123	56
44 Finance companies	5,639	-991	-9,236	821	778	701	708	208	-970	-775	-1,122
45 Savings institutions	3,188	1,157	121	-42	-233	-366	-300	-533	-61	-369	92
46 Pools of securitized assets <sup>4</sup>	n.a.	n.a.	n.a.	526	-789	-647	-737	-695	135	-688	-192
47 Revolving	16,871	20,908	1,924	1,854	4,261	1,670	2,002	3,120	1,406	3,370	756
48 Commercial banks	12,188	18,453	-6,439	573	848	1,576	1,277	154	405	1,045	882
49 Retailers	1,866	2,303	-2,516	81	232	8	7	310	149	171	221
50 Gasoline companies	332	69	-32	22	6	104	110	120	-81	39	-89
51 Savings institutions	1,771	-216	328	243	138	58	90	-57	225	30	-206
52 Credit unions	1,715	300	94	81	81	88	74	78	n.a.	n.a.	n.a.
53 Pools of securitized assets <sup>4</sup>	n.a.	n.a.	n.a.	853	2,957	-165	444	2,539	678	2,032	-96
54 Mobile home	-968	-643	292	-44	-1,824	-174	-41	-267	-56	-692	-91
55 Commercial banks	192	-246	0	1	-131	-7	42	-31	-18	-22	-15
56 Finance companies	-1,052	-576	190	-68	-1,621	-28	25	-10	-50	-524	-13
57 Savings institutions	-107	177	104	23	-72	-140	-108	-227	12	-146	-64
58 Other	1,108	16,323	15,088	1,182	1,246	449	1,173	413	-189	-29	785
59 Commercial banks	-415	3,750	5,412	229	-977	-169	346	478	-494	-226	73
60 Finance companies	1,761	6,466	5,661	871	494	635	412	334	453	197	937
61 Credit unions	1,221	4,758	499	382	374	428	309	133	-191	-11	-77
62 Retailers	-297	221	2	-14	16	-7	15	16	0	21	11
63 Savings institutions	-1,162	1,131	215	18	-208	-368	-291	-574	5	-379	-151
64 Pools of securitized assets <sup>4</sup>	n.a.	n.a.	n.a.	-303	1,548	-70	382	26	48	369	-8

1. The Board's series cover 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.

These data also appear in the Board's G.19 (421) Release. For address, see inside front cover.

2. More detail for finance companies is available in the G. 20 statistical release.

3. Excludes 30-day charge credit held by travel and entertainment companies.

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



A40 Domestic Financial Statistics □ January 1990

1.56 TERMS OF CONSUMER INSTALLMENT CREDIT<sup>1</sup>

Percent unless noted otherwise

Item	1986	1987	1988	1989						
				Mar.	Apr.	May	June	July	Aug.	Sept.
<b>INTEREST RATES</b>										
Commercial banks <sup>2</sup>										
1 48-month new car <sup>3</sup>	11.33	10.45	10.85	n.a.	n.a.	12.44	n.a.	n.a.	12.13	n.a.
2 24-month personal	14.82	14.22	14.68	n.a.	n.a.	15.65	n.a.	n.a.	15.45	n.a.
3 120-month mobile home	13.99	13.38	13.54	n.a.	n.a.	14.35	n.a.	n.a.	14.13	n.a.
4 Credit card	18.26	17.92	17.78	n.a.	n.a.	18.11	n.a.	n.a.	18.07	n.a.
Auto finance companies										
5 New car	9.44	10.73	12.60	13.07	12.10	11.80	11.96	11.94	12.22	12.42
6 Used car	15.95	14.60	15.11	16.12	16.39	16.45	16.45	16.37	16.31	16.22
<b>OTHER TERMS<sup>4</sup></b>										
Maturity (months)										
7 New car	50.0	53.5	56.2	55.4	53.4	52.7	53.0	52.9	52.9	53.1
8 Used car	42.6	45.2	46.7	47.1	47.8	46.6	46.5	46.4	46.2	45.8
Loan-to-value ratio										
9 New car	91	93	94	92	91	91	91	91	90	88
10 Used car	97	98	98	97	97	97	97	97	96	96
Amount financed (dollars)										
11 New car	10,665	11,203	11,663	11,867	11,886	11,973	12,065	12,108	11,949	11,841
12 Used car	6,555	7,420	7,824	7,958	7,855	7,908	7,921	7,988	7,874	7,856

1. These data also appear in the Board's G.19 (421) release. For address, see inside front cover.

2. Data for midmonth of quarter only.

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 are at seasonally adjusted annual rates.

Transaction category, sector	1984	1985	1986	1987	1988	1987		1988				1989		
						Q4	Q1	Q2	Q3	Q4	Q1	Q2 <sup>r</sup>		
<b>Nonfinancial sectors</b>														
<b>1 Total net borrowing by domestic nonfinancial sectors</b>	<b>750.7<sup>r</sup></b>	<b>846.3</b>	<b>831.1<sup>r</sup></b>	<b>693.2<sup>r</sup></b>	<b>767.0<sup>r</sup></b>	<b>764.9</b>	<b>728.2<sup>r</sup></b>	<b>827.2<sup>r</sup></b>	<b>754.4<sup>r</sup></b>	<b>758.3<sup>r</sup></b>	<b>792.2<sup>r</sup></b>	<b>658.9</b>		
<i>By sector and instrument</i>														
2 U.S. government	198.8	223.6	215.0	144.9	157.5	175.1	211.6	113.7	162.5	142.1	199.9	70.9		
3 Treasury securities	199.0	223.7	214.7	143.4	140.0	170.2	212.0	106.0	141.6	100.5	201.1	65.8		
4 Agency issues and mortgages	-2	-1	.4	1.5	17.4	5.0	-5	7.7	20.9	41.6	-1.2	5.1		
5 Private domestic nonfinancial sectors	551.9	622.7	616.1	548.3	609.6 <sup>r</sup>	589.8	516.6 <sup>r</sup>	713.4 <sup>r</sup>	592.0 <sup>r</sup>	616.3 <sup>r</sup>	592.3 <sup>r</sup>	588.0		
6 Debt capital instruments	320.0	451.4	460.3	458.5	462.6	417.8	386.5	561.0	463.9	438.9	427.8 <sup>r</sup>	394.1		
7 Tax-exempt obligations	51.0 <sup>r</sup>	135.4 <sup>r</sup>	22.7 <sup>r</sup>	34.1 <sup>r</sup>	34.0 <sup>r</sup>	25.0	29.1	37.9	34.8	34.3	29.3 <sup>r</sup>	20.6		
8 Corporate bonds	46.1	73.8	121.3	99.9	120.9	81.6	118.8	143.9	115.9	104.9	111.6	138.5		
9 Mortgages	222.8	242.2	316.3	324.5	307.7	311.2	238.7	379.2	313.2	299.7	286.9	234.9		
10 Home mortgages	136.7	156.8	218.7	234.9	229.1	225.5	170.7	300.7	231.0	214.0	205.2	186.1		
11 Multifamily residential	25.2	29.8	33.5	24.4	18.9	14.9	24.2	14.7	19.5	17.3	27.2	8.1		
12 Commercial	62.2	62.2	73.6	71.6	61.7	73.4	48.5	65.4	65.4	67.7	58.8	38.7		
13 Farm	-1.2	-6.6	-9.5	-6.4	-2.1	-2.6	-4.7	-1.6	-2.6	.7	-4.4	2.1		
14 Other debt instruments	231.9	171.3	155.8	89.7	147.0 <sup>r</sup>	172.0	130.1 <sup>r</sup>	152.4 <sup>r</sup>	128.1 <sup>r</sup>	177.3 <sup>r</sup>	164.5 <sup>r</sup>	193.9		
15 Consumer credit	81.6	82.5	58.0	32.9	51.1	54.1	43.7	51.9	35.5	73.1	34.8	46.0		
16 Bank loans n.e.c.	66.3	38.6	66.7	10.8	38.4	71.9	20.8	58.8	7.3	66.6	23.1 <sup>r</sup>	29.9		
17 Open market paper	21.7	14.6	-9.3	2.3	11.6	-10.8	2.4	6.8	17.1	20.0	44.1	44.9		
18 Other	62.2	35.6	40.5	43.8	45.9 <sup>r</sup>	56.7	63.2 <sup>r</sup>	34.8 <sup>r</sup>	68.1 <sup>r</sup>	17.6 <sup>r</sup>	62.5 <sup>r</sup>	73.1		
19 By borrowing sector	551.9	622.7	616.1	548.3	609.6 <sup>r</sup>	589.8	516.6 <sup>r</sup>	713.4 <sup>r</sup>	592.0 <sup>r</sup>	616.3 <sup>r</sup>	592.3 <sup>r</sup>	588.0		
20 State and local governments	28.1	90.9	36.2	33.6	29.8	24.3	23.4	37.0	28.1	30.6	29.7	27.7		
21 Households	231.5	284.6	289.2	271.9	287.9 <sup>r</sup>	278.0	230.2 <sup>r</sup>	346.7 <sup>r</sup>	291.6 <sup>r</sup>	283.3 <sup>r</sup>	263.1 <sup>r</sup>	227.1		
22 Nonfinancial business	292.3	247.2	290.7	242.8	291.8	287.4	263.0	329.7	272.3	302.4	299.4 <sup>r</sup>	333.3		
23 Farm	-4	-14.5	-16.3	-10.6	-7.5	.4	-12.7	-3.3	-2.2	-11.8	-2.2 <sup>r</sup>	.3		
24 Nonfarm noncorporate	123.2	129.3	103.2	107.9	91.9	115.7	85.2	83.6	100.5	98.2	91.1	70.0		
25 Corporate	169.6	132.4	203.7	145.5	207.5	171.4	190.5	249.4	174.0	216.0	210.6 <sup>r</sup>	263.0		
26 Foreign net borrowing in United States	8.4	1.2	9.7 <sup>r</sup>	4.9 <sup>r</sup>	6.9 <sup>r</sup>	13.9	4.8	5.4	4.1	13.3 <sup>r</sup>	-1.1 <sup>r</sup>	-3.9		
27 Bonds	3.8	3.8	3.1	7.4	6.9	21.4	14.2	2.6	5.9	5.1	3.2	11.1		
28 Bank loans n.e.c.	-6.6	-2.8	-1.0	-3.6	-1.8	-4.3	1.7	-3.3	.0	-5.7	4.9	1.7		
29 Open market paper	6.2	6.2	11.5	2.1	9.6	-1.6	.7	6.5	10.3	21.0	12.1 <sup>r</sup>	-8.1		
30 U.S. government loans	5.0	-6.0	-3.9	-1.0	-7.8 <sup>r</sup>	-1.6	-11.8	-4	-12.1	-7.1 <sup>r</sup>	-21.4 <sup>r</sup>	-8.6		
<b>31 Total domestic plus foreign</b>	<b>759.1</b>	<b>847.5</b>	<b>840.9</b>	<b>698.1</b>	<b>773.9<sup>r</sup></b>	<b>778.8</b>	<b>733.0<sup>r</sup></b>	<b>832.6<sup>r</sup></b>	<b>758.5<sup>r</sup></b>	<b>771.7<sup>r</sup></b>	<b>791.1<sup>r</sup></b>	<b>655.0</b>		
<b>Financial sectors</b>														
<b>32 Total net borrowing by financial sectors</b>	<b>150.7</b>	<b>201.3</b>	<b>318.9</b>	<b>315.0</b>	<b>264.2</b>	<b>240.1</b>	<b>242.5</b>	<b>263.9</b>	<b>232.1</b>	<b>318.3</b>	<b>394.4<sup>r</sup></b>	<b>123.4</b>		
<i>By instrument</i>														
33 U.S. government related	74.9	101.5	187.9	185.8	137.5	161.5	128.8	104.3	144.4	172.5	216.1	105.8		
34 Sponsored credit agency securities	30.4	20.6	15.2	30.2	44.9	62.8	59.5	11.1	46.5	62.3	84.9	12.5		
35 Mortgage pool securities	44.4	79.9	173.1	156.4	92.6	98.8	69.3	93.1	97.8	110.1	131.2	93.3		
36 Loans from U.S. government	.0	1.1	-4	-8	.0	.0	.0	.0	.0	.0	.0	.0		
37 Private financial sectors	75.9 <sup>r</sup>	99.7 <sup>r</sup>	131.0 <sup>r</sup>	129.2 <sup>r</sup>	126.7 <sup>r</sup>	78.6	113.7	159.6	87.7	145.8	178.3 <sup>r</sup>	17.6		
38 Corporate bonds	34.3	50.9	82.9	78.9	51.7	53.4	60.0	71.1	32.5	43.0	52.7 <sup>r</sup>	31.4		
39 Mortgages	.4	.1	.1	.4	.3	.8	-1	.1	-1	1.2	.3	.0		
40 Bank loans n.e.c.	1.4	2.6	4.0	-3.3	1.4	-11.1	5.9	5.7	-5.6	-3	3.0	.3		
41 Open market paper	24.0	32.0	24.2	28.8	53.6	-4.2	38.5	70.5	35.1	70.4	53.2 <sup>r</sup>	2.8		
42 Loans from Federal Home Loan Banks	15.7	14.2	19.8	24.4	19.7	39.8	9.4	12.3	25.8	31.4	69.1	-16.9		
<i>By sector</i>														
<b>43 Total</b>	<b>150.7</b>	<b>201.3</b>	<b>318.9</b>	<b>315.0</b>	<b>264.2</b>	<b>240.1</b>	<b>242.5</b>	<b>263.9</b>	<b>232.1</b>	<b>318.3</b>	<b>394.4<sup>r</sup></b>	<b>123.4</b>		
44 Sponsored credit agencies	30.4	21.7	14.9	29.5	44.9	62.8	59.5	11.1	46.5	62.3	84.9	12.5		
45 Mortgage pools	44.4	79.9	173.1	156.4	92.6	98.8	69.3	93.1	97.8	110.1	131.2	93.3		
46 Private financial sectors	75.9 <sup>r</sup>	99.7 <sup>r</sup>	131.0 <sup>r</sup>	129.2 <sup>r</sup>	126.7 <sup>r</sup>	78.6	113.7	159.6	87.7	145.8	178.3 <sup>r</sup>	17.6		
47 Commercial banks	7.3	-4.9	-3.6	7.1	-3.9	11.2	-16.7	-1.6	-9	3.7	-13.4	-9		
48 Bank affiliates	16.1	16.6	15.2	14.3	5.2	-9.9	-8.8	22.4	6.1	.8	6.4	6.5		
49 Savings and loan associations	17.2	17.3	20.9	19.6	19.9	28.3	10.0	19.1	24.1	26.3	71.3	-16.2		
50 Mutual savings banks	1.2	1.5	4.2	8.1	1.9	12.6	2.3	1.1	.5	3.8	-2.8	-1.1		
51 Finance companies	24.0	57.2	54.5	40.3	67.0	28.3	78.4	85.4	40.7	63.6	78.4 <sup>r</sup>	32.8		
52 REITs	.8	.5	1.0	.8	4.1	2.2	5.4	1.7	-5.9	15.0	-9	-2.2		
53 SCO Issuers	9.3	11.5	39.0	39.1	32.5	6.0	43.0	31.5	23.1	32.5	39.3 <sup>r</sup>	-1.4		

A42 Domestic Financial Statistics □ January 1990

1.57—Continued

Transaction category, sector	1984	1985	1986	1987	1988	1987	1988				1989	
						Q4	Q1	Q2	Q3	Q4	Q1	Q2
						All sectors						
<b>54 Total net borrowing</b> .....	<b>909.8</b>	<b>1,048.8</b>	<b>1,159.8</b>	<b>1,013.2</b>	<b>1,038.1<sup>f</sup></b>	<b>1,019.0</b>	<b>975.5<sup>f</sup></b>	<b>1,096.5<sup>f</sup></b>	<b>990.6<sup>f</sup></b>	<b>1,089.9<sup>f</sup></b>	<b>1,185.4<sup>f</sup></b>	<b>778.4</b>
55 U.S. government securities .....	273.8	324.2	403.4	331.5	294.9	336.7	340.4	218.0	306.8	314.6	416.0	176.7
56 State and local obligations .....	51.0 <sup>f</sup>	135.4 <sup>f</sup>	22.7 <sup>f</sup>	34.1 <sup>f</sup>	34.0 <sup>f</sup>	25.0	29.1	37.9	34.8	34.3	29.3 <sup>f</sup>	20.6
57 Corporate and foreign bonds .....	84.3	128.4	207.3	186.3	179.5	156.3	193.0	217.6	154.3	153.0	167.5 <sup>f</sup>	181.1
58 Mortgages .....	223.1	242.2	316.4	324.9	308.0	312.0	238.6	379.3	313.1	300.8	287.2	234.9
59 Consumer credit .....	81.6	82.5	58.0	32.9	51.1	54.1	43.7	51.9	35.5	73.1	34.8	46.0
60 Bank loans n.e.c. ....	61.1	38.3	69.7	3.8	38.0	56.6	28.3	61.2	1.7	60.7	31.1 <sup>f</sup>	31.9
61 Open market paper .....	51.9	52.8	26.4	33.2	74.9	-16.6	41.6	83.9	62.5	111.5	109.4	39.6
62 Other loans .....	82.9	45.0	56.1	66.5	57.8 <sup>f</sup>	94.9	60.8 <sup>f</sup>	46.8 <sup>f</sup>	81.8 <sup>f</sup>	42.0 <sup>f</sup>	110.2 <sup>f</sup>	47.5
63 MEMO: U.S. government, cash balance .....	6.3	14.4	.0	-7.9	10.4	-38.9	47.6	1.2	10.6	-17.9	-22.5	43.7
Totals net of changes in U.S. government cash balances												
64 Net borrowing by domestic nonfinancial .....	744.4	831.9	831.2	701.1	756.6 <sup>f</sup>	803.8	680.6 <sup>f</sup>	825.9 <sup>f</sup>	743.8 <sup>f</sup>	776.3 <sup>f</sup>	814.7 <sup>f</sup>	615.2
65 Net borrowing by U.S. government .....	192.5	209.3	215.0	152.8	147.1	214.0	164.0	112.5	151.8	160.0	222.4	27.2
External corporate equity funds raised in United States												
<b>66 Total net share issues</b> .....	<b>-36.0</b>	<b>20.1</b>	<b>90.5<sup>f</sup></b>	<b>14.3<sup>f</sup></b>	<b>-117.9<sup>f</sup></b>	<b>-90.4</b>	<b>-101.0</b>	<b>-133.7</b>	<b>-73.5</b>	<b>-163.5</b>	<b>-163.5<sup>f</sup></b>	<b>-48.7</b>
67 Mutual funds .....	29.3	84.4	159.0 <sup>f</sup>	71.6 <sup>f</sup>	-.7 <sup>f</sup>	1.8	-9.5	-6.6	1.5	11.9	3.6	24.0
68 All other .....	-65.3	-64.3	-68.5 <sup>f</sup>	-57.3 <sup>f</sup>	-117.2 <sup>f</sup>	-92.2	-91.5	-127.0	-75.0	-175.4	-167.1 <sup>f</sup>	-72.7
69 Nonfinancial corporations .....	-74.5	-81.5	-80.8	-76.5	-130.5	-88.0	-95.0	-140.0	-92.0	-195.0	-180.0	-105.0
70 Financial corporations .....	8.2	13.5	11.1	21.4	12.4	10.0	2.4	19.0	14.6	13.5	9.4 <sup>f</sup>	17.1
71 Foreign shares purchased in United States .....	.9	3.7	1.2	-2.1	.9	-14.1	1.1	-6.0	2.4	6.1	3.6	15.2

## 1.58 DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

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

Transaction category, or sector	1984	1985 <sup>c</sup>	1986 <sup>c</sup>	1987 <sup>c</sup>	1988 <sup>c</sup>	1987		1988				1989	
						Q4	Q1	Q2	Q3	Q4	Q1 <sup>f</sup>	Q2 <sup>f</sup>	
<b>1 Total funds advanced in credit markets to domestic nonfinancial sectors</b> .....	<b>750.7<sup>f</sup></b>	<b>846.3</b>	<b>831.1</b>	<b>693.2</b>	<b>767.0</b>	<b>764.9</b>	<b>728.2<sup>f</sup></b>	<b>827.2<sup>f</sup></b>	<b>754.4<sup>f</sup></b>	<b>758.3<sup>f</sup></b>	<b>792.2</b>	<b>658.9</b>	
<i>By public agencies and foreign</i>													
2 Total net advances .....	157.6	202.0	314.0	262.8	237.6	278.0	278.6	185.5	196.9	289.3 <sup>f</sup>	348.7	26.7	
3 U.S. government securities .....	38.9	45.9	69.4	70.1	85.0	123.3	153.2	43.3	24.1	119.6	97.6	-102.4	
4 Residential mortgages .....	56.5	94.6	170.1	153.2	104.0	105.9	88.9	107.9	98.1	121.2	133.3	106.6	
5 FHLB advances to thrifts .....	15.7	14.2	19.8	24.4	19.7	39.8	9.4	12.3	25.8	31.4	69.1	-16.9	
6 Other loans and securities .....	46.6	47.3	54.7	15.1	28.8	9.0	27.1	22.1	49.0	17.1 <sup>f</sup>	48.7	39.4	
<i>Total advanced, by sector</i>													
7 U.S. government .....	17.1	17.8	9.7	-7.9	-4.9	6.4	-7.0	-7.6	4.3	-9.3 <sup>f</sup>	2.8	3.1	
8 Sponsored credit agencies .....	74.3	103.5	187.2	183.4	129.6	160.0	114.3	105.7	130.1	168.5	221.4	15.6	
9 Monetary authorities .....	8.4	18.4	19.4	24.7	10.5	22.8	2.7	5.0	15.5	18.9	5.2	-3.9	
10 Foreign .....	57.9	62.3	97.8	62.7	102.3	88.8	168.6	82.5	47.0	111.2	119.3	11.9	
<i>Agency and foreign borrowing not in line 1</i>													
11 Sponsored credit agencies and mortgage pools .....	74.9	101.5	187.9	185.8	137.5	161.5	128.8	104.3	144.4	172.5	216.1	105.8	
12 Foreign .....	8.4	1.2	9.7	4.9	6.9	13.9	4.8	5.4	4.1	13.3 <sup>f</sup>	-1.1	-3.9	
<i>Private domestic funds advanced</i>													
13 Total net advances .....	676.3 <sup>f</sup>	747.0	714.8	621.1	673.8	662.3	583.2 <sup>f</sup>	751.3 <sup>f</sup>	705.9 <sup>f</sup>	654.8 <sup>f</sup>	658.4	734.1	
14 U.S. government securities .....	234.9	278.2	333.9	261.4	209.9	213.3	187.2	174.7	282.8	195.0	318.4	279.1	
15 State and local obligations .....	51.0 <sup>f</sup>	135.4	22.7	34.1	34.0	25.0	29.1	37.9	34.8	34.3	29.3	20.6	
16 Corporate and foreign bonds .....	35.1	40.8	84.2	87.5	104.4	101.1	126.5	126.2	91.7	73.0	89.4	132.3	
17 Residential mortgages .....	105.3	91.8	82.0	106.1	144.0	134.5	106.0	207.5	152.3	110.1	99.2	87.5	
18 Other mortgages and loans .....	265.6 <sup>f</sup>	214.8	211.8	156.5	201.2	228.2	143.8 <sup>f</sup>	217.2 <sup>f</sup>	170.1 <sup>f</sup>	273.7 <sup>f</sup>	191.3	197.7	
19 LESS: Federal Home Loan Bank advances .....	15.7	14.2	19.8	24.4	19.7	39.8	9.4	12.3	25.8	31.4	69.1	-16.9	
<i>Private financial intermediation</i>													
20 Credit market funds advanced by private financial institutions .....	585.8 <sup>f</sup>	579.9	744.0	560.8	558.2	617.0	617.4 <sup>f</sup>	553.7 <sup>f</sup>	427.5 <sup>f</sup>	634.1 <sup>f</sup>	568.6	544.3	
21 Commercial banking .....	169.2 <sup>f</sup>	186.0	197.5	136.8	155.3	278.6	87.9	194.5	118.4	220.5	120.6	158.6	
22 Savings institutions .....	154.7 <sup>f</sup>	87.9	107.6	136.8	120.5	158.2	96.0	134.9 <sup>f</sup>	157.0 <sup>f</sup>	94.2	62.2	-73.1	
23 Insurance and pension funds .....	121.8	154.4	174.6	210.9	194.9	149.6	257.4 <sup>f</sup>	182.7 <sup>f</sup>	150.5 <sup>f</sup>	189.1 <sup>f</sup>	228.3	182.5	
24 Other finance .....	140.1	151.6	264.2	76.3	87.4	30.5	176.1	41.6	1.7	130.3	157.6	276.2	
25 Sources of funds .....	585.8 <sup>f</sup>	579.9	744.0	560.8	558.2	617.0	617.4 <sup>f</sup>	553.7 <sup>f</sup>	427.5 <sup>f</sup>	634.1 <sup>f</sup>	568.6	544.3	
26 Private domestic deposits and RPs .....	322.6 <sup>f</sup>	214.3	262.6	144.1	219.2	329.6	305.5 <sup>f</sup>	102.0 <sup>f</sup>	191.9 <sup>f</sup>	277.4 <sup>f</sup>	166.5	213.4	
27 Credit market borrowing .....	75.9 <sup>f</sup>	99.7	131.0	129.2	126.7	78.6	113.7	159.6	87.7	145.8	178.3	17.6	
28 Other sources .....	187.3 <sup>f</sup>	265.9	350.4	287.5	212.3	208.8	198.2 <sup>f</sup>	292.1 <sup>f</sup>	147.9 <sup>f</sup>	210.9 <sup>f</sup>	223.8	313.3	
29 Foreign funds .....	8.8	19.7	12.9	43.7	9.3	8.0	-60.6	94.5	-42.1	45.5	-28.4	-16.0	
30 Treasury balances .....	4.0	10.3	1.7	-5.8	7.3	-27.8	44.2	-16.3	5.6	-4.1	-21.6	26.6	
31 Insurance and pension reserves .....	124.0	131.9	149.3	176.1	186.8	171.1	190.1 <sup>f</sup>	184.0 <sup>f</sup>	109.8 <sup>f</sup>	263.3 <sup>f</sup>	133.0	151.5	
32 Other, net .....	50.5 <sup>f</sup>	104.1	186.5	73.6	8.8	57.4	24.4 <sup>f</sup>	29.9 <sup>f</sup>	74.5 <sup>f</sup>	-93.8 <sup>f</sup>	140.8	151.2	
<i>Private domestic nonfinancial investors</i>													
33 Direct lending in credit markets .....	166.4 <sup>f</sup>	266.8	101.8	189.6	242.3	124.0	79.5 <sup>f</sup>	357.2 <sup>f</sup>	366.2 <sup>f</sup>	166.5 <sup>f</sup>	268.1	207.5	
34 U.S. government securities .....	111.4 <sup>f</sup>	157.8	60.9	100.0	149.3	85.4	119.6 <sup>f</sup>	103.2 <sup>f</sup>	225.7 <sup>f</sup>	148.7 <sup>f</sup>	211.1	123.2	
35 State and local obligations .....	27.1 <sup>f</sup>	37.7	-21.7	45.6	33.9	19.7	37.2 <sup>f</sup>	56.4 <sup>f</sup>	42.3 <sup>f</sup>	22.3 <sup>f</sup>	35.7	-11.4	
36 Corporate and foreign bonds .....	-4.1 <sup>f</sup>	4.2	39.3	24.1	2.6	50.4	-39.6 <sup>f</sup>	61.4 <sup>f</sup>	-5.8 <sup>f</sup>	-5.7 <sup>f</sup>	-15.4	32.8	
37 Open market paper .....	7.8 <sup>f</sup>	4.5	5.4	6.6	37.2	-32.8	-14.5 <sup>f</sup>	98.6 <sup>f</sup>	77.4 <sup>f</sup>	-12.6 <sup>f</sup>	67.1	19.5	
38 Other .....	24.2	19.6	17.9	13.3	19.3	1.3	-5.8 <sup>f</sup>	56.8 <sup>f</sup>	12.5 <sup>f</sup>	13.9 <sup>f</sup>	-30.3	43.4	
39 Deposits and currency .....	326.1 <sup>f</sup>	224.6	283.0	160.2	221.8	364.0	313.5 <sup>f</sup>	110.0 <sup>f</sup>	215.7 <sup>f</sup>	248.2 <sup>f</sup>	211.2	231.1	
40 Currency .....	8.6	12.4	14.4	19.0	14.7	31.9	10.7	13.8	29.3	5.1	19.3	12.6	
41 Checkable deposits .....	30.2 <sup>f</sup>	41.9	95.0	-3.0	12.3	62.3	3.6 <sup>f</sup>	-30.5 <sup>f</sup>	-21.4 <sup>f</sup>	97.3 <sup>f</sup>	-54.5	-83.0	
42 Small time and savings accounts .....	150.7	138.5	120.6	76.0	122.2	141.2	199.5	130.5	72.7	86.0	26.4	117.4	
43 Money market fund shares .....	49.0	8.9	38.3	27.2	22.8	53.6	57.6	-21.0	-3.5	58.1	51.1	111.8	
44 Large time deposits .....	82.9 <sup>f</sup>	7.4	-11.4	26.7	40.8	85.4	16.9 <sup>f</sup>	-3.5 <sup>f</sup>	137.0 <sup>f</sup>	12.7 <sup>f</sup>	111.9	39.8	
45 Security RPs .....	9.8 <sup>f</sup>	17.7	20.2	17.2	21.2	-13.1	27.9	26.5	7.0	23.3	31.6	27.5	
46 Deposits in foreign countries .....	-5.1	-2.1	5.9	-2.8	-12.1	2.5	-2.7	-5.9	-5.5	-34.4	25.5	5.1	
<b>47 Total of credit market instruments, deposits, and currency</b> .....	<b>492.5<sup>f</sup></b>	<b>491.4</b>	<b>384.8</b>	<b>349.8</b>	<b>464.2</b>	<b>488.0</b>	<b>393.0<sup>f</sup></b>	<b>467.2<sup>f</sup></b>	<b>581.9<sup>f</sup></b>	<b>414.7<sup>f</sup></b>	<b>479.4</b>	<b>438.6</b>	
48 Public holdings as percent of total .....	2.1	2.4	3.7	3.8	3.1	35.7	38.0 <sup>f</sup>	22.3	26.0	37.5	44.1	4.1	
49 Private financial intermediation (in percent) .....	8.7 <sup>f</sup>	7.8	10.4	9.0	8.3	93.2	105.9 <sup>f</sup>	73.7 <sup>f</sup>	60.6 <sup>f</sup>	96.8 <sup>f</sup>	86.4	74.1	
50 Total foreign funds .....	66.7	82.0	110.7	106.4	111.7	96.8	108.1	177.0	4.9	156.7	90.9	-4.1	
<b>MEMO: Corporate equities not included above</b>													
<b>51 Total net issues</b> .....	<b>-36.0</b>	<b>20.1</b>	<b>90.5</b>	<b>14.3</b>	<b>-117.9</b>	<b>-90.4</b>	<b>-101.0</b>	<b>-133.7</b>	<b>-73.5</b>	<b>-163.5</b>	<b>-163.5</b>	<b>-48.7</b>	
52 Mutual fund shares .....	29.3	84.4	159.0	71.6	-7	1.8	-9.5	-6.6	1.5	11.9	3.6	24.0	
53 Other equities .....	-65.3	-64.3	-68.5	-57.3	-117.2	-92.2	-91.5	-127.0	-75.0	-175.4	-167.1	-72.7	
54 Acquisitions by financial institutions .....	15.8	45.6	53.7	21.4	5.4	-19.5	-34.4 <sup>f</sup>	.2 <sup>f</sup>	25.5 <sup>f</sup>	30.1 <sup>f</sup>	-6.5	-6.5	
55 Other net purchases .....	-51.8	-25.5	36.8	-7.1	-123.3	-70.9	-66.5 <sup>f</sup>	-133.9 <sup>f</sup>	-99.1 <sup>f</sup>	-193.6 <sup>f</sup>	-157.0	-42.2	

## NOTES BY LINE NUMBER.

1. Line 1 of table 1.57.
2. Sum of lines 3-6 or 7-10.
6. Includes farm and commercial mortgages.
11. Credit market funds raised by federally sponsored credit agencies, and net issues of federally related mortgage pool securities.
13. Line 1 less line 2 plus line 11 and 12. Also line 20 less line 27 plus line 33. Also sum of lines 28 and 47 less lines 40 and 46.
18. Includes farm and commercial mortgages.
26. Line 39 less lines 40 and 46.
27. Excludes equity issues and investment company shares. Includes line 19.
29. Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates, less claims on foreign affiliates and deposits by banking in foreign banks.
30. Demand deposits and note balances at commercial banks.

31. Excludes net investment of these reserves in corporate equities.

32. Mainly retained earnings and net miscellaneous liabilities.

33. Line 13 less line 20 plus line 27.

34-38. Lines 14-18 less amounts acquired by private finance plus amounts borrowed by private finance. Line 38 includes mortgages.

40. Mainly an offset to line 9.

47. Lines 33 plus 39, or line 13 less line 28 plus 40 and 46.

48. Line 2/line 1.

49. Line 20/line 13.

50. Sum of lines 10 and 29.

51, 52. 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.

A44 Domestic Financial Statistics □ January 1990

1.59 SUMMARY OF CREDIT MARKET DEBT OUTSTANDING

Billions of dollars; period-end levels.

Transaction category, sector	1983	1984	1985	1986	1987		1988				1989	
					Q4	Q1	Q2	Q3	Q4	Q1'	Q2'	
<b>Nonfinancial sectors</b>												
<b>1 Total credit market debt owed by domestic nonfinancial sectors</b>	<b>5,202.6</b>	<b>5,951.8</b>	<b>6,795.1</b>	<b>7,631.2</b>	<b>8,335.0</b>	<b>8,477.0'</b>	<b>8,686.9'</b>	<b>8,875.4'</b>	<b>9,105.6'</b>	<b>9,258.7</b>	<b>9,428.4</b>	
<i>By sector and instrument</i>												
2 U.S. government	1,177.9	1,376.8	1,600.4	1,815.4	1,960.3	2,003.2	2,022.3	2,063.9	2,117.8	2,155.7	2,165.7	
3 Treasury securities	1,174.4	1,373.4	1,597.1	1,811.7	1,955.2	1,998.1	2,015.3	2,051.7	2,095.2	2,133.4	2,142.1	
4 Agency issues and mortgages	3.6	3.4	3.3	3.6	5.2	5.0	7.0	12.2	22.6	22.3	23.6	
5 Private domestic nonfinancial sectors	4,024.6	4,575.1	5,194.7	5,815.8	6,374.7	6,473.8'	6,664.7'	6,811.5'	6,987.8'	7,103.0	7,262.7	
6 Debt capital instruments	2,715.1	3,038.0	3,485.5	3,957.5	4,428.0	4,511.0	4,652.6	4,782.0	4,902.1	4,979.2	5,078.3	
7 Tax-exempt obligations	469.0	520.0	655.5	679.1	713.2	718.1	727.2	746.1	759.8	764.7	769.3	
8 Corporate bonds	423.0	469.2	542.9	664.2	764.1	793.8	829.8	858.8	885.0	912.9	947.5	
9 Mortgages	1,823.1	2,048.8	2,287.1	2,614.2	2,950.7	2,999.1	3,095.7	3,177.2	3,257.3	3,301.6	3,361.6	
10 Home mortgages	1,200.2	1,336.2	1,490.2	1,720.8	1,943.1	1,978.0	2,055.3	2,118.0	2,174.2	2,214.8	2,263.4	
11 Multifamily residential	158.8	183.6	213.0	246.2	270.0	273.0	276.6	281.0	286.8	292.6	294.4	
12 Commercial	350.4	416.5	478.1	551.4	648.7	660.2	676.0	691.1	709.6	708.2	717.0	
13 Farm	113.7	112.4	105.9	95.8	88.9	88.0	87.8	87.0	86.8	86.0	86.7	
14 Other debt instruments	1,309.5	1,537.1	1,709.3	1,858.4	1,946.7	1,962.8'	2,012.0'	2,029.4'	2,085.7'	2,123.8	2,184.3	
15 Consumer credit	437.7	519.3	601.8	659.8	692.7	688.9	705.8	721.2	743.7	745.0	761.0	
16 Bank loans n.e.c.	491.1	553.1	592.7	656.1	664.3	668.3	687.2	687.7	702.6	717.6	729.8	
17 Open market paper	36.8	58.5	72.2	62.9	73.8	73.5	77.8	80.3	85.4	96.1	110.1	
18 Other	344.0	406.2	442.6	479.6	516.0	532.1'	541.2'	540.2'	554.0'	565.1	583.5	
19 By borrowing sector	4,024.6	4,575.1	5,194.7	5,815.8	6,374.7	6,473.8'	6,664.7'	6,811.5'	6,987.8'	7,103.0	7,262.7	
20 State and local governments	355.0	383.0	473.9	510.1	543.7	547.1	556.0	565.7	573.5	578.5	584.8	
21 Households	1,791.6	2,018.2	2,295.5	2,591.8	2,864.5	2,900.7'	2,990.2'	3,068.3'	3,152.0'	3,205.6	3,265.5	
22 Nonfinancial business	1,878.0	2,173.9	2,425.4	2,714.0	2,966.5	3,026.0	3,118.5	3,177.5	3,262.4'	3,319.0	3,412.3	
23 Farm	188.4	187.9	173.4	156.6	145.5	141.3	143.9	143.6	137.6	135.9	139.5	
24 Nonfarm noncorporate	645.8	769.0	898.3	1,001.6	1,109.4	1,131.7	1,151.9	1,172.6	1,205.3	1,229.1	1,245.9	
25 Corporate	1,043.8	1,216.9	1,353.6	1,555.8	1,711.6	1,753.0	1,822.7	1,861.3	1,919.5'	1,954.0	2,027.0	
26 Foreign credit market debt held in United States	225.9	233.6	234.7	236.4	242.9	244.6	245.9	246.1	249.6'	249.9	249.0	
27 Bonds	64.2	68.0	71.8	74.9	82.3	86.1	86.0	87.4	89.2	90.5	92.2	
28 Bank loans n.e.c.	37.4	30.8	27.9	26.9	23.3	22.8	22.4	22.7	21.5	21.6	22.7	
29 Open market paper	21.5	27.7	33.9	37.4	41.2	42.5	44.0	46.3	50.9	54.9	52.7	
30 U.S. government loans	102.8	107.1	101.1	97.1	96.1	93.1	93.5	89.8	88.1'	83.0	81.4	
<b>31 Total domestic plus foreign</b>	<b>5,428.5</b>	<b>6,185.4</b>	<b>7,029.9</b>	<b>7,867.6</b>	<b>8,578.0</b>	<b>8,721.6'</b>	<b>8,932.8'</b>	<b>9,121.5'</b>	<b>9,355.3'</b>	<b>9,508.7</b>	<b>9,677.4</b>	
<b>Financial sectors</b>												
<b>32 Total credit market debt owed by financial sectors</b>	<b>859.9</b>	<b>1,010.2</b>	<b>1,213.2</b>	<b>1,563.6</b>	<b>1,885.5</b>	<b>1,926.0</b>	<b>2,000.5</b>	<b>2,058.2</b>	<b>2,149.7</b>	<b>2,258.7</b>	<b>2,298.9</b>	
<i>By instrument</i>												
33 U.S. government related	456.7	531.2	632.7	844.2	1,026.5	1,050.6	1,076.9	1,116.3	1,164.0	1,209.0	1,235.8	
34 Sponsored credit agency securities	206.8	237.2	257.8	273.0	303.2	313.5	317.9	328.5	348.1	364.3	369.0	
35 Mortgage pool securities	244.9	289.0	368.9	565.4	718.3	732.1	754.0	782.8	810.9	839.7	861.8	
36 Loans from U.S. government	5.0	5.0	6.1	5.7	5.0	5.0	5.0	5.0	5.0	5.0	5.0	
37 Private financial sectors	403.2	479.0	580.5	719.5	859.0	875.4	923.6	941.9	985.7	1,049.7	1,063.1	
38 Corporate bonds	118.6	153.0	204.5	287.4	366.3	380.5	397.9	406.4	418.0	458.2	465.8	
39 Mortgages	2.1	2.5	2.7	2.7	3.1	3.1	3.1	3.1	3.4	3.5	3.5	
40 Bank loans n.e.c.	28.1	29.5	32.1	36.1	32.8	31.7	34.3	32.9	34.2	32.2	33.8	
41 Open market paper	195.5	219.5	252.4	284.6	323.8	330.6	353.4	358.0	377.4	392.0	398.3	
42 Loans from Federal Home Loan Banks	59.0	74.6	88.8	108.6	133.1	129.5	134.8	141.6	152.8	163.8	161.9	
<b>43 Total, by sector</b>	<b>859.9</b>	<b>1,010.2</b>	<b>1,213.2</b>	<b>1,563.6</b>	<b>1,885.5</b>	<b>1,926.0</b>	<b>2,000.5</b>	<b>2,058.2</b>	<b>2,149.7</b>	<b>2,258.7</b>	<b>2,298.9</b>	
44 Sponsored credit agencies	211.8	242.2	263.9	278.7	308.2	318.5	322.9	333.5	353.1	369.3	374.0	
45 Mortgage pools	244.9	289.0	368.9	565.4	718.3	732.1	754.0	782.8	810.9	839.7	861.8	
46 Private financial sectors	403.2	479.0	580.5	719.5	859.0	875.4	923.6	941.9	985.7	1,049.7	1,063.1	
47 Commercial banks	76.8	84.1	79.2	75.6	82.7	76.4	77.2	76.6	78.8	73.3	74.5	
48 Bank affiliates	73.5	89.5	106.2	116.8	131.1	131.0	136.3	136.3	136.2	140.0	141.2	
49 Savings and loan associations	64.4	81.6	98.9	119.8	139.4	135.3	141.9	148.1	159.3	170.1	167.9	
50 Mutual savings banks	1.7	2.9	4.4	8.6	16.7	17.1	17.6	18.1	18.6	17.8	17.7	
51 Finance companies	179.0	203.0	261.2	328.1	378.8	393.0	419.8	427.7	445.8	463.8	478.0	
52 REITs	3.5	4.3	5.6	6.5	7.3	8.7	9.1	7.6	11.4	11.1	10.6	
53 SCO issuers	4.2	13.5	25.0	64.0	103.1	113.9	121.8	127.5	135.7	173.5	173.1	
<b>All sectors</b>												
<b>54 Total credit market debt</b>	<b>6,288.3</b>	<b>7,195.7</b>	<b>8,243.1</b>	<b>9,431.2</b>	<b>10,463.4</b>	<b>10,647.5'</b>	<b>10,933.4'</b>	<b>11,179.7'</b>	<b>11,504.9'</b>	<b>11,767.4</b>	<b>11,976.3</b>	
55 U.S. government securities	1,629.4	1,902.8	2,227.0	2,653.8	2,981.8	3,048.8	3,094.2	3,175.2	3,276.7	3,359.7	3,396.5	
56 State and local obligations	469.0	520.0	655.5	679.1	713.2	718.1	727.2	746.1	759.8	764.7	769.3	
57 Corporate and foreign bonds	605.8	690.1	819.2	1,026.4	1,212.7	1,260.4	1,313.7	1,352.5	1,392.2	1,461.6	1,505.5	
58 Mortgages	1,825.4	2,051.4	2,289.8	2,617.0	2,953.8	3,002.2	3,098.8	3,180.3	3,260.7	3,305.1	3,365.0	
59 Consumer credit	437.7	519.3	601.8	659.8	692.7	688.9	705.8	721.2	743.7	745.0	761.0	
60 Bank loans n.e.c.	556.6	613.4	652.7	719.1	720.3	722.7	744.0	743.3	758.3	771.4	786.2	
61 Open market paper	253.8	305.7	358.5	384.9	438.8	446.7	475.3	484.6	513.6	543.1	561.1	
62 Other loans	510.7	592.9	638.6	691.1	750.2	759.7'	774.5'	776.6'	799.8'	816.8	831.7	

## 1.60 SUMMARY OF CREDIT MARKET CLAIMS, BY HOLDER

Billions of dollars, except as noted; period-end levels.

Transaction category, or sector	1983	1984	1985	1986	1987		1988				1989	
					Q4	Q1	Q2	Q3	Q4 <sup>r</sup>	Q1 <sup>r</sup>	Q2 <sup>r</sup>	
<b>1 Total funds advanced in credit markets to domestic nonfinancial sectors</b>	<b>5,202.6</b>	<b>5,951.8</b>	<b>6,795.1</b>	<b>7,631.2</b>	<b>8,335.0</b>	<b>8,477.0<sup>r</sup></b>	<b>8,686.9<sup>r</sup></b>	<b>8,875.4<sup>r</sup></b>	<b>9,105.6</b>	<b>9,258.7</b>	<b>9,428.4</b>	
<i>By public agencies and foreign</i>												
2 Total held	1,100.4	1,257.7	1,460.5	1,794.7	2,044.9	2,099.4	2,151.3	2,191.8	2,266.4	2,332.1	2,345.1	
3 U.S. government securities	339.0	377.9	423.8	493.2	563.3	595.7	610.1	613.3	648.3	666.2	644.6	
4 Residential mortgages	367.0	423.5	518.2	712.3	862.0	880.6	906.1	934.9	966.0	995.3	1,020.5	
5 FHLB advances to thrifts	59.0	74.6	88.8	108.6	133.1	129.5	134.8	141.6	152.8	163.8	161.9	
6 Other loans and securities	335.4	381.6	429.7	480.5	486.6	493.6	500.3	502.1	499.3	506.9	518.1	
7 Total held, by type of lender	1,100.4	1,257.7	1,460.5	1,794.7	2,044.9	2,099.4	2,151.3	2,191.8	2,266.4	2,332.1	2,345.1	
8 U.S. government	211.4	228.2	246.7	253.3	238.0	237.1	235.8	226.3	216.9	213.9	215.2	
9 Sponsored credit agencies and mortgage pools	482.0	556.3	659.8	869.8	1,048.9	1,068.0	1,095.6	1,132.9	1,178.6	1,223.5	1,228.9	
10 Monetary authority	159.2	167.6	186.0	205.5	230.1	224.9	229.7	230.8	240.6	235.4	238.4	
11 Foreign	247.7	305.6	367.9	466.1	527.9	569.5	590.2	601.9	630.3	659.3	662.6	
<i>Agency and foreign debt not in line 1</i>												
12 Sponsored credit agencies and mortgage pools	456.7	531.2	632.7	844.2	1,026.5	1,050.6	1,076.9	1,116.3	1,164.0	1,209.0	1,235.8	
13 Foreign	225.9	233.6	234.7	236.4	242.9	244.6	245.9	246.1	249.6	249.9	249.0	
<i>Private domestic holdings</i>												
14 Total private holdings	4,784.8	5,458.9	6,202.1	6,917.1	7,559.5	7,672.7 <sup>r</sup>	7,858.4 <sup>r</sup>	8,045.9 <sup>r</sup>	8,252.8	8,385.5	8,568.1	
15 U.S. government securities	1,290.4	1,524.9	1,803.2	2,160.6	2,418.5	2,453.1	2,484.1	2,561.9	2,628.4	2,693.5	2,751.9	
16 State and local obligations	469.0	520.0	655.5	679.1	713.2	718.1	727.2	746.1	759.8	764.7	769.3	
17 Corporate and foreign bonds	441.7	476.8	517.6	601.3	689.6	722.2	752.9	775.7	794.0	817.6	849.3	
18 Residential mortgages	992.2	1,096.5	1,185.1	1,254.7	1,351.1	1,370.4	1,425.9	1,464.1	1,494.9	1,512.2	1,537.3	
19 Other mortgages and loans	1,650.5	1,915.3	2,129.7	2,300.1	2,520.1	2,538.5 <sup>r</sup>	2,603.3 <sup>r</sup>	2,639.6 <sup>r</sup>	2,728.4	2,761.3	2,822.2	
20 LESS: Federal Home Loan Bank advances	59.0	74.6	88.8	108.6	133.1	129.5	134.8	141.6	152.8	163.8	161.9	
<i>Private financial intermediation</i>												
21 Credit market claims held by private financial institutions	4,115.0	4,699.6	5,283.1	6,025.7	6,604.6	6,732.0 <sup>r</sup>	6,891.0 <sup>r</sup>	7,003.5 <sup>r</sup>	7,168.1	7,298.7	7,458.7	
22 Commercial banking	1,622.5	1,791.9	1,978.9	2,176.3	2,313.1	2,327.1	2,382.6	2,421.6	2,468.4	2,490.9	2,538.2	
23 Savings institutions	947.4	1,100.7	1,191.2	1,297.9	1,445.5	1,453.6	1,495.9 <sup>r</sup>	1,538.8 <sup>r</sup>	1,571.3	1,566.7	1,557.3	
24 Insurance and pension funds	1,093.5	1,215.3	1,369.7	1,544.3	1,755.2	1,810.6 <sup>r</sup>	1,859.0 <sup>r</sup>	1,899.1 <sup>r</sup>	1,950.2	1,996.7	2,046.5	
25 Other finance	451.6	591.7	743.4	1,007.1	1,090.7	1,140.7	1,153.5	1,144.0	1,178.1	1,244.4	1,316.7	
26 Sources of funds	4,115.0	4,699.6	5,283.1	6,025.7	6,604.6	6,732.0 <sup>r</sup>	6,891.0 <sup>r</sup>	7,003.5 <sup>r</sup>	7,168.1	7,298.7	7,458.7	
27 Private domestic deposits and RPs	2,393.2	2,715.6	2,930.0	3,188.4	3,324.8	3,404.2 <sup>r</sup>	3,432.6 <sup>r</sup>	3,474.2 <sup>r</sup>	3,554.2	3,587.8	3,644.5	
28 Credit market debt	403.2	479.0	580.5	719.5	859.0	875.4	923.6	941.9	985.7	1,049.7	1,063.1	
29 Other sources	1,318.6	1,504.9	1,772.7	2,117.9	2,420.8	2,452.4 <sup>r</sup>	2,534.8 <sup>r</sup>	2,587.4 <sup>r</sup>	2,628.1	2,661.1	2,751.0	
30 Foreign funds	-23.0	-14.1	5.6	18.6	62.2	45.9	62.3	51.9	71.6	61.9	51.0	
31 Treasury balances	11.5	15.5	25.8	27.5	21.6	23.5	32.6	34.2	29.0	13.5	34.4	
32 Insurance and pension reserves	1,036.1	1,160.8	1,289.4	1,427.9	1,597.2	1,647.9 <sup>r</sup>	1,693.8 <sup>r</sup>	1,729.2 <sup>r</sup>	1,771.2	1,802.6	1,837.7	
33 Other, net	294.1	342.6	451.8	643.9	739.6	735.2 <sup>r</sup>	746.1 <sup>r</sup>	772.1 <sup>r</sup>	756.4	783.0	831.9	
<i>Private domestic nonfinancial investors</i>												
34 Credit market claims	1,073.0	1,238.4	1,499.5	1,610.8	1,813.9	1,816.1 <sup>r</sup>	1,891.0 <sup>r</sup>	1,984.4 <sup>r</sup>	2,070.5	2,136.6	2,172.6	
35 U.S. government securities	548.5	659.5	814.7	899.1	992.0	1,005.2 <sup>r</sup>	1,022.1 <sup>r</sup>	1,086.1 <sup>r</sup>	1,143.5	1,175.0	1,196.3	
36 Tax-exempt obligations	167.3	194.2	231.9	211.2	256.8	257.6 <sup>r</sup>	270.1 <sup>r</sup>	289.0 <sup>r</sup>	303.7	307.2	308.2	
37 Corporate and foreign bonds	37.2	33.1	38.0	77.8	102.2	97.7 <sup>r</sup>	105.7 <sup>r</sup>	107.1 <sup>r</sup>	100.8	137.0	136.4	
38 Open market paper	75.7	83.5	131.0	136.4	160.7	151.9 <sup>r</sup>	179.9 <sup>r</sup>	188.7 <sup>r</sup>	201.0	213.0	221.7	
39 Other	244.3	268.0	283.8	286.2	302.3	303.7 <sup>r</sup>	313.3 <sup>r</sup>	313.6 <sup>r</sup>	321.5	304.3	309.9	
40 Deposits and currency	2,569.8	2,895.8	3,120.4	3,399.2	3,553.9	3,628.0 <sup>r</sup>	3,662.4 <sup>r</sup>	3,704.4 <sup>r</sup>	3,785.9	3,822.8	3,887.9	
41 Currency	150.9	159.6	171.9	186.3	205.4	204.0	204.0	213.4	220.1	220.7	226.4	
42 Checkable deposits	350.5	380.6	422.5	517.4	514.0	495.4 <sup>r</sup>	510.3 <sup>r</sup>	496.1 <sup>r</sup>	525.4	492.8	496.4	
43 Small time and savings accounts	1,542.9	1,693.4	1,831.9	1,948.3	2,017.1	2,084.9	2,110.9	2,131.1	2,150.4	2,164.7	2,186.7	
44 Money market fund shares	169.5	218.5	227.3	265.6	292.8	318.4	306.1	303.6	315.6	340.3	359.9	
45 Large time deposits	249.5	332.5	339.9	328.5	355.2	353.7 <sup>r</sup>	349.1 <sup>r</sup>	384.7 <sup>r</sup>	396.0	415.9	423.1	
46 Security RPs	80.8	90.6	108.3	128.5	145.7	151.9	156.2	158.6	166.9	174.1	178.4	
47 Deposits in foreign countries	25.7	20.6	18.5	24.5	23.7	19.9	19.9	16.8	11.6	14.3	17.0	
48 Total of credit market instruments, deposits, and currency	3,642.8	4,134.2	4,619.9	5,010.0	5,367.8	5,444.2 <sup>r</sup>	5,553.5 <sup>r</sup>	5,688.8 <sup>r</sup>	5,856.4	5,959.4	6,060.4	
49 Public holdings as percent of total	20.3	20.3	20.8	22.8	23.8 <sup>r</sup>	24.1 <sup>r</sup>	24.1 <sup>r</sup>	24.0 <sup>r</sup>	24.2	24.5	24.2	
50 Private financial intermediation (in percent)	86.0	86.1	85.2	87.1	87.4 <sup>r</sup>	87.7 <sup>r</sup>	87.7 <sup>r</sup>	87.0 <sup>r</sup>	86.9	87.0	87.1	
51 Total foreign funds	224.7	291.5	373.5	484.7	590.2	615.3	652.5	653.8	701.9	721.2	713.6	
MEMO: Corporate equities not included above												
52 Total market value	2,133.7	2,157.9	2,823.9	3,360.6	3,325.0	3,504.0 <sup>r</sup>	3,622.7 <sup>r</sup>	3,577.6 <sup>r</sup>	3,620.3	3,731.6	4,072.3	
53 Mutual fund shares	112.1	136.7	240.2	413.5	460.1	479.2	486.8	478.1	478.3	486.3	514.8	
54 Other equities	2,021.6	2,021.2	2,583.7	2,947.1	2,864.9	3,024.8 <sup>r</sup>	3,136.0 <sup>r</sup>	3,099.5 <sup>r</sup>	3,142.0	3,245.3	3,557.5	
55 Holdings by financial institutions	612.0	615.6	800.0	972.1	1,013.8	1,112.6 <sup>r</sup>	1,170.0 <sup>r</sup>	1,167.1 <sup>r</sup>	1,200.4	1,277.7	1,395.7	
56 Other holdings	1,521.7	1,542.3	2,023.9	2,388.4	2,311.2	2,391.3 <sup>r</sup>	2,452.8 <sup>r</sup>	2,410.5 <sup>r</sup>	2,419.9	2,453.9	2,676.6	

## NOTES BY LINE NUMBER.

1. Line 1 of table 1.59.  
2. Sum of lines 3-6 or 7-10.  
3. Includes farm and commercial mortgages.  
4. Credit market debt of federally sponsored agencies, and net issues of federally related mortgage pool securities.  
5. Line 1 less line 2 plus line 12 and 13. Also line 21 less line 28 plus line 34.  
6. Also sum of lines 29 and 48 less lines 41 and 47.  
7. Includes farm and commercial mortgages.  
8. Line 40 less lines 41 and 47.  
9. Excludes equity issues and investment company shares. Includes line 20.  
10. Foreign deposits at commercial banks plus bank borrowings from foreign affiliates, less claims on foreign affiliates and deposits by banking in foreign banks.  
11. Demand deposits and note balances at commercial banks.  
12. Excludes net investment of these reserves in corporate equities.  
13. Mainly retained earnings and net miscellaneous liabilities.  
14. Line 14 less line 21 plus line 28.  
15-19. Lines 15-19 less amounts acquired by private finance plus amounts borrowed by private finance. Line 39 includes mortgages.  
20. Mainly an offset to line 10.  
21. Lines 34 plus 40, or line 14 less line 29 plus 41 and 47.  
22. Line 14 and 13.  
23. Line 21/line 14.  
24. Sum of lines 11 and 30.  
25-54. 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, 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<sup>1</sup>

1977 = 100; monthly and quarterly data are seasonally adjusted. Exceptions noted.

Measure	1986	1987	1988	1989								
				Feb.	Mar.	Apr.	May	June	July	Aug.	Sept. <sup>f</sup>	Oct.
<b>1 Industrial production</b> .....	<b>125.1</b>	<b>129.8</b>	<b>137.2</b>	<b>140.5</b>	<b>140.7</b>	<b>141.7</b>	<b>141.6</b>	<b>142.0</b>	<b>141.9<sup>g</sup></b>	<b>142.4</b>	<b>142.4</b>	<b>141.4</b>
<i>Market groupings</i>												
2 Products, total.....	133.3	138.3	145.9	150.0	150.5	151.6	151.7	152.5	151.8 <sup>g</sup>	152.3 <sup>g</sup>	152.3	151.0
3 Final, total.....	132.5	136.8	144.3	148.6	148.9	150.2	150.4	151.2	150.2 <sup>g</sup>	150.9 <sup>g</sup>	150.8	148.9
4 Consumer goods.....	124.0	127.7	133.9	138.7	138.4	139.5	139.2	139.9	138.7 <sup>g</sup>	139.1 <sup>g</sup>	138.9	138.5
5 Equipment.....	143.6	148.8	158.2	161.6	162.8	164.3	165.4	166.1	165.5 <sup>g</sup>	166.5	166.5	162.7
6 Intermediate.....	136.2	143.3	151.5	155.1	156.1	156.5	156.3	157.0	157.5 <sup>g</sup>	157.2 <sup>g</sup>	157.7	158.2
7 Materials.....	113.8	118.3	125.3	127.4	127.3	128.2	127.9	127.7	128.3	128.9 <sup>g</sup>	128.9	128.2
<i>Industry groupings</i>												
8 Manufacturing.....	129.1	134.6	142.8	146.8	147.0	148.0	148.1	148.7	148.5 <sup>g</sup>	149.1	148.8	147.6
Capacity utilization (percent) <sup>2</sup>												
9 Manufacturing.....	79.7	81.1	83.5	84.3	84.1	84.5	84.3	84.4	84.0 <sup>g</sup>	84.1	83.7	82.8
10 Industrial materials industries.....	78.6	80.5	83.7	84.0	83.7	84.2	83.8	83.6	83.7	84.0 <sup>g</sup>	83.8	83.2
11 Construction contracts (1982 = 100) <sup>3</sup> .....	158.3	163.8	160.8	148.0	150.0	163.0	159.0	157.0	163.0	160.0	175.0	165.0
12 Nonagricultural employment, total <sup>4</sup> .....	120.7	124.1	128.6	130.6	130.8	131.1	131.3	131.7	131.9	132.0	132.3	132.6
13 Goods-producing, total.....	100.9	101.8	105.0	105.3	105.4	105.5	105.5	105.4	105.4	105.5 <sup>g</sup>	105.2	105.2
14 Manufacturing, total.....	96.3	96.8	99.2	99.8	100.0	99.9	99.9	99.8	99.8	99.8	99.3	99.3
15 Manufacturing, production-worker.....	91.1	91.9	94.3	95.0	95.1	95.0	95.0	94.8	94.8	94.8	94.2	94.1
16 Service-producing.....	129.0	133.4	138.5	141.2	141.5	141.8	142.2	142.7	143.0	143.1	143.6	144.0
17 Personal income, total.....	219.4	235.0	252.9	268.7	271.3	272.9	273.5	274.8	276.5 <sup>g</sup>	277.4 <sup>g</sup>	278.1	280.6
18 Wages and salary disbursements.....	210.8	226.3	244.4	257.3	259.5	261.7	262.0	263.8	266.1	266.7	268.5	271.8
19 Manufacturing.....	177.4	183.8	196.5	204.0	207.5	205.7	205.8	207.0	207.5	208.8	208.9	211.5
20 Disposable personal income <sup>5</sup> .....	218.5	232.4	252.1	268.1	270.3	269.6	271.7	273.8	275.4 <sup>g</sup>	276.2	276.7	279.0
21 Retail sales <sup>6</sup> .....	199.3	210.8	225.1	232.2	232.4	235.5	237.4	237.3	239.1	241.3 <sup>g</sup>	243.0	240.6
<i>Prices<sup>7</sup></i>												
22 Consumer (1982-84 = 100).....	109.6	113.6	118.3	121.6	122.3	123.1	123.8	124.1	124.4	124.6	125.0	125.6
23 Producer finished goods (1982 = 100)...	103.2	105.4	108.0	111.7	112.1	113.0	114.2	114.3 <sup>g</sup>	114.0	113.3	113.5	114.8

1. A major revision of the industrial production index and the capacity utilization rates was released in July 1985. See "A Revision of the Index of Industrial Production" and accompanying tables that contain revised indexes (1977=100) through December 1984 in the *Federal Reserve Bulletin*, vol. 71 (July 1985), pp. 487-501. The revised indexes for January through June 1985 were shown in the September *Bulletin*.

2. Ratios of indexes of production to indexes of capacity. Based on data from Federal Reserve, McGraw-Hill Economics Department, 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 Company, F. W. Dodge Division.

4. Based on data in *Employment and Earnings* (U.S. Department of Labor). Series covers employees only, excluding personnel in the Armed Forces.

5. Based on data in *Survey of Current Business* (U.S. Department of Commerce).

6. Based on Bureau of Census data published in *Survey of Current Business*.

7. Data without seasonal adjustment, as published in *Monthly Labor Review*. Seasonally adjusted data for changes in the price indexes may be obtained from the Bureau of Labor Statistics, U.S. Department of Labor.

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

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

## 2.11 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Thousands of persons; monthly data are seasonally adjusted. Exceptions noted.

Category	1986	1987	1988	1989							
				Mar.	Apr.	May	June	July	Aug. <sup>f</sup>	Sept. <sup>f</sup>	Oct.
<b>HOUSEHOLD SURVEY DATA</b>											
1 Noninstitutional population <sup>1</sup> .....	182,822	185,010	186,837	188,102	188,228	188,377	188,518	188,672	188,808	188,948	189,096
2 Labor force (including Armed Forces) <sup>1</sup> .....	120,078	122,122	123,893	125,469	125,863	125,806	126,291	126,145	126,228	126,262	126,330
3 Civilian labor force .....	117,834	119,865	121,669	123,264	123,659	123,610	124,102	123,956	124,018	124,040	124,105
<i>Employment</i>											
4 Nonagricultural industries <sup>2</sup> .....	106,434	109,232	111,800	113,930	114,009	114,102	114,445	114,240	114,290	114,199	114,327
5 Agriculture .....	3,163	3,208	3,169	3,206	3,104	3,112	3,096	3,219	3,307	3,257	3,217
<i>Unemployment</i>											
6 Number .....	8,237	7,425	6,701	6,128	6,546	6,395	6,561	6,497	6,421	6,584	6,561
7 Rate (percent of civilian labor force) .....	7.0	6.2	5.5	5.0	5.3	5.2	5.3	5.2	5.2	5.3	5.3
8 Not in labor force .....	62,744	62,888	62,944	62,633	62,365	62,571	62,227	62,527	62,580	62,686	62,766
<b>ESTABLISHMENT SURVEY DATA</b>											
9 Nonagricultural payroll employment <sup>3</sup> .....	99,525	102,310	106,039	107,888	108,101	108,310	108,607	108,767	108,887	109,088	109,321
10 Manufacturing .....	18,965	19,065	19,536	19,680	19,672	19,667	19,650	19,649	19,644	19,556	19,543
11 Mining .....	777	721	733	714	720	722	715	706	729	730	732
12 Contract construction .....	4,816	4,998	5,294	5,252	5,279	5,283	5,283	5,314	5,321	5,321	5,329
13 Transportation and public utilities .....	5,255	5,385	5,584	5,666	5,682	5,700	5,716	5,736	5,618	5,711	5,738
14 Trade .....	23,683	24,381	25,362	25,685	25,695	25,750	25,781	25,823	25,877	25,893	25,923
15 Finance .....	6,283	6,549	6,679	6,774	6,776	6,790	6,808	6,815	6,836	6,851	6,852
16 Service .....	23,053	24,196	25,464	26,520	26,651	26,711	26,931	26,973	27,058	27,123	27,207
17 Government .....	16,693	17,015	17,387	17,597	17,626	17,687	17,723	17,751	17,804	17,903	17,997

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

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

3. Data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th day of the month, and exclude proprietors, self-employed persons, domestic servants, unpaid family workers, and members of the Armed Forces. Data are adjusted to the March 1984 benchmark and only seasonally adjusted data are available at this time. Based on data from *Employment and Earnings* (U.S. Department of Labor).



2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION<sup>1</sup>

Seasonally adjusted

Series	1988		1989				1988		1989				1988		1989			
	Q4	Q1	Q2	Q3 <sup>r</sup>	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3 <sup>r</sup>		
	Output (1977 = 100)				Capacity (percent of 1977 output)				Utilization rate (percent)									
1 Total industry .....	139.9	140.7	141.8	142.2	166.3	167.5	168.7	169.9	84.1	84.0	84.1	83.7						
2 Mining .....	104.2	101.8	102.0	103.2	125.7	125.1	124.7	124.3	82.9	81.3	81.8	83.1						
3 Utilities .....	114.3	116.0	115.7	113.9	140.7	141.0	141.4	141.7	81.3	82.3	81.8	80.4						
4 Manufacturing .....	145.8	147.0	148.3	148.8	172.8	174.3	175.7	177.2	84.4	84.4	84.4	83.9						
5 Primary processing .....	127.7	127.8	127.6	128.8	145.2	146.5	147.8	149.1	87.9	87.3	86.4	86.4						
6 Advanced processing .....	156.7	158.6	160.8	160.9	189.5	191.0	192.6	194.2	82.7	83.0	83.5	82.8						
7 Materials .....	128.0	127.6	127.9	128.7	150.8	151.7	152.6	153.5	84.9	84.1	83.9	83.8						
8 Durable goods .....	139.2	138.6	139.0	140.3	169.0	170.1	171.3	172.5	82.4	81.5	81.1	81.3						
9 Metal materials .....	100.8	98.4	96.0	97.7	114.5	115.1	115.6	116.1	88.0	85.5	83.0	84.1						
10 Nondurable goods .....	135.4	136.3	137.1	137.9	151.2	152.7	154.2	155.8	89.5	89.3	88.9	88.5						
11 Textile, paper, and chemical .....	138.1	139.2	139.8	141.2	151.8	153.5	155.3	157.0	91.0	90.7	90.0	89.9						
12 Paper .....	148.6	148.4	146.1	149.5	152.3	154.0	155.8	157.6	97.6	96.4	93.8	94.8						
13 Chemical .....	144.1	145.4	145.7	146.8	159.3	161.4	163.7	165.9	90.5	90.1	89.0	88.5						
14 Energy materials .....	102.0	100.7	100.7	100.4	118.7	118.4	118.3	118.1	86.0	85.0	85.1	84.9						
	Previous cycle <sup>2</sup>		Latest cycle <sup>3</sup>		1988		1989											
	High	Low	High	Low	Oct.	Feb.	Mar.	Apr.	May	June	July <sup>r</sup>	Aug. <sup>r</sup>	Sept. <sup>r</sup>	Oct.				
	Capacity utilization rate (percent)																	
15 Total industry .....	88.6	72.1	86.9	69.5	84.0	83.9	83.8	84.2	84.0	84.0	83.7	83.8	83.6	82.8				
16 Mining .....	92.8	87.8	95.2	76.9	81.9	80.6	81.2	82.0	81.8	81.5	82.1	82.7	84.5	84.6				
17 Utilities .....	95.6	82.9	88.5	78.0	81.0	82.6	83.3	82.9	81.8	80.8	80.5	79.9	80.8	81.2				
18 Manufacturing .....	87.7	69.9	86.5	68.0	84.3	84.3	84.1	84.5	84.3	84.4	84.0	84.1	83.7	82.8				
19 Primary processing .....	91.9	68.3	89.1	65.0	87.9	87.0	86.4	86.8	86.2	86.2	86.7	86.6	86.0	85.6				
20 Advanced processing .....	86.0	71.1	85.1	69.5	82.6	83.0	83.0	83.5	83.4	83.5	82.9	83.0	82.6	81.6				
21 Materials .....	92.0	70.5	89.1	68.5	84.7	84.0	83.7	84.2	83.8	83.6	83.7	84.0	83.8	83.2				
22 Durable goods .....	91.8	64.4	89.8	60.9	82.4	81.5	80.9	81.3	81.0	81.1	81.3	81.6	81.1	80.3				
23 Metal materials .....	99.2	67.1	93.6	45.7	88.4	85.5	83.2	84.9	81.7	82.5	84.3	84.7	83.5	83.2				
24 Nondurable goods .....	91.1	66.7	88.1	70.7	89.3	89.0	88.8	89.2	88.7	88.7	89.2	88.8	87.5	86.8				
25 Textile, paper, and chemical .....	92.8	64.8	89.4	68.8	90.9	90.3	90.2	90.7	89.6	89.8	90.6	90.2	88.9	87.9				
26 Paper .....	98.4	70.6	97.3	79.9	97.8	95.8	95.3	94.5	93.2	93.7	95.0	95.1	94.4	.....				
27 Chemical .....	92.5	64.4	87.9	63.5	90.2	89.8	89.7	90.1	88.4	88.5	89.5	88.8	87.0	.....				
28 Energy materials .....	94.6	86.9	94.0	82.3	85.3	84.9	85.4	86.0	85.5	83.8	83.9	84.5	86.4	86.6				

1. These data also appear in the Board's G.3 (402) release. For address, see inside front cover.

2. Monthly high 1973; monthly low 1975.

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

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value<sup>1</sup>

Monthly data are seasonally adjusted

Groups	1977 pro- portion	1988 avg.	1988			1989									
			Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July <sup>r</sup>	Aug. <sup>r</sup>	Sept. <sup>p</sup>	Oct. <sup>r</sup>
Index (1977 = 100)															
<b>MAJOR MARKET</b>															
1 Total index .....	100.00	137.2	139.4	139.9	140.4	140.8	140.5	140.7	141.7	141.6	142.0	141.9	142.4	142.4	141.4
2 Products .....	57.72	145.9	148.1	148.4	149.4	150.1	150.0	150.5	151.6	151.7	152.5	151.8	152.3	152.3	151.0
3 Final products .....	44.77	144.3	146.4	146.8	147.7	148.2	148.6	148.9	150.2	150.4	151.2	150.2	150.9	150.8	148.9
4 Consumer goods .....	25.52	133.9	136.4	136.8	138.2	138.5	138.7	138.4	139.5	139.2	139.9	138.7	139.1	138.9	138.5
5 Equipment .....	19.25	158.2	159.7	159.9	160.4	161.1	161.6	162.8	164.3	165.4	166.1	165.5	166.5	166.5	162.7
6 Intermediate products .....	12.94	151.5	154.0	154.2	155.0	156.6	155.1	156.1	156.5	156.3	157.0	157.5	157.2	157.7	158.2
7 Materials .....	42.28	125.3	127.5	128.3	128.3	128.1	127.4	127.3	128.2	127.9	127.7	128.3	128.9	128.9	128.2
<i>Consumer goods</i>															
8 Durable consumer goods .....	6.89	125.4	129.3	129.2	131.9	131.5	131.6	130.1	132.2	131.2	130.8	127.3	128.9	128.0	124.9
9 Automotive products .....	2.98	125.1	128.9	129.5	134.5	132.5	131.6	128.9	131.7	128.6	125.6	120.2	122.2	120.9	117.3
10 Autos and trucks .....	1.79	123.0	128.3	129.5	138.0	135.6	133.1	128.3	131.7	127.4	123.3	114.6	119.4	117.1	111.6
11 Autos, consumer .....	1.16	93.7	101.3	101.0	105.1	99.6	96.0	95.0	98.8	96.0	91.4	81.2	86.4	92.7	91.5
12 Trucks, consumer .....	.63	177.4	178.4	182.4	199.1	202.3	201.9	190.0	192.8	185.5	182.5	176.7	180.5	162.4	149.0
13 Auto parts and allied goods .....	1.19	128.3	129.8	129.5	129.3	127.9	129.4	129.8	131.7	130.4	129.1	127.6	126.6	126.5	125.7
14 Home goods .....	3.91	125.6	129.7	128.9	130.0	130.7	131.6	131.1	132.6	133.3	134.8	132.7	133.9	133.4	130.7
15 Appliances, A/C and TV .....	1.24	144.1	154.4	150.4	151.0	151.0	153.9	151.6	151.7	151.3	155.6	148.1	153.8	154.6	148.1
16 Appliances and TV .....	1.19	143.5	151.9	148.9	150.0	149.5	153.0	152.3	152.5	151.4	155.0	147.0	151.7	150.7	.....
17 Carpeting and furniture .....	.96	136.2	138.8	139.8	140.5	141.1	141.3	140.7	142.8	144.3	143.1	141.3	140.1	139.1	.....
18 Miscellaneous home goods .....	1.71	106.3	106.7	107.3	108.9	110.1	110.1	110.9	113.0	114.1	115.0	116.8	116.0	115.0	.....
19 Nondurable consumer goods .....	18.63	137.0	139.0	139.7	140.5	141.1	141.4	141.4	142.2	142.1	143.3	142.8	142.9	143.0	143.6
20 Consumer staples .....	15.29	144.8	147.0	147.9	148.9	149.4	149.7	149.9	150.7	150.7	151.9	151.4	151.6	151.8	152.7
21 Consumer foods and tobacco .....	7.80	141.0	142.4	143.7	144.5	144.8	144.3	143.3	144.7	144.7	145.7	144.2	144.6	145.5	.....
22 Nonfood staples .....	7.49	148.9	151.8	152.2	153.6	154.2	155.4	156.9	156.9	156.9	158.4	158.9	158.9	158.3	159.7
23 Consumer chemical products .....	2.75	179.8	186.1	185.7	186.8	187.6	187.8	188.9	187.3	189.1	191.0	193.1	193.6	189.7	.....
24 Consumer paper products .....	1.88	163.3	167.1	167.8	169.0	174.2	177.0	180.4	180.9	180.9	183.6	183.0	183.8	185.1	.....
25 Consumer energy .....	2.86	109.8	108.9	109.8	111.6	109.1	110.1	110.7	112.0	110.1	110.7	110.4	109.2	110.6	111.1
26 Consumer fuel .....	1.44	95.4	95.3	94.1	96.3	96.7	95.0	95.6	97.3	93.6	95.6	97.0	96.0	96.8	.....
27 Residential utilities .....	1.42	124.5	122.7	125.8	127.1	121.7	125.4	126.1	127.0	127.0	126.1	124.0	122.7	.....	.....
<i>Equipment</i>															
28 Business and defense equipment .....	18.01	163.3	165.1	165.5	166.2	167.1	167.9	168.9	170.3	171.5	172.0	171.3	172.2	172.0	168.0
29 Business equipment .....	14.34	157.6	160.2	161.2	162.6	163.8	165.0	166.3	167.8	169.1	169.6	168.5	169.7	169.4	165.9
30 Construction, mining, and farm .....	2.08	71.9	74.2	74.5	74.6	74.3	75.6	76.9	77.6	76.3	74.8	73.0	71.8	74.3	75.0
31 Manufacturing .....	3.27	131.3	136.2	136.2	137.0	136.3	137.8	138.6	139.7	140.9	142.8	143.8	143.5	142.6	142.4
32 Power .....	1.27	89.4	91.5	92.1	91.8	92.8	92.7	93.0	93.6	93.3	92.5	92.8	94.0	93.6	94.7
33 Commercial .....	5.22	245.0	245.4	247.0	248.9	252.4	254.3	257.6	260.1	263.2	264.5	263.8	265.2	265.4	262.3
34 Transit .....	2.49	115.4	120.3	122.3	124.9	125.7	125.2	123.9	124.8	125.3	124.8	120.1	124.4	121.8	107.0
35 Defense and space equipment .....	3.67	185.9	184.0	182.2	180.5	180.0	179.3	178.7	179.9	180.7	181.1	182.0	182.3	182.0	176.2
<i>Intermediate products</i>															
36 Construction supplies .....	5.95	138.6	140.0	140.7	141.4	142.3	139.5	139.3	140.2	140.2	141.2	142.2	141.0	141.6	142.4
37 Business supplies .....	6.99	162.4	165.9	165.7	166.7	168.8	168.4	170.4	170.4	170.0	170.4	170.6	171.0	171.5	.....
38 General business supplies .....	5.67	168.5	172.3	172.9	173.8	175.9	175.4	177.4	177.9	177.3	177.9	177.8	178.7	179.3	.....
39 Commercial energy products .....	1.31	136.3	138.2	134.3	135.8	138.2	138.3	140.3	138.0	138.2	138.4	139.6	137.5	137.7	.....
<i>Materials</i>															
40 Durable goods materials .....	20.50	135.5	138.9	139.8	139.0	139.4	138.6	137.9	139.0	138.7	139.4	139.9	140.8	140.3	139.2
41 Durable consumer parts .....	4.92	109.0	111.4	113.9	112.5	111.7	112.1	110.7	110.8	111.8	111.6	109.9	111.9	110.7	107.6
42 Equipment parts .....	5.94	171.6	174.9	175.0	174.1	175.2	175.2	175.3	176.9	177.1	177.5	179.1	179.9	179.8	178.0
43 Durable materials n.e.c. .....	9.64	126.8	130.8	131.3	130.9	131.5	129.7	128.8	130.0	128.9	130.0	131.0	131.4	131.1	131.4
44 Basic metal materials .....	4.64	96.1	101.1	101.4	99.8	100.8	98.4	98.4	95.9	98.0	94.4	95.5	97.7	98.3	96.9
45 Nondurable goods materials .....	10.09	132.0	134.7	135.1	136.3	137.1	135.9	136.0	137.1	136.8	137.3	138.5	138.3	136.9	136.2
46 Textile, paper, and chemical materials .....	7.53	134.4	137.4	137.9	139.1	139.9	138.6	139.0	140.3	139.1	140.0	141.8	141.7	140.2	139.1
47 Textile materials .....	1.52	110.0	109.5	110.1	110.0	112.1	110.7	111.8	114.6	116.4	117.2	116.4	116.4	116.5	.....
48 Pulp and paper materials .....	1.55	147.3	148.4	147.2	150.3	150.4	147.5	147.3	146.7	145.2	146.5	149.1	149.9	149.4	.....
49 Chemical materials .....	4.46	138.2	143.1	144.2	145.1	145.7	145.0	145.4	146.8	144.7	145.5	147.9	147.4	145.1	.....
50 Miscellaneous nondurable materials .....	2.57	125.0	126.6	127.0	128.0	129.1	128.0	127.2	127.8	129.9	129.4	129.0	128.6	.....	.....
51 Energy materials .....	11.69	101.5	101.3	102.3	102.6	100.5	100.5	101.0	101.7	101.1	99.1	99.1	99.9	102.1	102.2
52 Primary energy .....	7.57	106.3	106.0	108.6	107.6	105.2	104.4	103.7	104.1	104.6	103.0	103.2	104.7	107.4	.....
53 Converted fuel materials .....	4.12	92.7	92.6	90.7	93.3	92.0	93.3	96.1	97.4	94.7	92.0	91.6	91.0	92.3	.....

A50 Domestic Nonfinancial Statistics □ January 1990

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value<sup>1</sup>—Continued

Groups	SIC code	1977 proportion	1988 avg.	1988				1989								
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July <sup>r</sup>	Aug. <sup>r</sup>	Sept. <sup>p</sup>	Oct. <sup>r</sup>
Index (1977 = 100)																
<b>MAJOR INDUSTRY</b>																
1 Mining and utilities .....		15.79	107.5	107.2	108.1	108.9	107.2	106.8	107.5	107.9	107.2	106.3	106.6	106.7	108.5	108.8
2 Mining .....		9.83	103.5	103.1	104.7	104.9	103.0	100.9	101.5	102.4	102.0	101.5	102.1	102.7	104.8	104.9
3 Utilities .....		5.96	114.0	113.9	113.7	115.4	114.0	116.5	117.5	117.1	115.6	114.3	114.0	113.2	114.6	115.2
4 Manufacturing .....		84.21	142.8	145.3	145.8	146.3	147.2	146.8	147.0	148.0	148.1	148.7	148.5	149.1	148.8	147.6
5 Nondurable .....		35.11	143.9	146.3	146.7	147.1	148.5	148.1	148.6	149.6	149.5	150.5	150.8	150.9	150.8	151.0
6 Durable .....		49.10	142.0	144.6	145.2	145.7	146.2	145.9	145.8	146.9	147.1	147.4	146.8	147.7	147.3	145.1
<i>Mining</i>																
7 Metal .....	10	.50	93.6	101.6	104.6	111.9	106.9	98.6	98.1	96.8	94.0	101.2	106.2	103.4	.....	.....
8 Coal .....	11.12	1.60	138.2	138.5	149.7	155.1	144.7	134.7	137.7	145.5	137.1	129.2	130.2	135.4	144.2	146.9
9 Oil and gas extraction .....	13	7.07	93.0	91.5	90.8	88.9	88.9	89.5	89.6	89.1	90.5	90.6	90.8	90.8	92.0	.....
10 Stone and earth minerals .....	14	.66	140.0	142.8	144.0	149.4	150.8	142.5	143.5	144.5	146.6	150.2	152.1	150.8	148.1	.....
<i>Nondurable manufactures</i>																
11 Foods .....	20	7.96	142.7	144.0	145.7	145.8	146.6	146.3	145.4	146.6	147.2	147.9	147.3	147.6	148.5	.....
12 Tobacco products .....	21	.62	105.4	105.4	102.4	107.0	105.0	104.7	101.5	109.2	105.9	104.2	97.1	.....	.....	.....
13 Textile mill products .....	22	2.29	116.4	117.0	117.2	117.9	120.2	119.4	119.7	122.5	123.6	123.8	123.5	123.2	123.1	.....
14 Apparel products .....	23	2.79	109.1	109.5	110.1	108.8	110.2	109.9	111.3	111.3	111.5	111.9	111.4	111.1	110.7	.....
15 Paper and products .....	26	3.15	150.2	151.8	150.7	151.7	153.8	151.7	151.7	150.7	150.1	150.2	152.4	152.8	151.4	.....
16 Printing and publishing .....	27	4.54	183.8	188.1	188.5	188.0	193.0	194.6	198.5	200.1	199.0	200.5	199.9	200.9	202.1	201.9
17 Chemicals and products .....	28	8.05	152.0	156.7	157.5	158.1	159.0	158.5	159.2	159.3	158.2	159.9	162.2	161.8	160.2	.....
18 Petroleum products .....	29	2.40	96.0	96.3	95.0	98.0	98.0	96.3	97.0	97.3	96.9	97.9	98.3	97.8	98.5	98.8
19 Rubber and plastic products .....	30	2.80	174.4	176.9	177.5	177.5	175.9	176.4	178.0	180.5	182.3	182.3	182.3	182.7	182.5	.....
20 Leather and products .....	31	.53	59.4	61.0	61.5	60.2	62.9	62.9	61.2	61.4	60.3	60.5	60.8	60.2	60.1	.....
<i>Durable manufactures</i>																
21 Lumber and products .....	24	2.30	137.6	137.5	139.4	143.0	139.9	132.8	133.4	135.1	135.5	137.2	136.9	135.9	136.4	.....
22 Furniture and fixtures .....	25	1.27	162.0	164.5	165.4	165.4	166.3	164.8	165.8	168.0	170.2	170.8	169.0	167.5	167.1	.....
23 Clay, glass, and stone products .....	32	2.72	122.6	123.3	124.7	125.1	126.6	125.4	125.5	124.7	123.9	123.9	122.9	124.2	124.1	.....
24 Primary metals .....	33	5.33	89.4	94.2	92.7	90.0	93.2	91.1	88.4	90.1	87.2	87.3	89.2	90.2	89.4	88.9
25 Iron and steel .....	331.2	3.49	78.2	83.1	80.8	77.6	82.2	79.1	75.9	77.0	73.2	72.9	75.4	75.9	75.4	.....
26 Fabricated metal products .....	34	6.46	120.9	122.6	124.6	125.1	124.5	124.5	123.8	123.1	124.8	125.2	124.4	125.4	125.0	124.5
27 Nonelectrical machinery .....	35	9.54	170.7	173.8	175.4	177.8	178.7	180.8	183.0	184.7	186.5	187.5	186.7	187.3	188.0	186.8
28 Electrical machinery .....	36	7.15	180.1	183.0	182.2	180.9	180.9	181.7	181.6	182.2	181.6	181.9	181.4	183.8	183.3	181.2
29 Transportation equipment .....	37	9.13	132.2	134.8	135.2	136.8	136.7	136.4	134.8	136.4	135.5	134.2	131.3	133.2	131.6	122.9
30 Motor vehicles and parts .....	371	5.25	117.4	121.7	122.9	125.5	124.9	123.4	120.4	122.0	119.7	116.4	110.4	114.2	112.7	109.0
31 Aerospace and miscellaneous transportation equipment .....	372-6.9	3.87	152.4	152.7	151.9	152.2	152.7	154.0	154.4	155.9	157.1	158.4	159.6	159.0	157.3	141.8
32 Instruments .....	38	2.66	154.4	159.9	160.4	159.1	161.0	161.3	161.8	163.0	164.3	165.7	166.0	164.5	164.2	164.2
33 Miscellaneous manufactures .....	39	1.46	107.1	106.5 <sup>r</sup>	108.4 <sup>r</sup>	111.0 <sup>r</sup>	111.8 <sup>r</sup>	107.6 <sup>r</sup>	110.0 <sup>r</sup>	114.5 <sup>r</sup>	114.7 <sup>r</sup>	117.1 <sup>r</sup>	119.6	117.4	116.6	.....
<i>Utilities</i>																
34 Electric .....		4.17	131.9	132.8	131.6	132.9	131.0	135.3	137.0	137.1	135.8	134.6	134.9	134.0	135.8	136.7
Gross value (billions of 1982 dollars, annual rates)																
<b>MAJOR MARKET</b>																
35 Products, total .....		517.5	1,824.5	1,853.4	1,855.5	1,875.3	1,885.1	1,879.2	1,878.0	1,893.9	1,885.5	1,884.4	1,870.9	1,874.4	1,878.9	↑
36 Final .....		405.7	1,401.2	1,423.5	1,426.3	1,442.1	1,447.5	1,449.6	1,442.8	1,460.4	1,449.6	1,448.8	1,433.5	1,437.3	1,441.4	↑
37 Consumer goods .....		272.7	902.4	915.0	918.4	934.4	935.6	934.3	928.0	939.4	928.5	928.0	917.4	917.9	921.6	n.a.
38 Equipment .....		133.0	498.8	508.4	507.9	507.7	511.9	515.2	514.8	521.1	521.1	520.8	516.0	519.4	519.8	↓
39 Intermediate .....		111.9	423.3	430.5	429.3	433.2	437.7	429.6	435.3	433.5	435.9	435.6	437.4	437.1	437.5	↓

1. These data also appear in the Board's G.12.3 (414) release. For address, see inside front cover.

A major revision of the industrial production index and the capacity utilization rates was released in July 1985. See "A Revision of the Index of

Industrial Production" and accompanying tables that contain revised indexes (1977=100) through December 1984 in the *Federal Reserve Bulletin*, vol. 71 (July 1985), pp. 487-501. The revised indexes for January through June 1985 were shown in the September *Bulletin*.

2.14 HOUSING AND CONSTRUCTION

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

Item	1986	1987	1988	1989									
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July <sup>r</sup>	Aug. <sup>r</sup>	Sept.
Private residential real estate activity (thousands of units)													
<b>NEW UNITS</b>													
1 Permits authorized .....	1,750	1,535	1,456	1,518	1,486	1,403	1,230	1,334	1,347	1,308	1,281	1,328	1,319
2 1-family .....	1,071	1,024	994	1,058	1,052	989	870	954	905	874	906	927	946
3 2-or-more-family .....	679	511	462	460	434	414	360	380	442	434	375	401	373
4 Started .....	1,805	1,621	1,488	1,577	1,678	1,465	1,409	1,343	1,308	1,406	1,420	1,329	1,268
5 1-family .....	1,180	1,146	1,081	1,141	1,199	1,029	981	1,029	977	972	1,026	990	961
6 2-or-more-family .....	626	474	407	436	479	436	428	314	331	434	394	339	307
7 Under construction, end of period <sup>1</sup> ..	1,074	987	919	956	957	951	942	924	911	914	918	903	900
8 1-family .....	583	591	570	603	602	594	586	579	572	572	576	568	569
9 2-or-more-family .....	490	397	350	353	355	357	356	345	339	342	342	335	331
10 Completed .....	1,756	1,669	1,530	1,539	1,537	1,610	1,459	1,552	1,442	1,355 <sup>r</sup>	1,372	1,429	1,296
11 1-family .....	1,120	1,123	1,085	1,108	1,141	1,189	1,050	1,115	1,041	964 <sup>r</sup>	965	1,031	937
12 2-or-more-family .....	636	546	445	431	396	421	409	437	401	391 <sup>r</sup>	407	398	359
13 Mobile homes shipped .....	244	233	218	225	232	212	207	198	205	202	178	194	185
<i>Merchant builder activity in 1-family units</i>													
14 Number sold .....	748	672	675	669	700	621	555	607	653	647 <sup>r</sup>	742	719	618
15 Number for sale, end of period <sup>1</sup> .....	357	365	366	366	369	375	377	377	380	377	370	367	367
<i>Price (thousands of dollars)<sup>2</sup></i>													
<i>Median</i>													
16 Units sold .....	92.2	104.7	113.3	121.0	113.0	118.0	123.0	116.7	119.0	122.8 <sup>r</sup>	117.0	122.2	122.5
<i>Average</i>													
17 Units sold .....	112.2	127.9	139.0	147.7	138.6	145.3	149.0	144.7	145.1	153.6 <sup>r</sup>	141.8	161.3	154.4
<b>EXISTING UNITS (1-family)</b>													
18 Number sold .....	3,566	3,530	3,594	3,920	3,550	3,480	3,400	3,400	3,210	3,360	3,330	3,480	3,520
<i>Price of units sold (thousands of dollars)<sup>2</sup></i>													
19 Median .....	80.3	85.6	89.2	88.7	89.7	91.9	92.0	92.9	92.6	93.4	96.7	94.8	94.3
20 Average .....	98.3	106.2	112.5	112.0	113.0	117.8	116.1	118.0	118.0	118.8	122.1	120.8	118.4
Value of new construction <sup>3</sup> (millions of dollars)													
<b>CONSTRUCTION</b>													
21 Total put in place .....	387,043	397,721	409,663	425,035	424,791	418,465	419,152	414,834	420,410	416,928	409,601	415,849	415,615
22 Private .....	315,313	320,108	328,738	336,254	339,481	335,037	340,438	335,480	334,462	333,440	328,046	331,472	327,592
23 Residential .....	187,147	194,656	198,101	202,480	204,707	202,322	204,456	203,678	200,854	198,635	194,257	193,598	191,940
24 Nonresidential, total .....	128,166	125,452	130,637	133,774	134,774	132,715	135,982	131,802	133,608	134,805	133,789	137,874	135,652
<i>Buildings</i>													
25 Industrial .....	13,747	13,707	14,931	15,045	15,890	15,098	15,698	16,245	15,945	16,302	16,390	17,460	17,601
26 Commercial .....	56,762	55,448	58,104	58,659	59,350	58,749	60,653	55,581	56,796	57,434	56,499	57,812	55,662
27 Other .....	13,216	15,464	17,278	17,744	17,976	17,484	17,634	16,645	17,343	17,179	16,792	18,360	17,771
28 Public utilities and other .....	44,441	40,833	40,324	42,326	41,558	41,384	41,997	43,331	43,524	43,890	44,108	44,242	44,618
29 Public .....	71,727	77,612	80,922	88,781	85,310	83,428	78,714	80,420	85,130	81,914	81,555	84,377	88,023
30 Military .....	3,868	4,327	3,579	3,905	3,440	3,433	3,740	2,054	3,870	4,324	3,264	3,689	4,242
31 Highway .....	22,971	25,343	28,524	33,674	30,792	27,936	26,091	27,772	27,432	27,321	26,128	27,367	27,936
32 Conservation and development .....	4,646	5,162	4,474	4,412	4,121	4,742	4,210	3,068	6,053	4,699	4,535	4,643	4,679
33 Other .....	40,242	42,780	44,345	46,790	46,957	47,317	44,673	47,526	47,775	45,570	47,628	48,678	51,166

1. Not at annual rates.  
 2. Not seasonally adjusted.  
 3. Value of new construction data in recent periods may not be strictly comparable with data in 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.

NOTE. Census Bureau 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 16,000 jurisdictions beginning with 1978.

A52 Domestic Nonfinancial Statistics □ January 1990

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 (at annual rate)				Change from 1 month earlier					Index level Oct., 1989 <sup>1</sup>
	1988 Oct.	1989 Oct.	1988 Dec.	1989			1989					
				Mar.	June'	Sept.'	June'	July'	Aug.	Sept.	Oct.	
<b>CONSUMER PRICES<sup>2</sup></b> (1982-84=100)												
1 All items .....	4.2	4.5	4.1	6.1	5.7	1.6	.2	.2	.0	.2	.5	125.6
2 Food .....	5.2	5.2	3.0	8.2	5.6	2.9	.2	.3	.2	.2	.4	126.5
3 Energy items .....	.1	5.2	-.4	10.2	24.8	-13.4	-1.0	-.7	-2.0	-.9	.6	94.6
4 All items less food and energy .....	4.5	4.3	4.9	5.2	3.8	3.1	-.2	.4	.2	.2	.5	130.9
5 Commodities .....	3.8	2.7	4.2	4.1	2.0	.7	-.1	.1	-.3	.4	.6	121.2
6 Services .....	4.8	5.1	5.4	5.9	4.3	4.5	.4	.6	.3	.2	.4	136.5
<b>PRODUCER PRICES</b> (1982=100)												
7 Finished goods .....	3.0	4.9	3.0	10.2	5.8	-.3	.1	-.6	-.4	.9	.4	114.8
8 Consumer foods .....	4.5	4.3	2.1	13.1	-1.3	-1.3	-.6	-.1	.3	-.6	1.4	119.5
9 Consumer energy .....	-5.9	11.9	1.4	41.0	31.8	-16.8	-2.7	-3.2	-7.3	6.5	.2	65.7
10 Other consumer goods .....	4.2	4.6	4.4	5.4	5.7	2.6	.8	-.4	.5	.6	.2	126.0
11 Capital equipment .....	3.1	3.7	1.7	4.6	4.5	4.8	.5	-.1	.3	1.0	-.3	120.3
12 Intermediate materials <sup>3</sup> .....	4.9	3.7	4.5	8.7	2.9	-1.1	-.1	-.4	-.3	.4	.1	112.3
13 Excluding energy .....	7.0	2.6	6.7	5.5	.3	-.7	-.2	-.2	-.1	.1	.1	120.3
<b>Crude materials</b>												
14 Foods .....	16.4	-4.2	-7.9	16.9	-17.8	-2.2	-2.1	-1.4	1.7	-.8	-.6	107.2
15 Energy .....	-16.0	21.0	12.3	48.3	23.6	-6.5	-1.0	1.8	-6.7	3.5	.5	76.6
16 Other .....	5.5	3.0	12.5	10.3	-9.3	-6	-1.5	-1.6	1.2	.3	.3	137.4

1. Not seasonally adjusted.  
 2. Figures for consumer prices are those for all urban consumers and reflect a rental equivalence measure of homeownership after 1982.  
 3. Excludes intermediate materials for food manufacturing and manufactured animal feeds.  
 SOURCE: Bureau of Labor Statistics.

## 2.16 GROSS NATIONAL PRODUCT AND INCOME

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

Account	1986	1987	1988	1988		1989		
				Q3	Q4	Q1	Q2	Q3'
<b>GROSS NATIONAL PRODUCT</b>								
1 Total .....	4,231.6	4,524.3	4,880.6	4,926.9	5,017.3	5,113.1	5,201.7	5,278.9
<i>By source</i>								
2 Personal consumption expenditures .....	2,797.4	3,010.8	3,235.1	3,263.4	3,324.0	3,381.4	3,444.1	3,513.2
3 Durable goods .....	406.0	421.0	455.2	452.5	467.4	466.4	471.0	488.5
4 Nondurable goods .....	942.0	998.1	1,052.3	1,066.2	1,078.4	1,098.3	1,121.5	1,133.7
5 Services .....	1,449.5	1,591.7	1,727.6	1,744.7	1,778.2	1,816.7	1,851.7	1,891.0
6 Gross private domestic investment .....	659.4	699.9	750.3	771.1	752.8	769.6	775.0	779.0
7 Fixed investment .....	652.5	670.6	719.6	726.5	734.1	742.0	747.6	752.1
8 Nonresidential .....	435.2	444.3	487.2	493.2	495.8	503.1	512.5	519.3
9 Structures .....	139.0	133.8	140.3	142.0	142.5	144.7	142.4	145.5
10 Producers' durable equipment .....	296.2	310.5	346.8	351.3	353.3	358.5	370.1	373.8
11 Residential structures .....	217.3	226.4	232.4	233.2	238.4	238.8	235.1	232.8
12 Change in business inventories .....	6.9	29.3	30.6	44.6	18.7	27.7	27.4	26.9
13 Nonfarm .....	8.6	30.5	34.2	41.5	40.8	19.1	23.6	19.0
14 Net exports of goods and services .....	-97.4	-112.6	-73.7	-66.2	-70.8	-54.0	-50.6	-53.5
15 Exports .....	396.5	448.6	547.7	556.8	579.7	605.6	626.1	623.3
16 Imports .....	493.8	561.2	621.3	623.0	650.5	659.6	676.6	676.8
17 Government purchases of goods and services .....	872.2	926.1	968.9	958.6	1,011.4	1,016.0	1,033.2	1,040.2
18 Federal .....	366.5	381.6	381.3	367.5	406.4	399.0	406.0	403.3
19 State and local .....	505.7	544.5	587.6	591.0	604.9	617.0	627.2	636.8
<i>By major type of product</i>								
20 Final sales, total .....	4,224.8	4,495.0	4,850.0	4,882.3	4,998.7	5,085.4	5,174.3	5,252.0
21 Goods .....	1,686.7	1,785.2	1,931.9	1,955.8	1,987.4	2,030.9	2,079.1	2,105.0
22 Durable .....	724.2	777.6	863.6	884.0	888.5	894.7	905.2	935.1
23 Nondurable .....	962.5	1,007.6	1,068.3	1,071.8	1,098.9	1,136.2	1,173.9	1,169.9
24 Services .....	2,119.3	2,304.5	2,499.2	2,520.3	2,570.0	2,620.8	2,667.5	2,716.8
25 Structures .....	425.6	434.6	449.5	450.8	459.9	461.3	455.1	457.1
26 Change in business inventories .....	6.9	29.3	30.6	44.6	18.7	27.7	27.4	26.9
27 Durable goods .....	1.2	22.0	25.0	41.4	32.0	22.0	6.0	3.8
28 Nondurable goods .....	5.6	7.2	5.6	3.2	-13.3	5.7	21.4	23.1
<b>MEMO</b>								
29 Total GNP in 1982 dollars .....	3,717.9	3,853.7	4,024.4	4,042.7	4,069.4	4,106.8	4,132.5	4,160.2
<b>NATIONAL INCOME</b>								
30 Total .....	3,412.6	3,665.4	3,972.6	4,005.7	4,097.4	4,185.2	4,249.6	4,284.0
31 Compensation of employees .....	2,511.4	2,690.0	2,907.6	2,935.1	2,997.2	3,061.7	3,118.2	3,171.9
32 Wages and salaries .....	2,094.8	2,249.4	2,429.0	2,452.2	2,505.1	2,560.7	2,608.8	2,654.7
33 Government and government enterprises .....	393.7	419.2	446.5	449.6	456.3	466.9	473.5	480.2
34 Other .....	1,701.1	1,830.1	1,982.5	2,002.6	2,048.9	2,093.8	2,135.3	2,174.5
35 Supplement to wages and salaries .....	416.6	440.7	478.6	482.9	492.0	501.0	509.4	517.2
36 Employer contributions for social insurance .....	217.3	227.8	249.7	251.8	255.6	259.7	263.4	266.6
37 Other labor income .....	199.3	212.8	228.9	231.1	236.5	241.3	246.0	250.7
38 Proprietors' income <sup>1</sup> .....	282.0	311.6	327.8	327.0	328.3	359.3	355.5	343.6
39 Business and professional <sup>1</sup> .....	247.2	270.0	288.0	289.3	296.3	300.3	304.2	307.3
40 Farm <sup>1</sup> .....	34.7	41.6	39.8	37.7	32.0	59.0	51.3	36.3
41 Rental income of persons <sup>2</sup> .....	11.6	13.4	15.7	16.3	16.1	11.8	9.8	5.2
42 Corporate profits <sup>1</sup> .....	282.1	298.7	328.6	330.9	340.2	316.3	307.8	292.3
43 Profits before tax <sup>3</sup> .....	221.6	266.7	306.8	314.4	318.8	318.0	296.0	272.0
44 Inventory valuation adjustment .....	6.7	-18.9	-25.0	-30.4	-20.1	-38.3	-20.7	-6.0
45 Capital consumption adjustment .....	53.8	50.9	46.8	46.9	41.5	36.6	32.3	26.3
46 Net interest .....	325.5	351.7	392.9	396.4	415.7	436.1	458.4	471.0

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 (Department of Commerce).

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2.17 PERSONAL INCOME AND SAVING

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

Account	1986	1987	1988	1988		1989		
				Q3	Q4	Q1	Q2	Q3 <sup>1</sup>
<b>PERSONAL INCOME AND SAVING</b>								
1 Total personal income .....	3,526.2	3,777.6	4,064.5	4,097.6	4,185.2	4,317.8	4,400.3	4,457.5
2 Wage and salary disbursements .....	2,094.8	2,249.4	2,429.0	2,452.2	2,505.1	2,560.7	2,608.8	2,654.7
3 Commodity-producing industries .....	625.6	649.9	696.3	701.6	714.7	726.6	733.7	742.8
4 Manufacturing .....	473.2	490.3	524.0	527.2	538.1	546.3	549.9	555.8
5 Distributive industries .....	498.8	531.9	571.9	578.0	587.5	598.8	610.8	619.5
6 Service industries .....	576.7	648.3	714.4	723.0	746.7	768.4	790.8	812.2
7 Government and government enterprises .....	393.7	419.2	446.5	449.6	456.3	466.9	473.5	480.2
8 Other labor income .....	199.3	212.8	228.9	231.1	236.5	241.3	246.0	250.7
9 Proprietors' income <sup>1</sup> .....	282.0	311.6	327.8	327.0	328.3	359.3	355.5	343.6
10 Business and professional .....	247.2	270.0	288.0	289.3	296.3	300.3	304.2	307.3
11 Farm <sup>1</sup> .....	34.7	41.6	39.8	37.7	32.0	59.0	51.3	36.3
12 Rental income of persons <sup>2</sup> .....	11.6	13.4	15.7	16.3	16.1	11.8	9.8	5.2
13 Dividends .....	85.8	92.0	102.2	103.6	106.4	109.4	111.4	113.2
14 Personal interest income .....	493.2	523.2	571.1	576.3	598.6	629.0	655.1	669.2
15 Transfer payments .....	521.5	548.2	584.7	587.4	593.8	616.4	626.8	636.4
16 Old-age survivors, disability, and health insurance benefits .....	269.2	282.9	300.5	301.4	304.0	316.9	322.9	328.0
17 LESS: Personal contributions for social insurance .....	161.9	172.9	194.9	196.4	199.6	210.0	213.0	215.4
18 EQUALS: Personal income .....	3,526.2	3,777.6	4,064.5	4,097.6	4,185.2	4,317.8	4,400.3	4,457.5
19 LESS: Personal tax and nontax payments .....	512.9	571.7	586.6	585.9	597.8	628.3	652.6	649.1
20 EQUALS: Disposable personal income .....	3,013.3	3,205.9	3,477.8	3,511.7	3,587.4	3,689.5	3,747.7	3,808.4
21 LESS: Personal outlays .....	2,888.5	3,104.1	3,333.1	3,362.1	3,424.0	3,483.8	3,547.0	3,617.3
22 EQUALS: Personal saving .....	124.9	101.8	144.7	149.6	163.4	205.7	200.7	191.1
<b>MEMO</b>								
Per capita (1982 dollars)								
23 Gross national product .....	15,385.5	15,793.9	16,332.8	16,387.1	16,455.3	16,566.4	16,629.8	16,700.9
24 Personal consumption expenditures .....	10,123.7	10,302.0	10,545.5	10,572.0	10,625.6	10,653.5	10,678.9	10,815.3
25 Disposable personal income .....	10,905.0	10,970.0	11,337.0	11,377.0	11,466.0	11,625.0	11,622.0	11,723.0
26 Saving rate (percent) .....	4.1	3.2	4.2	4.3	4.6	5.6	5.4	5.0
<b>GROSS SAVING</b>								
27 Gross saving .....	525.3	553.8	642.4	669.8	647.4	693.5	695.8	700.3
28 Gross private saving .....	669.5	663.8	738.6	742.4	769.3	792.1	793.7	803.3
29 Personal saving .....	124.9	101.8	144.7	149.6	163.4	205.7	200.7	191.1
30 Undistributed corporate profits <sup>1</sup> .....	84.5	75.3	80.3	77.6	81.7	53.4	52.0	46.6
31 Corporate inventory valuation adjustment .....	6.7	-18.9	-25.0	-30.4	-20.1	-38.3	-20.7	-6.0
<i>Capital consumption allowances</i>								
32 Corporate .....	285.9	303.1	321.7	323.1	329.7	335.2	339.7	350.2
33 Noncorporate .....	174.2	183.6	191.9	192.1	194.4	197.8	201.3	215.4
34 Government surplus, or deficit (-), national income and product accounts .....	-144.1	-110.1	-96.1	-72.7	-121.9	-98.7	-97.9	-103.0
35 Federal .....	-206.9	-161.4	-145.8	-122.5	-167.6	-147.5	-145.4	-147.4
36 State and local .....	62.8	51.3	49.7	49.8	45.7	48.8	47.5	44.3
37 Gross investment .....	523.6	549.0	632.8	661.2	630.8	669.3	677.5	677.4
38 Gross private domestic .....	659.4	699.9	750.3	771.1	752.8	769.6	775.0	779.0
39 Net foreign .....	-135.8	-150.9	-117.5	-109.9	-122.0	-100.3	-97.5	-101.6
40 Statistical discrepancy .....	-1.8	-4.7	-9.6	-8.6	-16.6	-24.1	-18.3	-22.9

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

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

## 3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data are seasonally adjusted except as noted.<sup>1</sup>

Item credits or debits	1986	1987	1988	1988			1989	
				Q2	Q3	Q4	Q1	Q2
1 Balance on current account .....	-133,249	-143,700	-126,548	-33,485	-32,340	-28,677	-30,390	-30,988
2 Not seasonally adjusted .....				-33,875	-36,926	-28,191	-25,994	-30,779
3 Merchandise trade balance <sup>2</sup> .....	-145,058	-159,500	-127,215	-31,411	-30,339	-32,019	-28,378	-27,718
4 Merchandise exports .....	223,367	250,266	319,251	78,471	80,604	83,729	87,919	90,866
5 Merchandise imports .....	-368,425	-409,766	-446,466	-109,882	-110,943	-115,748	-118,297	-118,584
6 Military transactions, net .....	-4,577	-2,856	-4,606	-1,033	-1,006	-1,604	-1,498	-1,630
7 Investment income, net .....	60,629	71,151	61,974	11,536	12,806	21,329	15,527	14,422
8 Other service transactions, net .....	10,517	10,585	17,702	4,323	4,971	5,475	5,428	6,469
9 Remittances, pensions, and other transfers .....	-4,049	-4,063	-4,279	-971	-1,088	-1,090	-1,186	-952
10 U.S. government grants (excluding military) .....	-11,730	-10,149	-10,377	-1,928	-2,288	-3,928	-2,340	-2,142
11 Change in U.S. government assets, other than official reserve assets, net (increase, -) .....	-2,024	997	2,999	-885	1,961	3,413	1,049	-372
12 Change in U.S. official reserve assets (increase, -) .....	312	9,149	-3,566	39	-7,380	2,271	-4,000	-12,095
13 Gold .....	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs) .....	-246	-509	474	180	-35	173	-188	68
15 Reserve position in International Monetary Fund .....	1,501	2,070	1,025	69	202	307	316	-159
16 Foreign currencies .....	-942	7,588	-5,064	-210	-7,547	1,791	-4,128	-12,004
17 Change in U.S. private assets abroad (increase, -) .....	-97,953	-86,363	-81,544	-15,273	-32,467	-38,332	-28,367	19,943
18 Bank-reported claims <sup>3</sup> .....	-59,975	-42,119	-54,481	-12,602	-26,229	-30,916	-22,132	28,527
19 Nonbank-reported claims .....	-7,396	5,201	-1,684	-6,443	255	4,569	1,835	.....
20 U.S. purchase of foreign securities, net .....	-4,271	-5,251	-7,846	1,333	-1,592	-3,047	-2,568	-5,908
21 U.S. direct investments abroad, net .....	-26,311	-44,194	-17,533	2,439	-4,901	-8,938	-5,502	-2,676
22 Change in foreign official assets in United States (increase, +) .....	35,594	45,193	38,882	5,895	-2,234	10,589	7,477	-4,948
23 U.S. Treasury securities .....	34,364	43,238	41,683	5,853	-3,769	11,897	4,634	-9,763
24 Other U.S. government obligations .....	-1,214	1,564	1,309	202	572	697	721	-92
25 Other U.S. government liabilities <sup>4</sup> .....	2,141	-2,520	-1,284	-517	-232	-232	-304	396
26 Other U.S. liabilities reported by U.S. banks <sup>5</sup> .....	1,187	3,918	-331	774	1,703	-1,036	1,974	3,924
27 Other foreign official assets <sup>5</sup> .....	-884	-1,007	-2,495	-417	-508	-737	452	587
28 Change in foreign private assets in United States (increase, +) .....	186,011	172,847	180,417	59,438	48,413	70,170	52,529	1,831
29 U.S. bank-reported liabilities <sup>4</sup> .....	79,783	89,026	68,832	30,455	23,291	32,223	13,261	-22,822
30 U.S. nonbank-reported liabilities .....	-2,641	2,450	6,558	-59	2,350	2,702	2,852	.....
31 Foreign private purchases of U.S. Treasury securities, net .....	3,809	-7,643	20,144	5,458	3,422	5,336	8,590	2,722
32 Foreign purchases of other U.S. securities, net .....	70,969	42,120	26,448	9,699	7,454	6,871	8,665	9,600
33 Foreign direct investments in United States, net .....	34,091	46,894	58,435	13,885	11,896	23,038	19,161	12,331
34 Allocation of SDRs .....	0	0	0	0	0	0	0	0
35 Discrepancy .....	11,308	1,878	-10,641	-15,729	24,047	-19,434	1,702	26,629
36 Owing to seasonal adjustments .....				-3,714	-4,556	4,431	4,127	-2,340
37 Statistical discrepancy in recorded data before seasonal adjustment .....	11,308	1,878	-10,641	-12,015	28,603	-23,865	-2,425	28,969
MEMO								
Changes in official assets								
38 U.S. official reserve assets (increase, -) .....	312	9,149	-3,566	39	-7,380	2,271	-4,000	-12,095
39 Foreign official assets in United States (increase, +) excluding line 25 .....	33,453	47,713	40,166	6,412	-2,002	10,821	7,781	-5,344
40 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22 above) .....	-9,327	-9,955	-3,109	-1,776	-459	672	7,143	281
41 Transfers under military grant programs (excluded from lines 4, 6, and 10 above) .....	96	53	92	4	7	40	12	14

1. Seasonal factors are not calculated for lines 6, 10, 12-16, 18-20, 22-34, and 38-41.

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

3. Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.

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

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

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



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## 3.11 U.S. FOREIGN TRADE<sup>1</sup>

Millions of dollars; monthly data are seasonally adjusted.

Item	1986	1987	1988	1989						
				Mar.	Apr.	May	June	July	Aug. <sup>r</sup>	Sept. <sup>p</sup>
1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments, f.a.s. value.....	227,158	254,073	322,426	30,065	30,759	30,455	31,286	30,468	30,562	31,136
GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses										
2 Customs value.....	365,438	406,241	440,952	39,549	39,045	40,534	39,293	38,709	40,662	39,079
Trade balance										
3 Customs value.....	-138,279	-152,169	-118,526	-9,485	-8,286	-10,079	-8,007	-8,241	-10,101	-7,943

1. The Census basis data differ from merchandise trade data shown in table 3.10, U.S. International Transactions Summary, for reasons of coverage and timing. On the *export side*, the largest adjustment 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*, additions are made for gold, ship purchases, imports of electricity from Canada, and other transac-

tions; military payments are excluded and shown separately as indicated above. As of Jan. 1, 1987 census data are released 45 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.

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

## 3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Type	1986	1987	1988	1989						
				Apr.	May	June	July	Aug.	Sept.	Oct.
1 Total.....	43,186	48,511	45,798	50,303	54,941	60,502	63,462	62,364	68,418	70,809
2 Gold stock, including Exchange Stabilization Fund <sup>1</sup> .....	11,090	11,064	11,078	11,061	11,060	11,063	11,066	11,066	11,065	11,062
3 Special drawing rights <sup>2,3</sup> .....	7,293	8,395	10,283	9,379	9,134	9,034	9,340	9,240	9,487	9,473
4 Reserve position in International Monetary Fund <sup>4</sup> .....	11,947	11,730	11,349	9,132	8,513	8,888	9,055	8,644	8,786	8,722
5 Foreign currencies <sup>4</sup> .....	12,856	17,322	13,088	20,731	26,234	31,517	34,001	33,413	39,080	41,552

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. Beginning July 1974, the IMF adopted a technique for valuing the SDR based on a weighted average of exchange rates for the currencies of member countries. From July 1974 through December 1980, 16 currencies were used; from January 1981, 5 currencies have been used. The U.S. SDR holdings and reserve position in the IMF also are valued on this basis beginning July 1974.

3. Includes allocations by the International Monetary Fund of SDRs as follows: \$867 million on Jan. 1, 1970; \$717 million on Jan. 1, 1971; \$710 million on Jan. 1, 1972; \$1,139 million on Jan. 1, 1979; \$1,152 million on Jan. 1, 1980; and \$1,093 million on Jan. 1, 1981; plus transactions in SDRs.

4. Valued at current market exchange rates.

## 3.13 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS<sup>1</sup>

Millions of dollars, end of period

Assets	1986	1987	1988	1989						
				Apr.	May	June	July	Aug.	Sept.	Oct. <sup>p</sup>
1 Deposits.....	287	244	347	352	428	275	371	265	325	252
Assets held in custody										
2 U.S. Treasury securities <sup>2</sup> .....	155,835	195,126	232,547	235,145	232,004	229,914	233,170	238,007	235,597	230,804
3 Earmarked gold <sup>3</sup> .....	14,048	13,919	13,636	13,576	13,612	13,545	13,530	13,516	13,506	13,460

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.

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 and is not included in the gold stock of the United States.

3.14 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data<sup>1</sup>

Millions of dollars, end of period

Asset account	1986	1987	1988	1989						
				Mar.	Apr.	May	June	July	Aug.	Sept.
All foreign countries										
1 Total, all currencies	456,628	518,618	506,062	519,740	517,276	521,436	523,674	534,200	522,550*	521,291
2 Claims on United States	114,563	138,034	169,111	177,902	171,136	177,987	177,445	179,615	177,298*	182,405
3 Parent bank	83,492	105,845	129,856	134,002	128,567	134,026	132,380	133,135	134,478*	142,304
4 Other banks in United States	13,685	16,416	14,918	14,697	13,459	13,040	14,218	15,744	15,225	14,164
5 Nonbanks	17,386	15,773	24,337	29,203	29,110	30,921	30,847	30,736	27,595	25,937
6 Claims on foreigners	312,955	342,520	299,728	303,906	305,483	302,808	303,720	310,426	299,094*	290,002
7 Other branches of parent bank	96,281	122,155	107,179	110,434	113,824	116,506	115,913	117,438	108,910*	104,657
8 Banks	105,237	108,859	96,932	97,723	96,830	94,042	94,902	95,621	92,267	90,393
9 Public borrowers	23,706	21,832	17,163	17,020	16,101	16,095	16,709	16,948	16,660	16,376
10 Nonbank foreigners	87,731	89,674	78,454	78,729	78,728	76,165	76,196	80,419	81,257	78,576
11 Other assets	29,110	38,064	37,223	37,932	40,657	40,641	42,509	44,159	46,158	48,884
12 Total payable in U.S. dollars	317,487	350,107	358,040	366,403	359,841	366,315	367,562	371,851	369,689*	360,535
13 Claims on United States	110,620	132,023	163,456	170,091	163,964	169,796	169,520	171,041	170,497*	174,593
14 Parent bank	82,082	103,251	126,929	129,431	124,268	128,771	127,352	128,063	130,168*	137,446
15 Other banks in United States	12,830	14,657	14,167	13,259	12,539	11,909	13,207	14,734	14,688	13,217
16 Nonbanks	15,708	14,115	22,360	27,401	27,157	29,116	28,961	28,244	25,641	23,930
17 Claims on foreigners	195,063	202,428	177,685	178,134	178,298	177,308	180,013	181,441	177,717*	164,448
18 Other branches of parent bank	72,197	88,284	80,736	82,797	86,767	86,625	88,874	90,077	83,039*	77,852
19 Banks	66,421	63,707	54,884	53,893	50,815	49,793	50,627	49,913	50,685	46,779
20 Public borrowers	16,708	14,730	12,131	11,831	11,467	11,282	11,815	11,616	11,776	11,646
21 Nonbank foreigners	39,737	35,707	29,934	29,613	29,249	29,608	28,697	29,835	32,217	28,171
22 Other assets	11,804	15,656	16,899	18,178	17,579	19,211	18,029	19,369	21,475	21,494
United Kingdom										
23 Total, all currencies	140,917	158,695	156,835	154,856	153,146	155,532	153,968	161,882	158,869	158,328
24 Claims on United States	24,599	32,518	40,089	40,715	39,475	39,599	38,014	42,147	41,914	40,085
25 Parent bank	19,085	27,350	34,243	35,315	34,741	35,642	33,763	37,713	37,031	36,046
26 Other banks in United States	1,612	1,259	1,123	1,380	1,227	1,243	1,125	1,121	1,112	1,265
27 Nonbanks	3,902	3,909	4,723	4,020	3,507	2,714	3,126	3,313	2,771	2,774
28 Claims on foreigners	109,508	115,700	106,388	103,443	102,438	104,504	103,773	106,586	102,015	102,093
29 Other branches of parent bank	33,422	39,903	35,625	35,305	32,954	35,537	34,948	35,440	32,392	32,607
30 Banks	39,468	36,735	36,765	35,382	37,079	37,412	37,357	36,519	35,857	37,146
31 Public borrowers	4,990	4,752	4,019	3,757	3,471	3,627	3,599	3,788	3,586	3,265
32 Nonbank foreigners	31,628	34,310	29,979	28,999	28,934	27,928	27,869	30,839	30,180	29,075
33 Other assets	6,810	10,477	10,358	10,698	11,233	11,429	12,181	13,149	14,940	16,150
34 Total payable in U.S. dollars	95,028	100,574	103,503	103,211	98,463	101,612	99,028	103,512	104,416	99,893
35 Claims on United States	23,193	30,439	38,012	38,265	36,772	36,675	34,990	38,506	39,135	37,108
36 Parent bank	18,526	26,304	33,252	34,320	33,499	34,119	32,059	36,041	36,375	34,537
37 Other banks in United States	1,475	1,044	964	937	872	862	844	821	1,007	1,017
38 Nonbanks	3,192	3,091	3,796	3,008	2,401	1,694	2,087	1,644	1,753	1,554
39 Claims on foreigners	68,138	64,560	60,472	59,201	56,227	58,395	58,746	59,137	57,490	55,336
40 Other branches of parent bank	26,361	28,635	28,474	28,145	25,389	26,036	26,541	27,955	25,368	25,538
41 Banks	23,251	19,188	18,494	17,715	17,680	18,458	18,745	17,080	18,082	17,612
42 Public borrowers	3,677	3,313	2,840	2,786	2,696	2,737	2,606	2,702	2,679	2,521
43 Nonbank foreigners	14,849	13,424	10,664	10,555	10,462	11,164	10,854	11,400	11,361	9,665
44 Other assets	3,697	5,575	5,019	5,745	5,464	6,542	5,292	5,869	7,791	7,449
Bahamas and Caymans										
45 Total, all currencies	142,592	160,321	170,639	179,185	172,324	173,137	171,780	172,789	165,401	164,684
46 Claims on United States	78,048	85,318	105,320	111,951	105,273	111,823	109,800	107,831	106,693	111,043
47 Parent bank	54,575	60,048	73,409	75,234	68,969	73,627	70,735	67,417	69,404	76,426
48 Other banks in United States	11,156	14,277	13,145	12,275	11,563	10,807	12,116	13,712	13,294	12,141
49 Nonbanks	12,317	10,993	18,766	24,442	24,741	27,389	26,949	26,702	23,995	22,476
50 Claims on foreigners	60,005	70,162	58,393	59,615	60,103	53,984	54,537	57,135	50,808	45,962
51 Other branches of parent bank	17,296	21,277	17,954	20,048	26,261	21,962	22,324	24,462	16,802	14,688
52 Banks	27,476	33,751	28,268	27,727	22,641	21,184	21,202	21,591	20,688	20,162
53 Public borrowers	7,051	7,428	5,830	5,480	5,374	5,280	5,540	5,405	5,407	5,435
54 Nonbank foreigners	8,182	7,706	6,341	6,360	5,827	5,558	5,471	5,677	7,911	5,677
55 Other assets	4,539	4,841	6,926	7,619	6,948	7,330	7,443	7,823	7,900	7,679
56 Total payable in U.S. dollars	136,813	151,434	163,518	172,148	166,389	166,869	165,676	167,259	160,821	160,274

1. Beginning with June 1984 data, 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

Liability account	1986	1987	1988	1989						
				Mar.	Apr.	May	June	July	Aug.	Sept.
All foreign countries										
<b>57 Total, all currencies</b> .....	<b>456,628</b>	<b>518,618</b>	<b>506,062</b>	<b>519,740</b>	<b>517,276</b>	<b>521,436</b>	<b>523,674</b>	<b>534,200</b>	<b>522,550'</b>	<b>521,291</b>
58 Negotiable CDs .....	31,629	30,929	28,511	30,768	30,278	29,425	28,116	28,882	29,524	26,679
59 To United States .....	152,465	161,390	185,577	185,831	179,292	178,821	179,858	177,706	177,487	182,532
60 Parent bank .....	83,394	87,606	114,720	113,779	109,164	110,579	113,250	110,121	110,638	120,406
61 Other banks in United States .....	15,646	20,355	14,737	14,499	14,307	13,564	12,951	13,323	13,269	13,015
62 Nonbanks .....	53,425	53,429	56,120	57,553	55,821	54,678	53,657	54,262	53,580	49,111
63 To foreigners .....	253,775	304,803	270,923	280,859	282,920	288,291	289,603	301,422	288,665'	283,325
64 Other branches of parent bank .....	95,146	124,601	111,267	116,148	115,380	121,135	118,950	119,571	113,348'	104,256
65 Banks .....	77,809	87,274	72,842	71,447	72,155	72,903	74,213	80,070	76,024	78,050
66 Official institutions .....	17,835	19,564	15,183	17,911	17,933	17,795	17,559	18,846	17,589	17,349
67 Nonbank foreigners .....	62,985	73,364	71,631	75,353	77,452	76,458	78,881	82,935	81,704	83,670
68 Other liabilities .....	18,759	21,496	21,051	22,282	24,786	24,899	26,097	26,190	26,874	28,755
<b>69 Total payable in U.S. dollars</b> .....	<b>336,406</b>	<b>361,438</b>	<b>367,483</b>	<b>379,610</b>	<b>372,788</b>	<b>376,474</b>	<b>378,331</b>	<b>381,879</b>	<b>379,975</b>	<b>371,877</b>
70 Negotiable CDs .....	28,466	26,768	24,045	26,287	25,970	25,411	24,129	24,914	25,483	22,927
71 To United States .....	144,483	148,442	173,190	173,471	166,666	166,134	167,217	163,771	165,985	169,841
72 Parent bank .....	79,305	81,783	107,150	105,534	100,897	102,643	104,929	100,521	103,117	111,658
73 Other banks in United States .....	14,609	18,951	13,468	13,195	12,781	11,944	11,537	11,845	11,964	11,837
74 Nonbanks .....	50,569	47,708	52,572	54,742	52,988	51,547	50,751	51,405	50,904	46,346
75 To foreigners .....	156,806	177,711	160,766	169,407	169,758	173,228	175,393	181,005	175,343'	165,339
76 Other branches of parent bank .....	71,181	90,469	84,021	88,298	87,716	90,123	90,850	91,713	86,719'	77,463
77 Banks .....	33,850	35,065	28,493	28,949	28,445	29,567	29,686	31,216	32,354	30,703
78 Official institutions .....	12,371	12,409	8,224	9,953	9,591	9,255	9,852	11,176	10,680	10,195
79 Nonbank foreigners .....	39,404	39,768	40,028	42,207	44,006	44,283	45,005	46,900	45,590	46,978
80 Other liabilities .....	6,651	8,517	9,482	10,445	10,394	11,701	11,592	12,189	12,984	13,770
United Kingdom										
<b>81 Total, all currencies</b> .....	<b>140,917</b>	<b>158,695</b>	<b>156,835</b>	<b>154,856</b>	<b>153,146</b>	<b>155,532</b>	<b>153,968</b>	<b>161,882</b>	<b>158,869</b>	<b>158,328</b>
82 Negotiable CDs .....	27,781	26,988	24,528	26,625	26,157	25,539	24,396	25,342	25,905	23,122
83 To United States .....	24,657	23,470	36,784	32,757	29,715	30,867	30,013	29,954	31,551	31,076
84 Parent bank .....	14,469	13,223	27,849	25,098	20,455	20,329	21,892	19,680	21,561	24,013
85 Other banks in United States .....	2,649	1,536	2,037	1,824	1,551	1,720	1,648	1,852	1,767	1,687
86 Nonbanks .....	7,539	8,711	6,898	5,835	7,709	8,818	6,473	8,422	8,223	5,376
87 To foreigners .....	79,498	98,689	86,026	85,863	87,478	88,985	88,381	94,335	88,661	91,101
88 Other branches of parent bank .....	25,036	33,078	26,812	25,781	25,800	26,867	24,974	26,556	24,326	24,769
89 Banks .....	30,877	34,290	30,609	29,094	30,714	30,925	31,066	33,047	30,790	31,330
90 Official institutions .....	6,836	11,015	7,873	9,429	8,637	8,946	8,650	9,586	8,868	8,878
91 Nonbank foreigners .....	16,749	20,306	20,732	21,559	22,327	22,247	23,691	25,146	24,677	26,124
92 Other liabilities .....	8,981	9,548	9,497	9,611	9,796	10,141	11,178	12,251	12,752	13,029
<b>93 Total payable in U.S. dollars</b> .....	<b>99,707</b>	<b>102,550</b>	<b>105,907</b>	<b>107,092</b>	<b>102,065</b>	<b>104,356</b>	<b>101,742</b>	<b>105,700</b>	<b>106,915</b>	<b>103,016</b>
94 Negotiable CDs .....	26,169	24,926	22,063	24,302	24,073	23,568	22,324	23,132	23,679	21,156
95 To United States .....	22,075	17,752	32,588	29,578	25,493	26,554	25,401	24,618	27,232	26,592
96 Parent bank .....	14,021	12,026	26,404	24,013	18,524	18,545	19,411	16,704	19,300	21,588
97 Other banks in United States .....	2,325	1,308	1,752	1,559	1,227	1,368	1,393	1,477	1,502	1,511
98 Nonbanks .....	5,729	4,418	4,432	4,006	5,742	6,641	4,597	6,437	6,430	3,493
99 To foreigners .....	48,138	55,919	47,083	48,221	47,781	49,006	48,491	52,179	49,913	48,557
100 Other branches of parent bank .....	17,951	22,334	18,561	18,335	17,755	18,030	16,467	18,388	17,060	16,673
101 Banks .....	15,203	15,580	13,407	12,907	13,439	13,930	13,545	14,173	13,578	12,331
102 Official institutions .....	4,934	7,530	4,348	5,467	4,365	4,796	5,579	6,131	5,825	5,532
103 Nonbank foreigners .....	10,050	10,475	10,767	11,512	12,222	12,250	12,900	13,487	13,450	14,021
104 Other liabilities .....	3,325	3,953	4,173	4,991	4,718	5,228	5,526	5,771	6,091	6,711
Bahamas and Caymans										
<b>105 Total, all currencies</b> .....	<b>142,592</b>	<b>160,321</b>	<b>170,639</b>	<b>179,185</b>	<b>172,324</b>	<b>173,137</b>	<b>171,780</b>	<b>172,789</b>	<b>165,401</b>	<b>164,684</b>
106 Negotiable CDs .....	847	885	953	1,073	1,025	872	696	717	691	669
107 To United States .....	106,081	113,950	122,332	124,736	118,164	120,175	117,737	116,261	113,122	116,963
108 Parent bank .....	49,481	53,239	62,894	62,689	59,762	64,908	61,642	61,263	58,765	64,285
109 Other banks in United States .....	11,715	17,224	11,494	11,464	11,346	10,398	10,034	10,197	10,076	10,026
110 Nonbanks .....	44,885	43,487	47,944	50,583	47,056	44,869	46,061	44,801	44,281	42,652
111 To foreigners .....	34,400	43,815	45,161	50,855	50,606	48,989	50,477	52,881	48,769	43,892
112 Other branches of parent bank .....	12,631	19,185	23,686	28,010	27,655	26,478	27,763	29,085	25,370	20,207
113 Banks .....	8,617	10,769	8,336	8,495	8,203	8,233	8,322	8,309	9,016	9,273
114 Official institutions .....	2,719	1,504	1,074	1,234	1,722	1,164	1,102	1,223	1,081	928
115 Nonbank foreigners .....	10,433	12,357	12,065	13,116	13,026	13,114	13,290	14,264	13,302	13,484
116 Other liabilities .....	1,264	1,671	2,193	2,521	2,529	3,101	2,870	2,930	2,819	3,160
<b>117 Total payable in U.S. dollars</b> .....	<b>138,774</b>	<b>152,927</b>	<b>162,950</b>	<b>172,213</b>	<b>166,489</b>	<b>166,954</b>	<b>165,593</b>	<b>166,988</b>	<b>160,800</b>	<b>160,133</b>

## 3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1987	1988	1989 <sup>f</sup>						
			Mar.	Apr.	May	June	July	Aug. <sup>g</sup>	Sept. <sup>h</sup>
1 Total <sup>1</sup> .....	259,556	299,677	307,667	313,637	306,420	302,048	307,369 <sup>f</sup>	317,403	313,843
<i>By type</i>									
2 Liabilities reported by banks in the United States <sup>2</sup> .....	31,838	31,414	33,594	39,116	38,036	37,214	39,044 <sup>f</sup>	37,958	36,098
3 U.S. Treasury bills and certificates <sup>1</sup> .....	88,829	103,722	95,478	96,109	91,798	87,190	87,734	88,325	85,775
U.S. Treasury bonds and notes									
4 Marketable .....	122,432	149,056	161,923	161,081	160,013	160,462	163,281	173,238	173,934
5 Nonmarketable <sup>4</sup> .....	300	523	534	538	542	545	549	553	557
6 U.S. securities other than U.S. Treasury securities <sup>3</sup> .....	16,157	14,962	16,138	16,793	16,031	16,637	16,761	17,329	17,479
<i>By area</i>									
7 Western Europe <sup>1</sup> .....	124,620	125,097	125,584	129,254	126,222	122,502	126,361	134,140	133,174
8 Canada .....	4,961	9,584	10,156	9,994	9,938	9,604	9,424	9,560	8,989
9 Latin America and Caribbean .....	8,328	10,099	7,524	7,168	6,091	5,925	7,166	7,986	8,924
10 Asia .....	116,098	145,504	156,264	158,564	156,073	155,372	155,811 <sup>f</sup>	157,100	154,308
11 Africa .....	1,402	1,369	1,119	1,065	1,182	1,271	949	810	867
12 Other countries <sup>6</sup> .....	4,147	7,501	6,485	7,053	6,371	6,830	7,113	7,257	7,024

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

5. Debt securities of U.S. government corporations and federally sponsored agencies, and U.S. corporate stocks and bonds.
  6. Includes countries in Oceania and Eastern Europe.
- NOTE: Based on Treasury Department data and on data reported to the Treasury Department by banks (including Federal Reserve Banks) and securities dealers in the United States.

3.16 LIABILITIES TO AND CLAIMS ON FOREIGNERS Reported by Banks in the United States Payable in Foreign Currencies<sup>1</sup>

Millions of dollars, end of period

Item	1985	1986	1987	1988		1989	
				Sept.	Dec.	Mar.	June <sup>f</sup>
1 Banks' own liabilities .....	15,368	29,702	55,438	65,379	74,836	76,262	68,483
2 Banks' own claims .....	16,294	26,180	51,271	63,448	68,983	72,812	62,808
3 Deposits .....	8,437	14,129	18,861	22,594	25,100	25,846	23,825
4 Other claims .....	7,857	12,052	32,410	40,854	43,884	46,966	38,983
5 Claims of banks' domestic customers <sup>2</sup> .....	580	2,507	551	335	364	376	723

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 States<sup>1</sup>

Payable in U.S. dollars

Millions of dollars, end of period

Holder and type of liability	1986	1987	1988	1989						
				Mar.	Apr.	May	June	July	Aug. <sup>7</sup>	Sept. <sup>8</sup>
<b>1 All foreigners</b> .....	<b>540,996</b>	<b>618,874</b>	<b>684,444</b>	<b>691,295</b>	<b>682,850</b>	<b>678,059</b>	<b>672,049</b>	<b>663,725<sup>7</sup></b>	<b>679,101</b>	<b>692,329</b>
2 Banks' own liabilities.....	406,485	470,070	513,840	523,798	516,025	512,334	510,524	501,541 <sup>7</sup>	515,994	529,112
3 Demand deposits.....	23,789	22,383	21,863	22,473	22,325	21,920	21,224	21,351	19,718	21,547
4 Time deposits <sup>2</sup> .....	130,891	148,374	152,020	157,734	156,982	154,768	152,801	149,355 <sup>7</sup>	155,136	157,023
5 Other <sup>3</sup> .....	42,705	51,677	51,525	54,552	56,413	58,822	61,317	64,636 <sup>7</sup>	63,718	56,062
6 Own foreign offices <sup>4</sup> .....	209,100	247,635	288,432	289,039	280,304	276,824	275,183	266,200 <sup>7</sup>	277,422	294,479
7 Banks' custody liabilities <sup>5</sup> .....	134,511	148,804	170,604	167,497	166,825	165,725	161,525	162,184	163,106	163,217
8 U.S. Treasury bills and certificates <sup>6</sup> .....	90,398	101,743	115,056	108,117	106,916	102,734	98,893	99,365	99,683	98,679
9 Other negotiable and readily transferable instruments <sup>7</sup> .....	15,417	16,776	16,426	16,991	17,278	18,541	17,078	16,893	17,255	17,051
10 Other.....	28,696	30,285	39,121	42,389	42,631	44,451	45,555	45,925	46,168	47,487
<b>11 Nonmonetary international and regional organizations</b> .....	<b>5,807</b>	<b>4,464</b>	<b>3,224</b>	<b>3,773</b>	<b>4,002</b>	<b>3,415</b>	<b>3,617</b>	<b>4,240</b>	<b>4,418</b>	<b>4,920</b>
12 Banks' own liabilities.....	3,958	2,702	2,527	2,965	3,216	2,980	2,695	2,716	3,402	3,322
13 Demand deposits.....	199	124	71	88	163	76	32	41	66	90
14 Time deposits <sup>2</sup> .....	2,065	1,538	1,183	1,394	1,502	1,202	1,254	918	1,079	1,677
15 Other <sup>3</sup> .....	1,693	1,040	1,272	1,482	1,551	1,702	1,409	1,756	2,257	1,554
16 Banks' custody liabilities <sup>5</sup> .....	1,849	1,761	698	808	786	435	922	1,524	1,016	1,598
17 U.S. Treasury bills and certificates <sup>6</sup> .....	259	265	57	74	77	95	181	345	107	84
18 Other negotiable and readily transferable instruments <sup>7</sup> .....	1,590	1,497	641	734	693	305	731	1,179	909	1,479
19 Other.....	0	0	0	0	16	35	10	0	1	35
<b>20 Official institutions<sup>9</sup></b> .....	<b>103,569</b>	<b>120,667</b>	<b>135,136</b>	<b>129,072</b>	<b>135,225</b>	<b>129,835</b>	<b>124,404</b>	<b>126,778<sup>7</sup></b>	<b>126,283</b>	<b>121,873</b>
21 Banks' own liabilities.....	25,427	28,703	27,004	27,977	33,036	31,738	31,891	33,960 <sup>7</sup>	33,025	31,320
22 Demand deposits.....	2,267	1,757	1,915	1,605	1,782	1,761	1,801	1,947	1,625	2,026
23 Time deposits <sup>2</sup> .....	10,497	12,843	9,657	10,852	12,439	11,144	9,924	9,937 <sup>7</sup>	8,706	9,084
24 Other <sup>3</sup> .....	12,663	14,103	15,432	15,521	18,815	18,833	20,166	22,077	22,694	20,210
25 Banks' custody liabilities <sup>5</sup> .....	78,142	91,965	108,132	101,095	102,189	98,097	92,513	92,818	93,258	90,552
26 U.S. Treasury bills and certificates <sup>6</sup> .....	75,650	88,829	103,722	95,478	96,109	91,798	87,190	87,734	88,325	85,775
27 Other negotiable and readily transferable instruments <sup>7</sup> .....	2,347	2,990	4,130	5,466	5,875	6,114	5,080	4,821	4,735	4,588
28 Other.....	145	146	280	152	205	185	244	263	198	189
<b>29 Banks<sup>10</sup></b> .....	<b>351,745</b>	<b>414,280</b>	<b>458,672</b>	<b>469,687</b>	<b>453,554</b>	<b>454,442</b>	<b>451,337</b>	<b>441,639<sup>7</sup></b>	<b>457,122</b>	<b>474,236</b>
30 Banks' own liabilities.....	310,166	371,665	408,854	417,323	401,646	399,823	395,603	385,773 <sup>7</sup>	400,639	414,870
31 Unaffiliated foreign banks.....	101,066	124,030	120,422	128,283	121,342	122,999	120,421	119,574 <sup>7</sup>	123,217	120,391
32 Demand deposits.....	10,303	10,898	9,950	11,012	10,560	11,162	9,677	10,145	9,101	10,695
33 Time deposits <sup>2</sup> .....	64,232	79,717	80,155	84,005	80,796	78,901	77,231	74,929 <sup>7</sup>	80,429	80,896
34 Other <sup>3</sup> .....	26,531	33,415	30,318	33,265	29,987	32,936	33,513	34,499 <sup>7</sup>	33,687	28,800
35 Own foreign offices <sup>4</sup> .....	209,100	247,635	288,432	289,039	280,304	276,824	275,183	266,200 <sup>7</sup>	277,422	294,479
36 Banks' custody liabilities <sup>5</sup> .....	41,579	42,615	49,818	52,365	51,908	54,619	55,734	55,865	56,483	59,365
37 U.S. Treasury bills and certificates <sup>6</sup> .....	9,984	9,134	7,602	7,310	6,921	7,114	7,759	7,674	7,838	9,077
38 Other negotiable and readily transferable instruments <sup>7</sup> .....	5,165	5,392	5,725	5,288	5,051	5,686	5,314	5,326	5,280	5,037
39 Other.....	26,431	28,089	36,491	39,767	39,936	41,819	42,662	42,866	43,365	45,251
<b>40 Other foreigners</b> .....	<b>79,875</b>	<b>79,463</b>	<b>87,411</b>	<b>88,763</b>	<b>90,068</b>	<b>90,366</b>	<b>92,691</b>	<b>91,068<sup>7</sup></b>	<b>91,277</b>	<b>91,302</b>
41 Banks' own liabilities.....	66,934	67,000	75,456	75,533	78,126	77,792	80,335	79,092 <sup>7</sup>	78,929	79,600
42 Demand deposits.....	11,019	9,604	9,928	9,767	9,820	9,714	9,218	9,218	8,926	8,736
43 Time deposits <sup>2</sup> .....	54,097	54,277	61,025	61,483	62,245	63,521	64,392	63,571 <sup>7</sup>	64,923	65,366
44 Other <sup>3</sup> .....	1,818	3,119	4,503	4,283	6,060	5,351	6,229	6,303 <sup>7</sup>	5,080	5,498
45 Banks' custody liabilities <sup>5</sup> .....	12,941	12,463	11,956	13,230	11,942	12,574	12,356	11,976	12,349	11,701
46 U.S. Treasury bills and certificates <sup>6</sup> .....	4,506	3,515	3,675	5,256	3,809	3,725	3,763	3,612	3,413	3,743
47 Other negotiable and readily transferable instruments <sup>7</sup> .....	6,315	6,898	5,929	5,503	5,658	6,436	5,953	5,566	6,332	5,947
48 Other.....	2,120	2,050	2,351	2,471	2,474	2,412	2,639	2,797	2,604	2,012
49 MEMO: Negotiable time certificates of deposit in custody for foreigners.....	7,496	7,314	6,425	5,645	5,554	5,625	5,337	5,261	5,195	5,238

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

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	1986	1987	1988	1989						
				Mar.	Apr.	May	June	July	Aug. <sup>r</sup>	Sept. <sup>p</sup>
<b>1 Total</b> .....	<b>540,996</b>	<b>618,874</b>	<b>684,444</b>	<b>691,295</b>	<b>682,850</b>	<b>678,059</b>	<b>672,049</b>	<b>663,725<sup>r</sup></b>	<b>679,101</b>	<b>692,329</b>
<b>2 Foreign countries</b> .....	<b>535,189</b>	<b>614,411</b>	<b>681,219</b>	<b>687,522</b>	<b>678,848</b>	<b>674,644</b>	<b>668,432</b>	<b>659,485<sup>r</sup></b>	<b>674,682</b>	<b>687,410</b>
<b>3 Europe</b> .....	<b>180,556</b>	<b>234,641</b>	<b>235,989</b>	<b>232,141</b>	<b>230,769</b>	<b>228,141</b>	<b>226,058</b>	<b>226,264<sup>r</sup></b>	<b>232,119</b>	<b>221,787</b>
4 Austria .....	1,181	920	1,155	1,436	1,608	1,405	1,505	1,417 <sup>r</sup>	1,404	1,344
5 Belgium-Luxembourg .....	6,729	9,347	10,022	9,316	10,115	8,819	8,624	8,949 <sup>r</sup>	9,286	10,112
6 Denmark .....	482	760	2,180	1,639	1,615	1,642	1,179	1,348	1,959	1,265
7 Finland .....	580	377	284	527	397	432	450	435	456	525
8 France .....	22,862	29,835	24,762	26,824	25,629	24,199	23,864	22,290 <sup>r</sup>	24,864	22,964
9 Germany .....	5,762	7,022	6,772	5,517	6,967	7,791	9,198	8,715 <sup>r</sup>	7,531	8,017
10 Greece .....	700	689	672	760	927	1,172	889	862	828	797
11 Italy .....	10,875	12,073	14,599	13,475	12,959	12,527	13,951	12,892 <sup>r</sup>	14,597	14,491
12 Netherlands .....	5,600	5,014	5,316	5,600	5,870	5,610	5,029	4,875	5,106	4,944
13 Norway .....	735	1,362	1,539	1,547	1,783	1,479	1,485	1,522	1,453	1,698
14 Portugal .....	699	801	903	831	824	985	1,089	1,419 <sup>r</sup>	1,945	2,206
15 Spain .....	2,407	2,621	5,494	4,902	5,795	5,419	5,085	5,910 <sup>r</sup>	5,390	5,277
16 Sweden .....	884	1,379	1,274	1,416	1,730	1,552	1,478	1,248	2,002	1,706
17 Switzerland .....	30,534	33,766	34,179	30,005	29,239	28,448	28,806	28,581 <sup>r</sup>	28,927	28,972
18 Turkey .....	454	703	1,012	1,024	1,051	737	1,053	1,053	1,023	1,086
19 United Kingdom .....	85,334	116,852	115,954	115,338	111,492	112,622	107,300	109,601 <sup>r</sup>	109,927	102,316
20 Yugoslavia .....	630	710	529	440	465	478	604	694	691	774
21 Other Western Europe <sup>1</sup> .....	3,326	9,798	8,598	10,771	11,519	11,887	14,322	13,655 <sup>r</sup>	13,824	12,162
22 U.S.S.R. .....	80	32	138	102	91	193	164	175	201	376
23 Other Eastern Europe <sup>2</sup> .....	702	582	591	670	953	435	499	559 <sup>r</sup>	704	755
<b>24 Canada</b> .....	<b>26,345</b>	<b>30,095</b>	<b>21,040</b>	<b>25,694</b>	<b>23,024</b>	<b>18,353</b>	<b>17,514</b>	<b>17,472</b>	<b>16,958</b>	<b>17,923</b>
<b>25 Latin America and Caribbean</b> .....	<b>210,318</b>	<b>220,372</b>	<b>266,803</b>	<b>264,879</b>	<b>266,446</b>	<b>270,431</b>	<b>266,509</b>	<b>260,712<sup>r</sup></b>	<b>269,383</b>	<b>283,742</b>
26 Argentina .....	4,757	5,006	7,804	6,416	6,280	6,459	6,320	7,397	8,047	8,436
27 Bahamas .....	73,619	74,767	86,863	85,673	86,057	90,979	82,104	84,526	90,317	90,600
28 Bermuda .....	2,922	2,344	2,621	2,518	2,373	2,451	2,356	2,269	2,208	2,126
29 Brazil .....	4,325	4,005	4,926	4,926	5,554	5,302	5,026	5,396 <sup>r</sup>	5,339	5,880
30 British West Indies .....	72,263	81,494	109,507	110,962	111,969	111,270	116,607	107,579 <sup>r</sup>	109,712	121,940
31 Chile .....	2,054	2,210	2,936	3,063	2,933	2,988	2,733	2,683	2,739	2,763
32 Colombia .....	4,285	4,204	4,374	4,157	4,173	4,033	4,127	4,235	4,365	4,199
33 Cuba .....	7	12	10	10	10	15	10	9	10	14
34 Ecuador .....	1,236	1,082	1,379	1,422	1,376	1,285	1,351	1,411	1,376	1,363
35 Guatemala .....	1,123	1,082	1,195	1,271	1,272	1,232	1,251	1,297	1,279	1,293
36 Jamaica .....	136	160	269	223	222	188	294	227	231	233
37 Mexico .....	13,745	14,480	15,185	14,694	14,367	14,060	14,211	13,679	13,754	14,470
38 Netherlands Antilles .....	4,970	4,975	6,420	5,666	5,769	6,072	6,316	6,434	6,071	6,073
39 Panama .....	6,886	7,414	4,353	4,391	4,355	4,454	4,278	4,357	4,400	4,420
40 Peru .....	1,163	1,275	1,671	1,705	1,763	1,724	1,761	1,770	1,778	1,826
41 Uruguay .....	1,537	1,582	1,898	2,243	2,263	2,344	2,429	2,152	2,121	2,327
42 Venezuela .....	10,171	9,048	9,147	9,489	9,565	9,435	9,431	9,500 <sup>r</sup>	9,367	9,506
43 Other .....	5,119	5,234	5,868	6,048	6,145	6,140	5,903	5,790	6,069	6,274
<b>44 Asia</b> .....	<b>108,831</b>	<b>121,288</b>	<b>147,230</b>	<b>154,770</b>	<b>148,676</b>	<b>147,353</b>	<b>148,339</b>	<b>144,073<sup>r</sup></b>	<b>145,445</b>	<b>153,160</b>
45 China .....	1,476	1,162	1,892	1,588	1,809	1,652	1,432	1,522	1,700	1,793
46 Taiwan .....	18,902	21,503	26,058	26,143	28,284	26,928	27,025	27,125	25,430	24,115
47 Hong Kong .....	9,393	10,180	11,738	10,772	11,403	12,215	12,132	11,346 <sup>r</sup>	12,265	12,292
48 India .....	674	582	699	900	1,787	1,009	812	871	940	875
49 Indonesia .....	1,547	1,404	1,180	1,588	1,154	1,306	1,232	1,096	1,042	1,042
50 Israel .....	1,892	1,292	1,461	1,156	967	1,103	1,088	1,058	953	1,035
51 Japan .....	47,410	54,322	73,957	83,013	72,689	70,468	71,130	68,670 <sup>r</sup>	70,556	78,482
52 Korea .....	1,141	1,637	2,541	2,827	3,023	3,166	3,047	3,556	2,907	3,037
53 Philippines .....	1,866	1,085	1,163	977	973	991	984	936	1,083	1,055
54 Thailand .....	1,119	1,345	1,236	1,151	1,165	1,162	1,274	1,254	1,776	1,430
55 Middle-East oil-exporting countries <sup>3</sup> .....	12,352	13,988	12,083	12,029	12,098	13,505	13,612	12,368	12,524	13,025
56 Other .....	11,058	12,788	13,223	12,625	13,324	13,851	14,571	14,271	14,270	14,979
<b>57 Africa</b> .....	<b>4,021</b>	<b>3,945</b>	<b>3,991</b>	<b>3,717</b>	<b>3,665</b>	<b>3,802</b>	<b>3,904</b>	<b>3,618</b>	<b>3,265</b>	<b>3,536</b>
58 Egypt .....	706	1,151	911	756	721	702	748	738	549	574
59 Morocco .....	92	194	68	60	82	68	67	66 <sup>r</sup>	72	96
60 South Africa .....	270	202	437	226	256	324	188	231	201	246
61 Zaire .....	74	67	85	77	73	92	98	92	87	81
62 Oil-exporting countries <sup>4</sup> .....	1,519	1,014	1,017	1,062	1,017	879	1,100	942 <sup>r</sup>	897	1,036
63 Other .....	1,360	1,316	1,474	1,536	1,516	1,737	1,702	1,548	1,459	1,502
<b>64 Other countries</b> .....	<b>5,118</b>	<b>4,070</b>	<b>6,165</b>	<b>6,322</b>	<b>6,267</b>	<b>6,563</b>	<b>6,108</b>	<b>7,346</b>	<b>7,513</b>	<b>7,261</b>
65 Australia .....	4,196	3,327	5,293	5,490	5,471	5,700	5,192	6,620	6,721	6,517
66 All other .....	922	744	872	832	796	863	916	726	792	744
<b>67 Nonmonetary international and regional organizations</b> .....	<b>5,807</b>	<b>4,464</b>	<b>3,224</b>	<b>3,773</b>	<b>4,002</b>	<b>3,415</b>	<b>3,617</b>	<b>4,240</b>	<b>4,418</b>	<b>4,920</b>
68 International <sup>5</sup> .....	4,620	2,830	2,503	2,546	2,548	2,456	2,830	2,881	3,084	3,409
69 Latin American regional .....	1,033	1,272	589	1,004	981	564	613	961	690	1,183
70 Other regional <sup>6</sup> .....	154	362	133	223	472	395	175	397 <sup>r</sup>	644	328

1. Includes the Bank for International Settlements and Eastern European countries that are not listed in line 23.

2. Comprises Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Romania.

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

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

5. Excludes "holdings of dollars" of the International Monetary Fund.

6. 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 States<sup>1</sup>

Payable in U.S. Dollars

Millions of dollars, end of period

Area and country	1986	1987	1988	1989						
				Mar.	Apr.	May	June	July	Aug.	Sept. <sup>2</sup>
1 Total	444,745	459,877	491,275	504,329	495,060	490,811	490,395	480,634 <sup>3</sup>	488,449	498,737
2 Foreign countries	441,724	456,472	489,205	502,290	493,225	487,029	486,918	476,846 <sup>4</sup>	485,325	495,860
3 Europe	107,823	102,348	117,048	116,640	111,170	112,975	112,240	106,451 <sup>5</sup>	107,349	111,390
4 Austria	728	793	485	809	805	764	809	854	549	426
5 Belgium-Luxembourg	7,498	9,397	8,518	7,834	8,102	8,435	7,780	7,558	7,510	7,404
6 Denmark	688	717	480	548	770	470	774	562	768	557
7 Finland	987	1,010	1,065	909	1,214	1,280	1,175	1,433	1,401	1,233
8 France	11,356	13,548	13,243	15,744	16,524	16,092	15,574	15,970 <sup>6</sup>	16,415	16,248
9 Germany	1,816	2,039	2,326	3,110	3,529	3,959	3,695	3,460	3,320	3,463
10 Greece	648	462	433	586	361	595	632	602	624	634
11 Italy	9,043	7,460	7,936	5,866	4,803	5,627	6,813	5,994	5,494	5,920
12 Netherlands	3,296	2,619	2,547	2,808	2,735	3,183	2,025	1,950 <sup>7</sup>	1,447	1,992
13 Norway	672	934	455	432	551	567	667	796	665	644
14 Portugal	739	477	374	367	281	371	328	283	264	252
15 Spain	1,492	1,853	1,823	2,449	2,624	2,209	2,190	2,092	1,738	1,678
16 Sweden	1,964	2,234	1,977	2,613	2,164	2,158	1,946	2,003	2,046	2,286
17 Switzerland	3,352	2,718	3,895	3,822	4,540	3,975	5,485	4,123	4,479	5,032
18 Turkey	1,543	1,680	1,253	1,039	1,005	910	886	891	960	1,025
19 United Kingdom	58,335	50,823	65,708	62,908	56,057	58,076	56,891	53,461	54,801	57,605
20 Yugoslavia	1,835	1,700	1,390	1,455	1,369	1,366	1,359	1,406	1,346	1,338
21 Other Western Europe <sup>2</sup>		619	1,152	1,262	1,415	966	1,161	974	1,247	1,249
22 U.S.S.R.	345	389	1,255	1,298	1,346	1,155	1,212	1,227	1,456	1,574
23 Other Eastern Europe <sup>3</sup>	948	852	754	780	775	820	838	810 <sup>4</sup>	819	829
24 Canada	21,006	25,368	18,889	19,048	19,150	16,072	16,089	14,493	15,073	14,752
25 Latin America and Caribbean	208,825	214,789	214,233	220,812	219,970	217,962	219,267	217,096 <sup>5</sup>	215,731	219,234
26 Argentina	12,091	11,996	11,826	11,616	11,516	11,381	10,840	10,724	10,729	10,459
27 Bahamas	59,342	64,587	67,006	72,804	75,665	70,552	66,611	70,468 <sup>6</sup>	68,113	70,639
28 Bermuda	418	471	483	707	361	449	391	463	522	1,104
29 Brazil	25,716	25,897	25,735	25,618	25,947	25,785	25,675	25,824 <sup>7</sup>	25,597	24,915
30 British West Indies	46,284	50,042	55,790	57,602	54,424	57,960	64,870	59,437 <sup>8</sup>	61,202	63,215
31 Chile	6,558	6,308	5,217	5,335	5,224	5,266	4,841	4,770	4,780	4,685
32 Colombia	2,821	2,740	2,944	2,746	2,661	2,600	2,581	2,523	2,501	2,472
33 Cuba	0	1	1	1	2	1	1	1	1	1
34 Ecuador	2,439	2,286	2,075	2,032	2,025	1,944	1,894	1,932	1,917	1,904
35 Guatemala <sup>4</sup>	140	144	198	199	210	207	200	188	202	196
36 Jamaica	198	188	212	251	266	265	270	272	272	282
37 Mexico	30,698	29,532	24,637	24,188	24,077	24,038	23,653	23,356	23,155	22,802
38 Netherlands Antilles	1,041	980	1,321	1,013	1,009	999	1,183	1,162 <sup>5</sup>	1,026	1,059
39 Panama	5,436	4,744	2,536	2,460	2,433	2,475	2,438	2,320	2,030	1,833
40 Peru	1,661	1,329	1,013	947	947	938	874	867	870	823
41 Uruguay	940	963	910	875	876	832	896	854	866	899
42 Venezuela	11,108	10,843	10,733	10,761	10,659	10,600	10,551	10,269 <sup>6</sup>	10,024	10,064
43 Other Latin America and Caribbean	1,936	1,738	1,597	1,659	1,668	1,670	1,482	1,659 <sup>7</sup>	1,922	1,882
44 Asia	96,126	106,096	130,906	137,097	134,439	131,578	130,578	130,235 <sup>8</sup>	137,624	140,594
45 China										
46 Mainland	787	968	762	988	816	952	920	644	575	590
47 Taiwan	2,681	4,592	4,184	4,179	3,952	3,715	4,058	3,946	3,356	3,355
48 Hong Kong	8,307	8,218	10,148	7,900	8,293	8,855	8,557	8,153	8,789	10,338
49 India	321	510	560	563	425	411	537	477	547	638
50 Indonesia	723	580	674	649	726	690	671	645	614	606
51 Israel	1,634	1,363	1,136	1,052	1,045	1,019	961	902	857	857
52 Japan	59,674	68,658	90,162	101,501	97,666	93,447	91,086	91,764	96,079	97,618
53 Korea	7,182	5,148	5,219	5,183	5,198	5,338	5,615	5,774	6,007	5,691
54 Philippines	2,217	2,071	1,876	1,913	1,839	1,810	1,763	1,607	1,543	1,618
55 Thailand	578	496	849	986	1,018	975	1,058	1,061	1,117	1,203
56 Middle East oil-exporting countries <sup>5</sup>	4,122	4,858	6,213	5,409	5,237	5,522	6,550	5,550	8,879	8,627
55 Other Asia	7,901	8,635	9,122	6,776	8,217	8,818	8,745	9,654 <sup>6</sup>	9,216	9,454
57 Africa	4,650	4,742	5,718	5,974	6,087	6,084	6,075	6,066	6,037	6,024
58 Egypt	567	521	507	543	541	541	534	577	494	501
59 Morocco	598	542	511	541	532	538	531	518	535	524
60 South Africa	1,550	1,507	1,681	1,702	1,742	1,753	1,746	1,702	1,713	1,705
61 Zaire	28	15	17	17	19	19	17	17	16	20
62 Oil-exporting countries <sup>6</sup>	694	1,003	1,523	1,481	1,474	1,504	1,503	1,587	1,608	1,629
63 Other	1,213	1,153	1,479	1,690	1,778	1,729	1,744	1,664	1,670	1,645
64 Other countries	3,294	3,129	2,410	2,720	2,409	2,359	2,670	2,505	3,512	3,867
65 Australia	1,949	2,100	1,517	1,686	1,505	1,167	1,307	1,518	2,499	2,952
66 All other	1,345	1,029	894	1,034	905	1,192	1,363	987	1,013	915
67 Nonmonetary international and regional organizations <sup>7</sup>	3,021	3,404	2,071	2,039	1,835	3,782	3,477	3,787	3,124	2,877

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. Beginning April 1978, also includes Eastern European countries not listed in line 23.

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

4. Included in "Other Latin America and Caribbean" through March 1978.

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

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

7. 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 States<sup>1</sup>  
Payable in U.S. Dollars  
Millions of dollars, end of period

Type of claim	1986	1987	1988	1989						
				Mar.	Apr.	May	June	July <sup>r</sup>	Aug. <sup>r</sup>	Sept. <sup>p</sup>
1 Total .....	478,650	497,635	538,799	557,507	.....	.....	539,927	.....	.....	.....
2 Banks' own claims on foreigners .....	444,745	459,877	491,275	504,329	495,060	490,811	490,395	480,634	488,449	498,737
3 Foreign public borrowers .....	64,095	64,605	62,700	62,973	63,248	63,789	62,636	62,694	62,654	61,924
4 Own foreign offices <sup>2</sup> .....	211,533	224,727	257,405	271,968	259,693	257,271	258,020	248,716	251,922	265,568
5 Unaffiliated foreign banks .....	122,946	127,609	129,487	130,111	131,104	130,488	128,391	128,924	132,429	131,031
6 Deposits .....	57,484	60,687	65,898	66,567	69,283	67,407	68,306	68,888	72,413	72,827
7 Other .....	65,462	66,922	63,588	63,544	61,821	63,081	60,085	60,036	60,016	58,204
8 All other foreigners .....	46,171	42,936	41,684	39,278	41,016	39,263	41,349	40,300	41,444	40,214
9 Claims of banks' domestic customers <sup>3</sup> ..	33,905	37,758	47,524	53,178	.....	.....	49,531	.....	.....	.....
10 Deposits .....	4,413	3,692	8,289	12,084	.....	.....	11,153	.....	.....	.....
11 Negotiable and readily transferable instruments <sup>4</sup> .....	24,044	26,696	25,700	24,960	.....	.....	22,017	.....	.....	.....
12 Outstanding collections and other claims .....	5,448	7,370	13,535	16,134	.....	.....	16,362	.....	.....	.....
13 MEMO: Customer liability on acceptances .....	25,706	23,107	19,568	17,173	.....	.....	16,825	.....	.....	.....
Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States <sup>5</sup> .....	43,984	40,857	45,391	47,225	47,897	49,491	46,687 <sup>r</sup>	48,514	49,494	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. U.S. banks: includes amounts due from own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. Agencies, branches, and majority-owned subsidiaries of foreign banks: principally amounts due from head office or parent foreign bank, and foreign branches, agencies, or wholly owned subsidiaries of head office or

parent foreign bank.

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 States<sup>1</sup>  
Payable in U.S. Dollars  
Millions of dollars, end of period

Maturity; by borrower and area	1985	1986	1987	1988		1989	
				Sept.	Dec.	Mar.	June
1 Total .....	227,903	232,295	235,130	230,608	233,280	231,454	231,468
<i>By borrower</i>							
2 Maturity of 1 year or less <sup>2</sup> .....	160,824	160,555	163,997	168,121	172,730	168,377	167,441
3 Foreign public borrowers .....	26,302	24,842	25,889	29,390	26,602	24,135	23,688
4 All other foreigners .....	134,522	135,714	138,108	138,731	146,128	144,242	143,753
5 Maturity over 1 year <sup>2</sup> .....	67,078	71,740	71,133	62,488	60,550	63,077	64,028
6 Foreign public borrowers .....	34,512	39,103	38,625	35,481	35,315	37,922	38,050
7 All other foreigners .....	32,567	32,637	32,507	27,007	25,235	25,155	25,978
<i>By area</i>							
8 Maturity of 1 year or less <sup>2</sup> .....							
9 Europe .....	56,585	61,784	59,027	54,277	56,031	57,878	58,355
10 Canada .....	6,401	5,895	5,680	6,410	6,282	5,115	5,693
11 Latin America and Caribbean .....	63,328	56,271	56,535	55,730	58,004	53,268	50,717
12 Asia .....	27,966	29,457	35,919	42,368	46,188	45,675	45,309
13 Africa .....	3,753	2,882	2,833	3,120	3,337	3,610	3,601
14 All other <sup>3</sup> .....	2,791	4,267	4,003	6,216	2,888	2,831	3,765
15 Maturity of over 1 year <sup>2</sup> .....							
16 Europe .....	7,634	6,737	6,696	5,307	4,664	4,507	4,608
17 Canada .....	1,805	1,925	2,661	2,031	1,922	2,309	2,592
18 Latin America and Caribbean .....	50,674	56,719	53,817	48,325	47,548	49,790	50,133
19 Asia .....	4,502	4,043	3,830	3,943	3,613	3,699	3,815
20 Africa .....	1,538	1,539	1,747	2,257	2,301	2,292	2,408
21 All other <sup>3</sup> .....	926	777	2,381	625	501	480	472

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 Banks<sup>1,2</sup>

Billions of dollars, end of period

Area or country	1985	1986	1987			1988			1989		
			June	Sept.	Dec.	Mar.	June	Sept.	Dec. <sup>f</sup>	Mar. <sup>f</sup>	June <sup>g</sup>
1 Total	389.1 <sup>f</sup>	386.5 <sup>f</sup>	385.0 <sup>f</sup>	387.9 <sup>f</sup>	382.4 <sup>f</sup>	371.4 <sup>f</sup>	352.2 <sup>f</sup>	354.3 <sup>f</sup>	346.8	345.8	339.5
2 G-10 countries and Switzerland	147.0 <sup>f</sup>	156.6	157.7 <sup>f</sup>	154.8 <sup>f</sup>	159.7 <sup>f</sup>	156.8 <sup>f</sup>	151.0 <sup>f</sup>	148.9 <sup>f</sup>	153.1	145.7	144.8
3 Belgium-Luxembourg	9.4 <sup>f</sup>	8.4 <sup>f</sup>	8.4 <sup>f</sup>	8.1 <sup>f</sup>	10.0 <sup>f</sup>	9.1 <sup>f</sup>	9.2	9.5 <sup>f</sup>	9.0	8.6	7.8
4 France	12.3 <sup>f</sup>	13.6 <sup>f</sup>	12.5	13.6 <sup>f</sup>	13.7 <sup>f</sup>	11.8	10.9 <sup>f</sup>	10.3 <sup>f</sup>	10.5	11.2	10.8
5 Germany	10.5	11.6	11.2	10.5	12.6	11.8	10.6	9.2 <sup>f</sup>	10.3	10.2	10.6
6 Italy	9.7 <sup>f</sup>	9.0	7.7 <sup>f</sup>	6.8 <sup>f</sup>	7.5 <sup>f</sup>	7.4	6.3 <sup>f</sup>	5.6 <sup>f</sup>	6.8	5.2	6.1
7 Netherlands	3.8 <sup>f</sup>	4.6	7.3	4.8	4.1	3.3	3.2 <sup>f</sup>	2.9 <sup>f</sup>	2.7	2.8	2.8
8 Sweden	2.8 <sup>f</sup>	2.4	2.3 <sup>f</sup>	2.6	2.1	2.1 <sup>f</sup>	1.9	1.9 <sup>f</sup>	1.8	2.3	1.8
9 Switzerland	4.4	5.8	5.7	5.4	5.6	5.1	5.6	5.2	5.4	5.1	5.3
10 United Kingdom	63.3 <sup>f</sup>	70.9 <sup>f</sup>	71.7 <sup>f</sup>	72.0 <sup>f</sup>	68.8 <sup>f</sup>	71.7 <sup>f</sup>	70.4 <sup>f</sup>	67.6 <sup>f</sup>	66.2	65.4	64.5
11 Canada	6.8	5.2 <sup>f</sup>	4.5 <sup>f</sup>	4.6 <sup>f</sup>	5.5	4.7 <sup>f</sup>	5.3 <sup>f</sup>	4.9 <sup>f</sup>	5.0	4.0	5.1
12 Japan	24.1 <sup>f</sup>	25.1 <sup>f</sup>	26.4 <sup>f</sup>	26.4 <sup>f</sup>	29.8	29.7 <sup>f</sup>	27.6 <sup>f</sup>	31.8 <sup>f</sup>	35.3	30.9	30.1
13 Other developed countries	30.3 <sup>f</sup>	26.1 <sup>f</sup>	25.5 <sup>f</sup>	26.3 <sup>f</sup>	26.4 <sup>f</sup>	26.4 <sup>f</sup>	24.0 <sup>f</sup>	23.0 <sup>f</sup>	21.0	21.0	21.2
14 Austria	1.6 <sup>f</sup>	1.7	1.8	1.8 <sup>f</sup>	1.9	1.6	1.6	1.6	1.5	1.4	1.7
15 Denmark	2.4 <sup>f</sup>	1.7	1.6 <sup>f</sup>	1.6	1.7	1.4	1.1 <sup>f</sup>	1.2 <sup>f</sup>	1.1	1.1	1.4
16 Finland	1.6	1.4	1.4	1.4	1.2 <sup>f</sup>	1.0 <sup>f</sup>	1.2	1.3	1.1	1.0	1.0
17 Greece	2.6	2.3	2.0	1.9	2.0	2.3	2.1 <sup>f</sup>	2.1	1.8	2.1	2.3
18 Norway	2.9	2.4	2.1	2.0	2.2 <sup>f</sup>	1.9 <sup>f</sup>	1.9 <sup>f</sup>	2.0	1.8	1.6	1.8
19 Portugal	1.3 <sup>f</sup>	.9 <sup>f</sup>	.8	.9 <sup>f</sup>	.6 <sup>f</sup>	.5 <sup>f</sup>	.4	.4	.4	.4	.6
20 Spain	5.8	5.8	6.1	7.4	8.0	8.9 <sup>f</sup>	7.2	6.3	6.2	6.6	6.2
21 Turkey	2.0 <sup>f</sup>	2.0 <sup>f</sup>	2.1 <sup>f</sup>	1.9 <sup>f</sup>	2.0 <sup>f</sup>	2.0 <sup>f</sup>	1.8 <sup>f</sup>	1.6 <sup>f</sup>	1.5	1.3	1.2
22 Other Western Europe	2.0	1.5 <sup>f</sup>	1.6 <sup>f</sup>	1.6	1.6	1.9 <sup>f</sup>	1.7	1.9	1.3	1.1	1.1
23 South Africa	3.2	3.0	3.1 <sup>f</sup>	2.9	2.9	2.8	2.8	2.7	2.4	2.2	2.1
24 Australia	5.0	3.4 <sup>f</sup>	3.0 <sup>f</sup>	2.9	2.4	2.0 <sup>f</sup>	2.2	1.8	1.8	2.4	1.9
25 OPEC countries <sup>3</sup>	21.5 <sup>f</sup>	19.4 <sup>f</sup>	19.1 <sup>f</sup>	19.2 <sup>f</sup>	17.4 <sup>f</sup>	17.6 <sup>f</sup>	17.0 <sup>f</sup>	17.9 <sup>f</sup>	16.6	16.2	16.0
26 Ecuador	2.1	2.2	2.1	2.1	1.9	1.9	1.8	1.8	1.7	1.6	1.5
27 Venezuela	9.0 <sup>f</sup>	8.7 <sup>f</sup>	8.5 <sup>f</sup>	8.3	8.1	8.1 <sup>f</sup>	8.0	7.9	7.9	7.9	7.5
28 Indonesia	3.0	2.5	2.2	2.0	1.9	1.8 <sup>f</sup>	1.8 <sup>f</sup>	1.8 <sup>f</sup>	1.7	1.7	1.9
29 Middle East countries	5.4 <sup>f</sup>	4.3	4.5 <sup>f</sup>	5.0	3.6	3.9 <sup>f</sup>	3.5 <sup>f</sup>	4.6 <sup>f</sup>	3.4	3.3	3.4
30 African countries	2.0	1.8 <sup>f</sup>	1.8 <sup>f</sup>	1.8 <sup>f</sup>	1.9 <sup>f</sup>	1.9 <sup>f</sup>	1.9 <sup>f</sup>	1.9 <sup>f</sup>	1.9	1.7	1.6
31 Non-OPEC developing countries	105.0 <sup>f</sup>	99.6 <sup>f</sup>	100.8 <sup>f</sup>	98.0 <sup>f</sup>	97.8 <sup>f</sup>	94.4	91.8 <sup>f</sup>	87.2 <sup>f</sup>	85.3	85.4	83.1
<i>Latin America</i>											
32 Argentina	8.9 <sup>f</sup>	9.5	9.6 <sup>f</sup>	9.4 <sup>f</sup>	9.5 <sup>f</sup>	9.6 <sup>f</sup>	9.5 <sup>f</sup>	9.3 <sup>f</sup>	9.0	8.4	7.9
33 Brazil	25.5 <sup>f</sup>	25.3 <sup>f</sup>	25.0 <sup>f</sup>	25.1	24.7	23.8 <sup>f</sup>	23.7	22.4	22.4	22.7	22.0
34 Chile	7.0 <sup>f</sup>	7.1	7.2	7.1 <sup>f</sup>	6.9	6.6	6.4	6.3 <sup>f</sup>	5.6	5.7	5.1
35 Colombia	2.6	2.1	2.0 <sup>f</sup>	2.0 <sup>f</sup>	2.0	2.0 <sup>f</sup>	2.2 <sup>f</sup>	2.1	2.1	1.9	1.7
36 Mexico	24.3 <sup>f</sup>	24.0 <sup>f</sup>	25.3	24.7 <sup>f</sup>	23.5 <sup>f</sup>	22.4 <sup>f</sup>	21.1	20.4 <sup>f</sup>	18.8	18.0	17.5
37 Peru	1.8	1.4	1.3	1.2	1.1	1.1	.9	.8	.8	.7	.6
38 Other Latin America	3.5 <sup>f</sup>	3.1	3.0 <sup>f</sup>	2.8	2.8 <sup>f</sup>	2.8	2.6	2.5	2.6	2.7	2.5
<i>Asia</i>											
<i>China</i>											
39 Mainland	.5	.4	.6	.3	.3	.4	.4 <sup>f</sup>	.2	.3	.5	.3
40 Taiwan	4.5	4.9	6.6	6.0	8.2	6.1	4.9	3.2	3.7	4.9	5.2
41 India	1.2	1.2	1.7	1.9	1.9	2.1	2.3	2.0	2.1	2.6	2.4
42 Israel	1.6	1.5	1.3	1.3	1.0	1.0	1.0	1.0	1.2	.9	.8
43 Korea (South)	9.3 <sup>f</sup>	6.7 <sup>f</sup>	5.7 <sup>f</sup>	5.0 <sup>f</sup>	5.0 <sup>f</sup>	5.7 <sup>f</sup>	5.9	6.0	6.1	6.1	6.6
44 Malaysia	2.4	2.1	1.7	1.5	1.5	1.5	1.5	1.7 <sup>f</sup>	1.6	1.7	1.6
45 Philippines	5.7	5.4	5.4	5.4	5.2 <sup>f</sup>	5.1	4.9	4.7	4.5	4.4	4.4
46 Thailand	1.4	.9	.8	.7	.7	1.0	1.1	1.2	1.1	1.0	1.0
47 Other Asia	1.0	.7	.7	.7	.7	.7	.8	.8	.9	.8	.8
<i>Africa</i>											
48 Egypt	1.0	.7	.6	.6	.6 <sup>f</sup>	.5	.6	.5	.4	.5	.6
49 Morocco	.9	.9	.9	.9 <sup>f</sup>	.9	.9	.9	.8	.9	.9	.9
50 Zaire	.1	.1	.1	.1	.1	.1	.1	.0	.0	.0	.0
51 Other Africa <sup>4</sup>	1.9	1.6	1.3	1.3	1.3	1.2	1.2	1.2	1.1	1.1	1.1
52 Eastern Europe	4.4 <sup>f</sup>	3.5 <sup>f</sup>	3.6 <sup>f</sup>	3.6 <sup>f</sup>	3.2 <sup>f</sup>	3.1 <sup>f</sup>	3.3 <sup>f</sup>	3.1 <sup>f</sup>	3.6	3.5	3.4
53 U.S.S.R.	.1	.1	.3	.4 <sup>f</sup>	.3 <sup>f</sup>	.3	.4	.4	.7	.7	.6
54 Yugoslavia	2.4 <sup>f</sup>	2.0 <sup>f</sup>	2.0 <sup>f</sup>	1.9 <sup>f</sup>	1.8 <sup>f</sup>	1.9 <sup>f</sup>	1.9 <sup>f</sup>	1.8 <sup>f</sup>	1.8	1.7	1.6
55 Other	1.9 <sup>f</sup>	1.4	1.3	1.2	1.1 <sup>f</sup>	1.0 <sup>f</sup>	1.0	1.0	1.1	1.1	1.1
56 Offshore banking centers	64.0 <sup>f</sup>	61.5 <sup>f</sup>	60.1 <sup>f</sup>	63.7 <sup>f</sup>	54.5 <sup>f</sup>	51.5 <sup>f</sup>	43.0	47.3 <sup>f</sup>	44.3	48.4	43.2
57 Bahamas	21.5 <sup>f</sup>	22.4 <sup>f</sup>	20.1 <sup>f</sup>	25.7 <sup>f</sup>	17.3 <sup>f</sup>	15.9 <sup>f</sup>	8.9 <sup>f</sup>	12.9 <sup>f</sup>	11.1	15.8	11.0
58 Bermuda	.7	.6 <sup>f</sup>	.6	.6	.6	.8	1.0	.9	.9	1.1	.7
59 Cayman Islands and other British West Indies	12.2 <sup>f</sup>	12.3 <sup>f</sup>	13.1 <sup>f</sup>	11.9 <sup>f</sup>	13.5 <sup>f</sup>	11.6 <sup>f</sup>	10.3 <sup>f</sup>	11.9 <sup>f</sup>	12.9	11.9	10.8
60 Netherlands Antilles	2.2	1.8	1.3	1.2	1.2	1.3	1.2	1.2	1.0	.9	.9
61 Panama <sup>5</sup>	6.0	4.0	3.9	3.7	3.7	3.2 <sup>f</sup>	3.0	2.7	2.6	2.3	1.9
62 Lebanon	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1
63 Hong Kong	11.5 <sup>f</sup>	11.1	12.5	12.3	11.2	11.3	11.6 <sup>f</sup>	10.5 <sup>f</sup>	9.6	9.6	10.4
64 Singapore	9.8	9.2	8.4 <sup>f</sup>	8.1	7.0	7.4	6.9 <sup>f</sup>	7.0	6.1	6.8	7.3
65 Others <sup>6</sup>	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
66 Miscellaneous and unallocated <sup>7</sup>	16.9	19.8	18.1	22.3	23.2	21.5	22.2 <sup>f</sup>	26.7	22.6	25.1	27.4

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).

2. Beginning with June 1984 data, 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. 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).

4. Excludes Liberia.

5. Includes Canal Zone beginning December 1979.

6. Foreign branch claims only.

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

3.22 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States<sup>1</sup>

Millions of dollars, end of period

Type, and area or country	1985	1986	1987	1988				1989	
				Mar.	June	Sept.	Dec.	Mar.	June
1 Total	27,825	25,587	28,302	29,792	30,107	32,196	33,417	36,986	36,579
2 Payable in dollars	24,296	21,749	22,785	24,012	24,805	26,967	27,831	31,195	31,604
3 Payable in foreign currencies	3,529	3,838	5,517	5,780	5,302	5,229	5,586	5,790	4,975
<i>By type</i>									
4 Financial liabilities	13,600	12,133	12,424	14,139	13,894	14,877	14,917	17,164	16,644
5 Payable in dollars	11,257	9,609	8,643	10,145	10,234	11,283	11,049	13,084	12,882
6 Payable in foreign currencies	2,343	2,524	3,781	3,994	3,660	3,594	3,868	4,080	3,762
7 Commercial liabilities	14,225	13,454	15,878	15,653	16,213	17,319	18,500	19,822	19,935
8 Trade payables	6,685	6,450	7,305	6,454	6,768	6,480	6,454	6,921	6,227
9 Advance receipts and other liabilities	7,540	7,004	8,573	9,200	9,446	10,839	12,045	12,901	13,708
10 Payable in dollars	13,039	12,140	14,142	13,867	14,571	15,684	16,782	18,111	18,722
11 Payable in foreign currencies	1,186	1,314	1,737	1,786	1,642	1,635	1,718	1,711	1,213
<i>By area or country</i>									
<i>Financial liabilities</i>									
12 Europe	7,700	7,917	8,320	9,377	9,030	10,295	9,712	12,143	10,849
13 Belgium-Luxembourg	349	270	213	251	282	339	289	320	357
14 France	857	661	382	408	371	372	267	249	274
15 Germany	376	368	551	553	503	488	548	372	470
16 Netherlands	861	542	866	990	862	996	879	933	834
17 Switzerland	610	646	558	691	638	687	1,163	954	936
18 United Kingdom	4,305	5,140	5,557	6,301	6,201	7,243	6,418	9,121	7,799
19 Canada	839	399	360	394	412	431	650	616	544
20 Latin America and Caribbean	3,184	1,944	1,189	1,452	1,448	1,057	1,239	677	1,406
21 Bahamas	1,123	614	318	289	250	238	184	189	165
22 Bermuda	4	4	0	0	0	0	0	0	0
23 Brazil	29	32	25	0	0	0	0	0	0
24 British West Indies	1,843	1,146	778	1,099	1,154	812	645	471	621
25 Mexico	15	22	13	15	26	2	1	15	17
26 Venezuela	3	0	0	2	0	0	0	0	0
27 Asia	1,815	1,805	2,451	2,836	2,928	3,088	3,312	3,722	3,841
28 Japan	1,198	1,398	2,042	2,375	2,331	2,435	2,563	2,950	3,082
29 Middle East oil-exporting countries <sup>2</sup>	82	8	8	11	11	4	3	1	11
30 Africa	12	1	4	5	2	3	1	5	3
31 Oil-exporting countries <sup>3</sup>	0	1	1	3	1	1	0	3	2
32 All other <sup>4</sup>	50	67	100	75	74	3	2	2	0
<i>Commercial liabilities</i>									
33 Europe	4,074	4,446	5,505	5,619	5,722	6,688	7,347	7,772	7,782
34 Belgium-Luxembourg	62	101	132	154	147	206	170	134	116
35 France	453	352	426	414	408	438	459	574	521
36 Germany	607	715	908	810	791	1,185	1,699	1,361	1,140
37 Netherlands	364	424	423	457	508	647	591	668	687
38 Switzerland	379	385	559	527	482	486	417	457	436
39 United Kingdom	976	1,341	1,588	1,722	1,771	2,110	2,063	2,444	2,688
40 Canada	1,449	1,405	1,301	1,392	1,167	1,109	1,218	1,152	1,119
41 Latin America and Caribbean	1,088	924	864	980	1,035	997	1,118	1,262	1,660
42 Bahamas	12	32	18	19	61	19	49	35	34
43 Bermuda	77	156	168	325	272	222	286	426	388
44 Brazil	58	61	46	59	54	58	95	102	538
45 British West Indies	44	49	19	14	28	30	34	31	42
46 Mexico	430	217	189	164	233	177	179	197	181
47 Venezuela	212	216	162	122	140	204	177	179	184
48 Asia	6,046	5,080	6,565	5,883	6,279	6,632	6,910	7,435	6,937
49 Japan	1,799	2,042	2,578	2,508	2,659	2,763	3,091	3,048	2,697
50 Middle East oil-exporting countries <sup>2,5</sup>	2,829	1,679	1,964	1,062	1,320	1,298	1,386	1,526	1,430
51 Africa	587	619	574	575	626	477	578	706	768
52 Oil-exporting countries <sup>3</sup>	238	197	135	139	115	106	202	272	253
53 All other <sup>4</sup>	982	980	1,068	1,204	1,383	1,415	1,328	1,496	1,670

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 States<sup>1</sup>

Millions of dollars, end of period

Type, and area or country	1985	1986	1987	1988				1989	
				Mar.	June	Sept.	Dec.	Mar.	June
1 Total .....	28,876	36,265	30,964	31,089	37,641	38,114	33,412	31,482	34,272 <sup>f</sup>
2 Payable in dollars .....	26,574	33,867	28,502	29,026	35,613	35,695	31,164	29,254	32,097 <sup>f</sup>
3 Payable in foreign currencies .....	2,302	2,399	2,462	2,063	2,028	2,419	2,249	2,227	2,175 <sup>f</sup>
<i>By type</i>									
4 Financial claims .....	18,891	26,273	20,363	20,326	26,274	27,011	21,482	19,613	22,247 <sup>f</sup>
5 Deposits .....	15,526	19,916	14,903	12,697	19,492	19,079	15,763	14,733	17,217 <sup>f</sup>
6 Payable in dollars .....	14,911	19,331	13,775	12,121	18,775	18,145	14,744	13,886	16,337 <sup>f</sup>
7 Payable in foreign currencies .....	615	585	1,128	576	718	934	1,019	847	879 <sup>f</sup>
8 Other financial claims .....	3,364	6,357	5,460	7,629	6,781	7,932	5,719	4,881	5,031 <sup>f</sup>
9 Payable in dollars .....	2,330	5,005	4,646	6,509	5,886	6,990	4,995	4,007	4,213 <sup>f</sup>
10 Payable in foreign currencies .....	1,035	1,352	814	1,120	895	942	724	874	818
11 Commercial claims .....	9,986	9,992	10,600	10,763	11,367	11,103	11,930	11,868	12,025 <sup>f</sup>
12 Trade receivables .....	8,696	8,783	9,535	9,650	10,332	10,109	10,845	10,604	10,827 <sup>f</sup>
13 Advance payments and other claims .....	1,290	1,209	1,065	1,113	1,036	993	1,085	1,264	1,197 <sup>f</sup>
14 Payable in dollars .....	9,333	9,530	10,081	10,397	10,952	10,560	11,425	11,361	11,546 <sup>f</sup>
15 Payable in foreign currencies .....	652	462	519	366	415	542	505	507	478
<i>By area or country</i>									
<i>Financial claims</i>									
16 Europe .....	6,929	10,744	9,531	9,805	11,512	10,537	9,942	9,119	8,920 <sup>f</sup>
17 Belgium-Luxembourg .....	10	41	7	15	16	49	10	11	155
18 France .....	184	138	332	308	181	278	224	230	191
19 Germany .....	223	116	102	92	168	123	138	180	233
20 Netherlands .....	161	151	330	333	335	356	344	383	290
21 Switzerland .....	74	185	65	54	105	84	215	203	70
22 United Kingdom .....	6,007	9,855	8,467	8,789	10,430	9,321	8,659	7,801	7,644 <sup>f</sup>
23 Canada .....	3,260	4,808	2,844	2,669	2,913	3,612	2,338	2,210	2,611 <sup>f</sup>
24 Latin America and Caribbean .....	7,846	9,291	7,012	6,483	10,854	11,814	8,128	7,216	8,981 <sup>f</sup>
25 Bahamas .....	2,698	2,628	1,994	2,329	4,176	4,064	1,847	2,173	1,827 <sup>f</sup>
26 Bermuda .....	6	6	7	43	87	188	19	25	125
27 Brazil .....	78	86	63	86	46	44	47	49	78
28 British West Indies .....	4,571	6,078	4,433	3,503	6,045	7,055	5,729	4,549	6,494 <sup>f</sup>
29 Mexico .....	180	174	172	154	146	133	151	117	114
30 Venezuela .....	48	21	19	34	27	27	21	25	31
31 Asia .....	731	1,317	879	1,294	876	927	799	928	1,372 <sup>f</sup>
32 Japan .....	475	999	605	1,133	646	737	603	685	975 <sup>f</sup>
33 Middle East oil-exporting countries <sup>2</sup> .....	4	7	8	5	5	5	4	8	7
34 Africa .....	103	85	65	53	60	95	106	89	80
35 Oil-exporting countries <sup>2</sup> .....	29	28	7	7	9	9	10	8	8
36 All other <sup>4</sup> .....	21	28	33	24	58	26	169	51	284
<i>Commercial claims</i>									
37 Europe .....	3,533	3,725	4,180	4,170	4,694	4,295	5,010	4,901	4,893 <sup>f</sup>
38 Belgium-Luxembourg .....	175	133	178	193	158	171	176	201	200 <sup>f</sup>
39 France .....	426	431	650	552	684	542	671	752	767 <sup>f</sup>
40 Germany .....	346	444	562	637	773	613	611	643	639 <sup>f</sup>
41 Netherlands .....	284	164	133	150	172	145	208	156	191
42 Switzerland .....	284	217	185	173	262	183	322	246	218
43 United Kingdom .....	898	999	1,073	1,059	1,095	1,179	1,306	1,282	1,333 <sup>f</sup>
44 Canada .....	1,023	934	936	1,166	937	977	974	1,100	1,168 <sup>f</sup>
45 Latin America and Caribbean .....	1,753	1,857	1,930	1,930	2,067	2,104	2,229	2,100	2,083
46 Bahamas .....	13	28	19	14	13	12	36	34	14
47 Bermuda .....	93	193	170	171	174	161	229	234	236
48 Brazil .....	206	234	226	209	232	234	298	277	314
49 British West Indies .....	6	39	26	24	25	22	21	23	29
50 Mexico .....	510	412	368	374	411	463	457	476	428
51 Venezuela .....	157	237	283	274	304	266	226	211	229
52 Asia .....	2,982	2,755	2,915	2,853	2,994	3,029	2,955	3,090	3,129 <sup>f</sup>
53 Japan .....	1,016	881	1,158	1,107	1,168	963	934	1,032	982
54 Middle East oil-exporting countries <sup>2</sup> .....	638	563	450	408	446	437	441	421	437
55 Africa .....	437	500	401	419	425	425	435	386	397
56 Oil-exporting countries <sup>3</sup> .....	130	139	144	126	136	137	122	95	111 <sup>f</sup>
57 All other <sup>4</sup> .....	257	222	238	225	250	273	328	290	354

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

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

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

4. Includes nonmonetary international and regional organizations.

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transactions, and area or country	1987	1988	1989							
			Jan.-Sept.	Mar.	Apr.	May	June	July	Aug.	Sept. <sup>1</sup>
U.S. corporate securities										
STOCKS										
1 Foreign purchases	249,122	181,185	161,005	15,819	14,101	17,904	24,311	17,115	22,097 <sup>1</sup>	19,333
2 Foreign sales	232,849	183,185	150,326	15,447	14,241	16,846	20,640	15,084	20,939 <sup>1</sup>	16,834
3 Net purchases, or sales (-)	16,272	-2,000	10,679	372	-141	1,058	3,671	2,031 <sup>1</sup>	1,158	2,498
4 Foreign countries	16,321	-1,825	10,956	509	-134	1,060	3,689	2,047	1,141	2,550
5 Europe	1,932	-3,350	2,231	73	181	-293	418	778	-110	1,409
6 France	905	-281	96	70	168	-123	-15	75	-251	-25
7 Germany	-70	218	-591	59	17	-215	-155	-79	-238	-69
8 Netherlands	892	-535	-15	5	-125	-76	131	12	-64 <sup>1</sup>	37
9 Switzerland	-1,123	-2,243	-2,289	91	-141	-293	-114	-23	-344	61
10 United Kingdom	631	-954	4,067	-106	287	494	329	545	772	871
11 Canada	1,048	1,087	-131	130	-66	-75	168	8	14	-269
12 Latin America and Caribbean	1,318	1,238	3,433	635	120	391	168	108	250	578
13 Middle East <sup>1</sup>	-1,360	-2,474	3,055	220	-345	206	1,679	456	553	120
14 Other Asia	12,896	1,365	2,069	-536	-28	784	1,201	729	423	643
15 Japan	11,365	1,922	2,115	-458	-16	763	1,215	626	424	611
16 Africa	123	188	110	5	10	-1	16	2	22	24
17 Other countries	365	121	190	-19	-7	50	40	-34	-11	45
18 Nonmonetary international and regional organizations	-48	-176	-278	-137	-6	-2	-18	-17	17	-52
BONDS <sup>2</sup>										
19 Foreign purchases	105,856	86,363	84,973	10,423	9,736	8,329	10,856	10,044	10,943	8,895
20 Foreign sales	78,312	58,395	62,979	7,025	5,270	8,776	9,043	7,526	9,046	6,801
21 Net purchases, or sales (-)	27,544	27,968	21,994	3,398	4,466	-447	1,813	2,518	1,897	2,095
22 Foreign countries	26,804	28,510	21,477	3,358	4,465	-570	1,690	2,550	1,920	1,795
23 Europe	21,989	17,243	14,154	2,794	3,102	-55	2,132	1,976	192	1,459
24 France	194	143	420	-16	27	93	6	121	-35	77
25 Germany	33	1,344	-202	148	135	-170	-162	-53	-121	-33
26 Netherlands	269	1,514	636	69	51	9	395	-22	96	28
27 Switzerland	1,587	505	198	4	90	-114	-110	81	13	-27
28 United Kingdom	19,770	13,088	12,580	2,578	2,252	665	1,881	1,937	-9	1,376
29 Canada	1,296	711	819	213	115	59	-188	79	76	156
30 Latin America and Caribbean	2,857	1,931	2,402	301	219	136	271	300	62	233
31 Middle East <sup>1</sup>	-1,314	-178	-498	87	3	-100	-613	36	27	30
32 Other Asia	2,021	8,900	4,371	-50	990	-615	83	53	1,574	-108
33 Japan	1,622	7,686	2,447	-285	608	-722	-67	-25	1,167	-189
34 Africa	16	-8	20	5	4	0	1	3	5	-3
35 Other countries	-61	-89	208	8	33	5	4	103	-17	30
36 Nonmonetary international and regional organizations	740	-542	517	41	1	122	123	-32	-23	299
Foreign securities										
37 Stocks, net purchases, or sales (-)	1,081	-1,918	-8,929	-153	-947	-1,322	-2,077	-748	-1,489 <sup>1</sup>	-657
38 Foreign purchases	95,458	75,211	73,478	9,477	6,686	7,748	9,111	7,595 <sup>1</sup>	9,487 <sup>1</sup>	8,449
39 Foreign sales	94,377	77,128	82,407	9,630	7,633	9,070	11,188	8,343 <sup>1</sup>	10,976 <sup>1</sup>	9,106
40 Bonds, net purchases, or sales (-)	-7,946	-7,221	-5,431	-653	-196	-107	-1,524	-1,414	993 <sup>1</sup>	-1,836
41 Foreign purchases	199,089	217,932	173,387	23,395	15,525	17,242	21,016	20,206 <sup>1</sup>	24,077 <sup>1</sup>	18,300
42 Foreign sales	207,035	225,153	178,818	24,047	15,721	17,350	22,540	21,621 <sup>1</sup>	23,084 <sup>1</sup>	20,136
43 Net purchases, or sales (-), of stocks and bonds	-6,865	-9,138	-14,360	-805	-1,143	-1,430	-3,601	-2,163 <sup>1</sup>	-496 <sup>1</sup>	-2,493
44 Foreign countries	-6,757	-9,619	-14,587	-998	-1,350	-1,633	-3,401	-2,315 <sup>1</sup>	-682 <sup>1</sup>	-1,926
45 Europe	-12,101	-7,632	-14,510	-1,402	-1,757	-1,520	-3,876	-2,370 <sup>1</sup>	-620 <sup>1</sup>	-2,116
46 Canada	-4,072	-3,735	-3,699	-585	194	-555	-699	-692	-258	-194
47 Latin America and Caribbean	828	1,384	617	161	197	-90	27	-76	313	-61
48 Asia	9,299	985	3,452	883	70	700	1,191	805 <sup>1</sup>	301	411
49 Africa	89	-54	13	-16	10	13	3	12	-4	-3
50 Other countries	-800	-567	-460	-40	-64	-180	-47	7	-414	39
51 Nonmonetary international and regional organizations	-108	480	228	192	207	203	-200	152	186	-568

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.

## 3.25 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Transactions

Millions of dollars

Country or area	1987	1988	1989							
			Jan.- Sept.	Mar.	Apr.	May	June	July	Aug.	Sept. <sup>p</sup>
Transactions, net purchases or sales (-) during period <sup>1</sup>										
1 Estimated total <sup>2</sup> .....	25,587	48,868	47,568	8,639	29	7,043	-5,202	-1,317	21,979 <sup>r</sup>	4,787
2 Foreign countries <sup>2</sup> .....	30,889	48,206	48,012	8,296	291	5,520	-5,319	-773	22,406 <sup>r</sup>	5,646
3 Europe <sup>2</sup> .....	23,716	14,353	31,478	2,142	-1,814	4,498	-1,305	4,357	15,191	2,494
4 Belgium-Luxembourg .....	653	923	838	-23	-87	88	13	82	413	216
5 Germany <sup>2</sup> .....	13,330	-5,268	4,383	-181	-693	-179	-1,106	2,622	2,503	510
6 Netherlands .....	-913	-356	396	242	-643	-638	-674	100	1,304	302
7 Sweden .....	210	-323	951	-508	398	-69	647	110	241	-50
8 Switzerland <sup>2</sup> .....	1,917	-1,074	2,419	1,767	440	-83	378	-361	-748	374
9 United Kingdom .....	3,975	9,674	16,060	1,207	-1,298	3,873	-133	1,024	9,863	339
10 Other Western Europe .....	4,563	10,786	6,453	-363	74	1,511	-423	786	1,614	802
11 Eastern Europe .....	-19	-10	-21	0	-5	-5	-6	-5	0	0
12 Canada .....	4,526	3,761	-69	-55	114	157	-478	-533	1,028	-373
13 Latin America and Caribbean .....	-2,192	713	1,434	113	-133	-179	643	839	-280	10
14 Venezuela .....	150	-109	112	-53	-18	0	1	71	120	29
15 Other Latin America and Caribbean .....	-1,142	1,130	-305	132	-231	-78	-14	104	217	-519
16 Netherlands Antilles .....	-1,200	-308	1,626	34	117	-101	656	665	-617	500
17 Asia .....	4,488	27,606	15,118	5,659	1,743	1,734	-5,577	-4,954	7,118 <sup>r</sup>	2,816
18 Japan .....	868	21,752	958	1,855	2,624	1,646	-7,780	-5,360	3,009	2,346
19 Africa .....	-56	-13	54	-2	32	-3	66	-5	-48	0
20 All other .....	407	1,786	-4	439	350	-687	1,332	-477	-603	698
21 Nonmonetary international and regional organizations .....	-5,302	661	-444	344	-262	1,523	117	-544	-427 <sup>r</sup>	-858
22 International .....	-4,387	1,106	-670	424	-252	1,340	-253	-546	-576	-512
23 Latin America regional .....	3	-31	72	-8	-21	70	191	3	75	-228
Memo										
24 Foreign countries <sup>2</sup> .....	30,889	48,206	48,012	8,296	291	5,520	-5,319	-773	22,406 <sup>r</sup>	5,646
25 Official institutions .....	31,064	26,624	24,878	6,549	-842	-1,068	449	2,819	9,957 <sup>r</sup>	695
26 Other foreign <sup>2</sup> .....	-176	21,582	23,135	1,747	1,133	6,588	-5,768	-3,592	12,449 <sup>r</sup>	4,950
Oil-exporting countries										
27 Middle East <sup>3</sup> .....	-3,142	1,963	10,950	2,607	-471	-299	670	422	3,677	654
28 Africa <sup>4</sup> .....	16	1	0	0	0	0	0	0	0	0

1. Estimated official and private transactions in marketable U.S. Treasury securities with an original maturity of more than 1 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 publicly issued to private foreign residents denominated in foreign currencies.

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

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

## 3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Percent per year

Country	Rate on Oct. 31, 1989		Country	Rate on Oct. 31, 1989		Country	Rate on Oct. 31, 1989	
	Percent	Month effective		Percent	Month effective		Percent	Month effective
Austria .....	6.0	June 1989	France <sup>1</sup> .....	10.25	Oct. 1989	Norway .....	8.0	June 1983
Belgium .....	10.25	Oct. 1989	Germany, Fed. Rep. of ...	6.0	Oct. 1989	Switzerland .....	6.0	Oct. 1989
Brazil .....	49.0	Mar. 1981	Italy .....	13.5	Mar. 1989	United Kingdom <sup>2</sup> .....	.....	.....
Canada .....	12.42	Oct. 1989	Japan .....	3.75	Oct. 1989	Venezuela .....	8.0	Oct. 1985
Denmark .....	10.5	Oct. 1989	Netherlands .....	7.0	Oct. 1989			

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

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

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

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

## 3.27 FOREIGN SHORT-TERM INTEREST RATES

Percent per year, averages of daily figures

Country, or type	1986	1987	1988	1989						
				May	June	July	Aug.	Sept.	Oct.	Nov.
1 Eurodollars .....	6.70	7.07	7.85	9.66	9.28	8.85	8.71	8.85	8.67	8.42
2 United Kingdom .....	10.87	9.65	10.28	13.08	14.17	13.91	13.86	13.99	15.03	15.07
3 Canada .....	9.18	8.38	9.63	12.44	12.35	12.24	12.30	12.32	12.29	12.35
4 Germany .....	4.58	3.97	4.28	6.96	6.92	7.00	6.99	7.37	8.08	8.22
5 Switzerland .....	4.19	3.67	2.94	7.26	7.09	6.92	7.01	7.42	7.63	7.68
6 Netherlands .....	5.56	5.24	4.72	7.30	7.11	7.07	7.15	7.53	8.08	8.40
7 France .....	7.68	8.14	7.80	8.81	8.89	9.05	8.95	9.20	9.89	10.41
8 Italy .....	12.60	11.15	11.04	12.27	12.35	12.46	12.52	12.40	12.63	12.67
9 Belgium .....	8.04	7.01	6.69	8.45	8.51	8.46	8.44	8.66	9.51	9.81
10 Japan .....	4.96	3.87	3.96	4.25	4.46	4.71	4.80	4.88	5.25	5.71

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

3.28 FOREIGN EXCHANGE RATES<sup>1</sup>

Currency units per dollar

Country/currency	1986	1987	1988	1989					
				June	July	Aug.	Sept.	Oct.	Nov.
1 Australia/dollar <sup>2</sup>	67.095	70.137	78.409	75.606	75.658	76.345	77.271	77.421	78.295
2 Austria/schilling	15.260	12.649	12.357	13.913	13.308	13.570	13.733	13.140	12.860
3 Belgium/franc	44.664	37.358	36.785	41.414	39.560	40.310	40.841	39.197	38.403
4 Canada/dollar	1.3896	1.3259	1.2306	1.1986	1.1891	1.1758	1.1828	1.1749	1.1697
5 China, P.R./yuan	3.4616	3.7314	3.7314	3.7314	3.7314	3.7314	3.7314	3.7314	3.7314
6 Denmark/krone	8.0955	6.8478	6.7412	7.7087	7.3527	7.4938	7.5872	7.2781	7.1138
7 Finland/markka	5.0722	4.4037	4.1933	4.4302	4.2699	4.3504	4.4219	4.2817	4.2619
8 France/franc	6.9257	6.0122	5.9595	6.7135	6.4105	6.5085	6.5855	6.3339	6.2225
9 Germany/deutsche mark	2.1705	1.7981	1.7570	1.9789	1.8901	1.9268	1.9502	1.8662	1.8300
10 Greece/drachma	139.93	135.47	142.00	170.42	163.84	166.26	169.03	165.88	164.97
11 Hong Kong/dollar	7.8038	7.7986	7.8072	7.7934	7.8040	7.8078	7.8078	7.8081	7.8140
12 India/rupee	12.597	12.943	13.900	16.420	16.416	16.609	16.745	16.819	16.925
13 Ireland/punt <sup>2</sup>	134.14	148.79	152.49	134.92	141.26	138.43	136.71	142.50	144.73
14 Italy/lira	1,491.16	1,297.03	1,302.39	1,434.40	1,367.39	1,384.24	1,404.18	1,369.24	1,343.83
15 Japan/yen	168.35	144.60	128.17	143.98	140.42	141.49	145.07	142.21	143.53
16 Malaysia/ringgit	2.5831	2.5186	2.6190	2.7086	2.6809	2.6825	2.6980	2.6945	2.7028
17 Netherlands/guilder	2.4485	2.0264	1.9778	2.2292	2.1318	2.1726	2.1992	2.1072	2.0652
18 New Zealand/dollar <sup>2</sup>	52.457	59.328	65.560	57.376	57.537	59.217	59.144	55.937	56.301
19 Norway/krone	7.3985	6.7409	6.5243	7.1852	6.9478	7.0480	7.1264	6.9502	6.9010
20 Portugal/escudo	149.80	141.20	144.27	164.92	158.31	161.15	163.36	159.08	157.65
21 Singapore/dollar	2.1783	2.1059	2.0133	1.9572	1.9589	1.9604	1.9769	1.9622 <sup>3</sup>	1.9588
22 South Africa/rand	2.2919	2.0385	2.2773	2.7828	2.6909	2.7247	2.7882	2.6403	2.6295
23 South Korea/won	884.63	825.94	734.52	669.43	669.84	671.13	672.73	673.86	674.94
24 Spain/peseta	140.04	123.54	116.53	126.55	118.73	120.64	122.14	118.77	116.58
25 Sri Lanka/rupee	27.934	29.472	31.820	33.475	34.764	36.276	39.572	40.018	40.017
26 Sweden/krona	7.1273	6.3469	6.1370	6.6872	6.4653	6.5481	6.6103	6.4580	6.4306
27 Switzerland/franc	1.7979	1.4918	1.4643	1.7089	1.6281	1.6605	1.6865	1.6302	1.6189
28 Taiwan/dollar	37.839	31.753	28.636	26.023	25.816	25.685	25.737	25.739	26.029
29 Thailand/baht	26.315	25.775	25.312	25.909	25.771	25.912	26.012	25.868	25.877
30 United Kingdom/pound <sup>2</sup>	146.77	163.98	178.13	155.30	162.68	159.47	157.15	158.74	157.26
MEMO									
31 United States/dollar <sup>3</sup>	112.22	96.94	92.72	103.09	99.12	100.44	101.87	98.92	97.99

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) release. For 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 10 industrial countries. The weight for each of the 10 countries is the 1972-76 average world trade of that country divided by the average world trade of all 10 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
e	Estimated	n.a.	Not available
p	Preliminary	n.e.c.	Not elsewhere classified
r	Revised (Notation appears on column heading when about half of the figures in that column are changed.)	IPCs	Individuals, partnerships, and corporations
*	Amounts insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is millions)	REITs	Real estate investment trusts
		RPs	Repurchase agreements
		SMSAs	Standard metropolitan statistical areas
		...	Cell not applicable

### General Information

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

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

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

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

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### SPECIAL TABLES—Published Irregularly, with Latest Bulletin Reference

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<i>Terms of lending at commercial banks</i>		
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<i>Pro forma balance sheet and income statements for priced service operations</i>		
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4.20 DOMESTIC AND FOREIGN OFFICES, Insured Commercial Bank Assets and Liabilities<sup>1,2</sup>  
 Consolidated Report of Condition, June 30, 1989

Millions of dollars

Item	Total	Banks with foreign offices <sup>3,4</sup>			Banks with domestic offices only <sup>5</sup>	
		Total	Foreign	Domestic	Over 100	Under 100
1 Total assets <sup>6</sup>	3,205,745	1,847,518	431,965	1,472,256	957,335	383,825
2 Cash and balances due from depository institutions	335,149	237,775	116,181	121,594	67,053	28,803
3 Cash items in process of collection, unposted debits, and currency and coin	↑	86,496	1,917	84,579	31,027	↑
4 Cash items in process of collection and unposted debits	↑	n.a.	n.a.	72,799	22,936	↑
5 Currency and coin	↑	n.a.	n.a.	11,780	8,091	n.a.
6 Balances due from depository institutions in the United States	n.a.	33,428	21,123	12,305	20,823	↓
7 Balances due from banks in foreign countries and foreign central banks	↓	96,419	92,994	3,424	3,828	↓
8 Balances due from Federal Reserve Banks	↓	21,433	147	21,286	11,376	↓
MEMO						
9 Noninterest-bearing balances due from commercial banks in the United States (included in balances due from depository institutions in the United States)	↓	n.a.	n.a.	7,369	13,618	9,669
10 Total securities, loans and lease financing receivables, net	2,632,585	1,430,780	n.a.	n.a.	849,708	338,429
11 Total securities, book value	548,690	232,275	30,837	201,439	199,203	114,003
12 U.S. Treasury securities and U.S. government agency and corporation obligations	351,194	130,539	2,566	127,973	134,521	86,134
13 U.S. Treasury securities	n.a.	56,738	1,277	55,461	66,383	n.a.
14 U.S. government agency and corporation obligations	n.a.	73,800	1,289	72,512	68,138	n.a.
15 All holdings of U.S. government-issued or guaranteed certificates of participation in pools of residential mortgages	104,440	58,076	1,137	56,939	29,825	15,506
16 All other	n.a.	15,724	152	15,573	38,313	n.a.
17 Securities issued by states and political subdivisions in the United States	99,603	42,976	513	42,463	38,060	18,567
18 Taxable	2,646	795	52	743	801	1,040
19 Tax-exempt	97,164	42,182	461	41,721	37,260	17,526
20 Other securities	85,279	54,814	27,016	27,797	22,599	7,867
21 Other domestic securities	n.a.	28,897	2,239	26,658	22,005	n.a.
22 All holdings of private certificates of participation in pools of residential mortgages	4,180	1,886	0	1,886	1,799	495
23 All other	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
24 Foreign securities	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
25 Federal funds sold and securities purchased under agreements to resell	139,529	79,758	1,175	78,582	38,855	20,916
26 Federal funds sold	115,364	59,697	n.a.	n.a.	34,942	20,581
27 Securities purchased under agreements to resell	24,725	20,060	n.a.	n.a.	3,913	336
28 Total loans and lease financing receivables, gross	1,994,488	1,157,301	215,022	942,279	628,166	209,021
29 Less: Unearned income on loans	15,618	7,005	2,022	4,983	6,442	2,166
30 Total loans and leases (net of unearned income)	1,989,469	1,150,296	213,000	937,296	621,724	206,855
31 Less: Allowance for loan and lease losses	44,966	31,412	n.a.	n.a.	10,073	3,346
32 Less: Allocated transfer risk reserves	137	137	n.a.	n.a.	0	0
33 EQUALS: Total loans and leases, net	1,944,366	1,118,747	n.a.	n.a.	611,651	203,509
Total loans, gross, by category						
34 Loans secured by real estate	721,266	351,964	23,395	328,570	264,895	99,913
35 Construction and land development	↑	↑	↑	86,069	38,145	7,577
36 Farmland	↑	↑	↑	2,126	4,736	9,442
37 1-4 family residential properties	↑	↑	↑	138,115	129,596	54,981
38 Revolving, open-end loans, extended under lines of credit	n.a.	n.a.	n.a.	24,206	18,316	2,623
39 All other loans	↓	↓	↓	113,909	111,279	52,358
40 Multifamily (5 or more) residential properties	↓	↓	↓	10,666	6,919	1,869
41 Nonfarm nonresidential properties	↓	↓	↓	91,593	85,499	26,044
42 Loans to depository institutions	54,339	48,473	23,926	24,547	5,257	608
43 To commercial banks in the United States	n.a.	19,545	1,386	18,159	4,486	n.a.
44 To other depository institutions in the United States	n.a.	2,685	469	2,216	688	n.a.
45 To banks in foreign countries	n.a.	26,244	22,071	4,173	83	n.a.
46 Loans to finance agricultural production and other loans to farmers	31,000	5,641	241	5,400	7,087	18,220
47 Commercial and industrial loans	609,486	424,653	99,975	324,677	142,220	42,613
48 To U.S. addressees (domicile)	n.a.	346,620	24,487	322,133	141,919	n.a.
49 To non-U.S. addressees (domicile)	n.a.	78,033	75,489	2,544	301	n.a.
50 Acceptances of other banks	4,138	899	516	384	1,685	1,554
51 U.S. banks	n.a.	296	32	264	n.a.	n.a.
52 Foreign banks	n.a.	603	484	120	n.a.	n.a.
53 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	376,227	158,232	12,523	145,709	176,329	41,666
54 Credit cards and related plans	115,680	46,117	n.a.	n.a.	66,733	2,406
55 Other (includes single payment and installment)	261,453	112,115	n.a.	n.a.	109,596	39,260
56 Obligations (other than securities) of states and political subdivisions in the U.S. (includes nonrated industrial development obligations)	42,808	25,946	348	25,598	15,054	1,808
57 Taxable	1,337	826	116	711	441	69
58 Tax-exempt	41,904	25,120	232	24,887	14,613	1,739
59 All other loans	125,315	112,901	50,506	62,395	10,350	2,065
60 Loans to foreign governments and official institutions	n.a.	33,127	31,609	1,518	221	n.a.
61 Other loans	n.a.	79,774	18,897	60,877	10,129	n.a.
62 Loans for purchasing and carrying securities	n.a.	n.a.	n.a.	16,991	1,521	n.a.
63 All other loans	n.a.	n.a.	n.a.	43,886	8,608	n.a.
64 Lease financing receivables	34,454	28,591	3,592	24,999	5,289	574
65 Assets held in trading accounts	41,180	39,845	20,627	19,218	812	208
66 Premises and fixed assets (including capitalized leases)	46,450	24,424	↑	n.a.	15,119	6,686
67 Other real estate owned	12,290	5,805	↑	n.a.	3,929	2,550
68 Investments in unconsolidated subsidiaries and associated companies	2,865	2,108	↓	696	41	20
69 Customers' liability on acceptances outstanding	29,931	29,297	n.a.	n.a.	411	20
70 Net due from own foreign offices, Edge and agreement subsidiaries, and IBFs	n.a.	n.a.	↓	40,997	n.a.	n.a.
71 Intangible assets	5,315	3,113	↓	n.a.	1,963	212
72 Other assets	99,417	74,372	n.a.	n.a.	17,643	6,876

4.20—Continued

Item	Total	Banks with foreign offices <sup>3,4</sup>			Banks with domestic offices only <sup>5</sup>	
		Total	Foreign	Domestic	Over 100	Under 100
73 Total liabilities, limited-life preferred stock, and equity capital	3,205,745	1,847,518	n.a.	n.a.	957,335	383,825
74 Total liabilities <sup>7</sup>	2,999,310	1,746,083	431,964	1,370,823	887,950	349,153
75 Limited-life preferred stock	86	0	n.a.	n.a.	82	4
76 Total deposits	2,437,752	1,324,247	323,311	1,000,936	774,001	339,504
77 Individuals, partnerships, and corporations	↑	↑	186,959	907,697	710,939	309,908
78 U.S. government	↑	↑	↑	2,451	1,536	599
79 States and political subdivisions in the United States	↑	↑	↑	40,777	43,316	23,949
80 Commercial banks in the United States	n.a.	n.a.	n.a.	25,599	9,363	1,616
81 Other depository institutions in the United States	↓	↓	↓	4,954	2,261	959
82 Banks in foreign countries	↓	↓	↓	8,032	380	n.a.
83 Foreign governments and official institutions	↓	↓	↓	1,393	242	n.a.
84 Certified and official checks	19,379	11,010	24,001	10,032	5,964	2,405
85 All other	n.a.	n.a.	111,373	n.a.	n.a.	69
86 Total transaction accounts	↑	↑	↑	319,259	210,610	88,696
87 Individuals, partnerships, and corporations	↑	↑	↑	268,011	184,655	78,279
88 U.S. government	↑	↑	↑	1,600	1,206	494
89 States and political subdivisions in the United States	↑	↑	↑	9,492	10,937	6,421
90 Commercial banks in the United States	n.a.	n.a.	n.a.	18,304	6,339	776
91 Other depository institutions in the United States	↓	↓	↓	3,519	1,323	285
92 Banks in foreign countries	↓	↓	↓	7,413	178	n.a.
93 Foreign governments and official institutions	↓	↓	↓	887	8	n.a.
94 Certified and official checks	↓	↓	↓	10,032	5,964	2,405
95 All other	↓	↓	↓	n.a.	n.a.	37
96 Demand deposits (included in total transaction accounts)	↑	↑	↑	246,740	134,259	47,971
97 Individuals, partnerships, and corporations	↑	↑	↑	197,891	114,225	41,916
98 U.S. government	↑	↑	↑	1,578	1,189	478
99 States and political subdivisions in the United States	↑	↑	↑	7,117	5,049	2,082
100 Commercial banks in the United States	↓	↓	↓	18,304	6,335	775
101 Other depository institutions in the United States	↓	↓	↓	3,519	1,311	278
102 Banks in foreign countries	↓	↓	↓	7,413	178	n.a.
103 Foreign governments and official institutions	↓	↓	↓	886	8	n.a.
104 Certified and official checks	↓	↓	↓	10,032	5,964	2,405
105 All other	↓	↓	↓	n.a.	n.a.	36
106 Total nontransaction accounts	n.a.	n.a.	n.a.	681,677	563,391	250,808
107 Individuals, partnerships, and corporations	↑	↑	↑	639,686	526,284	231,629
108 U.S. government	↑	↑	↑	850	329	105
109 States and political subdivisions in the United States	↑	↑	↑	31,285	32,379	17,528
110 Commercial banks in the United States	↓	↓	↓	7,295	3,024	839
111 U.S. branches and agencies of foreign banks	↓	↓	↓	612	177	n.a.
112 Other commercial banks in the United States	↓	↓	↓	6,683	2,847	n.a.
113 Other depository institutions in the United States	↓	↓	↓	1,435	938	674
114 Banks in foreign countries	↓	↓	↓	619	202	n.a.
115 Foreign branches of other U.S. banks	↓	↓	↓	4	179	n.a.
116 Other banks in foreign countries	↓	↓	↓	615	23	n.a.
117 Foreign governments and official institutions	↓	↓	↓	506	234	n.a.
118 All other	↓	↓	↓	n.a.	n.a.	32
119 Federal funds purchased and securities sold under agreements to repurchase	262,361	198,299	444	197,855	60,768	3,294
120 Federal funds purchased	162,466	127,619	n.a.	n.a.	30,490	1,583
121 Securities sold under agreements to repurchase	103,739	70,680	n.a.	n.a.	30,278	1,712
122 Demand notes issued to the U.S. Treasury	n.a.	n.a.	n.a.	25,114	5,278	698
123 Other borrowed money	122,760	90,481	38,210	52,271	30,588	1,186
124 Banks liability on acceptances executed and outstanding	30,052	29,418	5,110	24,308	411	20
125 Notes and debentures subordinated to deposits	17,837	15,208	n.a.	n.a.	2,408	156
126 Net due to own foreign offices, Edge and agreement subsidiaries, and IBFs	n.a.	n.a.	n.a.	15,706	n.a.	n.a.
127 All other liabilities	82,611	63,316	n.a.	n.a.	14,496	4,293
128 Total equity capital <sup>9</sup>	206,349	101,435	n.a.	n.a.	69,302	34,669
MEMO						
129 Holdings of commercial paper included in total loans, gross	↑	1,048	843	204	1,182	n.a.
130 Total individual retirement accounts (IRA) and Keogh plan accounts	↑	↑	↑	45,531	42,075	17,139
131 Total brokered deposits	↑	↑	↑	43,715	17,054	1,157
132 Total brokered retail deposits	↑	↑	↑	12,697	11,444	1,014
133 Issued in denominations of \$100,000 or less	↑	↑	↑	3,943	6,269	903
134 Issued in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	↑	↑	↑	8,753	5,174	111
Savings deposits						
135 Money market deposit accounts (MMDAs)	↑	↑	↑	169,820	117,321	39,236
136 Other savings deposits (excluding MMDAs)	↑	↑	↑	78,342	73,874	30,207
137 Total time deposits of less than \$100,000	↑	↑	↑	207,076	250	138,628
138 Time certificates of deposit of \$100,000 or more	↑	↑	↑	195,367	117,725	41,122
139 Open-account time deposits of \$100,000 or more	n.a.	n.a.	n.a.	31,071	4,523	1,614
140 All NOW accounts (including Super NOW)	↑	↑	↑	70,832	73,830	39,231
141 Total time and savings deposits	↑	↑	↑	754,196	639,742	291,533
Quarterly averages						
142 Total loans	↑	↑	↑	902,312	612,135	202,223
143 Obligations (other than securities) of states and political subdivisions in the United States	↑	↑	↑	26,582	15,070	n.a.
144 Transaction accounts in domestic offices (NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)	↑	↑	↑	75,105	76,430	40,997
Nontransaction accounts in domestic offices						
145 Money market deposit accounts (MMDAs)	↑	↑	↑	169,135	118,280	40,063
146 Other savings deposits	↑	↑	↑	78,090	74,350	30,159
147 Time certificates of deposit of \$100,000 or more	↑	↑	↑	194,425	116,711	40,425
148 All other time deposits	↑	↑	↑	231,492	249,900	137,985
149 Number of banks	12,912	245	n.a.	n.a.	2,521	10,146

Footnotes appear at the end of table 4.22

A74 Special Tables □ January 1990

4.21 DOMESTIC OFFICES, Insured Commercial Banks with Assets of \$100 Million or more or with foreign offices<sup>1,2,6</sup>  
 Consolidated Report of Condition, March 31, 1989

Millions of dollars

Item	Total	Members			Non-members
		Total	National	State	
<b>1 Total assets<sup>6</sup></b>	<b>2,429,591</b>	<b>1,932,683</b>	<b>1,547,500</b>	<b>385,183</b>	<b>496,908</b>
2 Cash and balances due from depository institutions	188,648	156,072	124,658	31,414	32,576
3 Cash items in process of collection and unposted debits	95,734	85,481	68,585	16,896	10,253
4 Currency and coin	19,872	16,360	13,734	2,626	3,512
5 Balances due from depository institutions in the United States	33,127	21,943	17,664	4,279	11,184
6 Balances due from banks in foreign countries and foreign central banks	7,252	5,550	4,408	1,142	1,703
7 Balances due from Federal Reserve Banks	32,662	26,738	20,266	6,472	5,924
<b>8 Total securities, loans and lease financing receivables, (net of unearned income)</b>	<b>2,077,099</b>	<b>1,635,738</b>	<b>1,318,349</b>	<b>317,389</b>	<b>441,361</b>
9 Total securities, book value	400,641	298,988	232,243	66,746	101,653
10 U.S. Treasury securities	121,845	87,080	68,435	18,646	34,764
11 U.S. government agency and corporation obligations	140,649	109,230	87,610	21,619	31,420
12 All holdings of U.S. government-issued or guaranteed certificates of participation in pools of residential mortgages	86,764	73,462	59,742	13,719	13,302
13 All other	35,885	27,868	22,868	7,900	18,117
14 Securities issued by states and political subdivisions in the United States	80,524	63,720	46,897	16,822	16,804
15 Taxable	1,543	1,204	984	220	339
16 Tax-exempt	78,981	62,515	45,913	16,602	16,465
17 Other domestic securities	48,663	34,411	26,133	8,278	14,252
18 All holdings of private certificates of participation in pools of residential mortgages	3,685	2,843	1,852	991	843
19 All other	n.a.	n.a.	n.a.	n.a.	n.a.
20 Foreign securities	n.a.	n.a.	n.a.	n.a.	n.a.
21 Federal funds sold and securities purchased under agreements to resell <sup>10</sup>	117,438	99,746	69,617	30,129	17,692
22 Federal funds sold	34,942	22,396	19,650	2,747	12,546
23 Securities purchased under agreements to resell	3,913	2,749	2,226	523	1,164
24 Total loans and lease financing receivables, gross	1,570,445	1,245,765	1,023,685	222,080	324,679
25 Less: Unearned income on loans	11,424	8,761	7,195	1,567	2,663
26 Total loans and leases (net of unearned income)	1,559,020	1,237,004	1,016,490	220,514	322,016
<i>Total loans, gross, by category</i>					
27 Loans secured by real estate	593,465	448,290	385,133	63,157	145,175
28 Construction and land development	124,214	99,254	83,193	16,061	24,960
29 Farmland	6,862	4,581	4,016	565	2,281
30 1-4 family residential properties	267,711	196,718	169,043	27,675	70,993
31 Revolving, open-end and extended under lines of credit	42,523	32,983	28,170	4,812	9,540
32 All other loans	225,188	163,735	140,873	22,863	61,453
33 Multifamily (5 or more) residential properties	17,586	13,883	12,133	1,750	3,703
34 Nonfarm nonresidential properties	177,092	133,854	116,748	17,106	43,239
35 Loans to commercial banks in the United States	22,645	19,419	14,814	4,605	3,226
36 Loans to other depository institutions in the United States	2,904	2,749	2,402	347	155
37 Loans to banks in foreign countries	4,256	4,050	2,166	1,884	206
38 Loans to finance agricultural production and other loans to farmers	12,487	9,696	8,691	1,005	2,791
39 Commercial and industrial loans	466,897	382,684	304,254	78,431	84,213
40 To U.S. addressees (domicile)	464,052	380,106	302,422	77,684	83,946
41 To non-U.S. addressees (domicile)	2,845	2,579	1,832	747	266
42 Acceptances of other banks <sup>11</sup>	2,069	1,208	1,001	207	861
43 Of U.S. banks	723	517	429	89	206
44 Of foreign banks	235	198	152	46	36
45 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	322,038	251,280	212,824	38,456	70,758
46 Loans to foreign governments and official institutions	1,739	1,672	1,087	585	67
47 Obligations (other than securities) of states and political subdivisions in the United States	40,652	34,100	25,237	8,863	6,552
48 Taxable	1,152	907	724	183	244
49 Tax-exempt	39,500	33,193	24,514	8,679	6,307
50 Other loans	71,006	64,433	44,352	20,081	6,572
51 Loans for purchasing and carrying securities	18,511	17,041	10,567	6,474	1,470
52 All other loans	52,494	47,392	33,785	13,607	5,102
53 Lease financing receivables	30,288	26,183	21,722	4,461	4,104
54 Customers' liability on acceptances outstanding	24,094	22,934	17,394	5,540	1,160
55 Net due from own foreign offices, Edge and agreement subsidiaries, and IBFs	41,019	36,295	25,070	11,225	4,723
56 Remaining assets	139,751	117,939	87,100	30,840	21,811

## 4.21—Continued

Item	Total	Members			Non-members
		Total	National	State	
57 Total liabilities and equity capital	2,429,591	1,932,683	1,547,500	385,183	496,908
58 Total liabilities <sup>4</sup>	2,258,773	1,799,847	1,444,223	355,625	458,926
59 Total deposits	1,774,937	1,385,399	1,126,882	258,517	389,538
60 Individuals, partnerships, and corporations	1,618,636	1,259,443	1,027,845	231,597	359,194
61 U.S. government	3,987	3,319	2,936	383	667
62 States and political subdivisions in the United States	84,094	64,183	53,745	10,438	19,911
63 Commercial banks in the United States	34,962	30,893	23,637	7,256	4,069
64 Other depository institutions in the United States	7,215	5,855	4,918	936	1,361
65 Banks in foreign countries	8,412	7,498	4,009	3,489	915
66 Foreign governments and official institutions	1,635	1,482	1,045	436	153
67 Certified and official checks	15,996	12,728	8,746	3,981	3,269
68 Total transaction accounts	529,869	427,546	339,262	88,284	102,323
69 Individuals, partnerships, and corporations	452,666	361,381	290,058	71,323	91,285
70 U.S. government	2,807	2,272	1,924	348	535
71 States and political subdivisions in the United States	20,429	16,337	13,521	2,817	4,092
72 Commercial banks in the United States	24,642	22,787	17,498	5,289	1,855
73 Other depository institutions in the United States	4,842	4,036	3,190	846	806
74 Banks in foreign countries	7,591	7,152	3,792	3,359	440
75 Foreign governments and official institutions	896	854	534	320	42
76 Certified and official checks	15,996	12,728	8,746	3,981	3,269
77 Demand deposits (included in total transaction accounts)	380,999	312,906	242,557	70,349	68,093
78 Individuals, partnerships, and corporations	312,116	253,050	198,588	54,462	59,066
79 U.S. government	2,767	2,236	1,890	346	531
80 States and political subdivisions in the United States	12,166	10,074	8,329	1,745	2,092
81 Commercial banks in the United States	24,638	22,784	17,495	5,289	1,854
82 Other depository institutions in the United States	4,830	4,029	3,183	846	801
83 Banks in foreign countries	7,591	7,151	3,792	3,359	440
84 Foreign governments and official institutions	894	853	533	320	41
85 Certified and official checks	15,996	12,728	8,746	3,981	3,269
86 Total nontransaction accounts	1,245,068	957,854	787,620	170,233	287,214
87 Individuals, partnerships, and corporations	1,165,970	898,061	737,787	160,274	267,909
88 U.S. government	1,180	1,048	1,012	35	132
89 States and political subdivisions in the United States	63,664	47,846	40,224	7,621	15,819
90 Commercial banks in the United States	10,319	8,106	6,139	1,967	2,213
91 U.S. branches and agencies of foreign banks	789	494	333	161	295
92 Other commercial banks in the United States	9,530	7,612	5,806	1,806	1,918
93 Other depository institutions in the United States	2,373	1,819	1,728	90	555
94 Banks in foreign countries	821	446	217	129	475
95 Foreign branches of other U.S. banks	182	42	42	0	140
96 Other banks in foreign countries	639	304	175	129	334
97 Foreign governments and official institutions	739	628	512	116	112
98 Federal funds purchased and securities sold under agreements to repurchase <sup>12</sup>	258,623	221,941	169,047	52,894	36,682
99 Federal funds purchased	30,490	22,322	18,996	3,327	8,168
100 Securities sold under agreements to repurchase	30,278	14,980	12,162	2,818	15,298
101 Demand notes issued to the U.S. Treasury	30,392	27,945	20,921	7,023	2,447
102 Other borrowed money	82,858	66,116	54,904	11,212	16,742
103 Banks liability on acceptances executed and outstanding	24,719	23,559	17,969	5,591	1,160
104 Notes and debentures subordinated to deposits	2,408	1,603	1,486	117	806
105 Net due to own foreign offices, Edge and agreement subsidiaries, and IBFs	15,709	12,701	10,559	2,141	3,006
106 Remaining liabilities	84,835	73,285	53,014	20,270	11,551
107 Total equity capital <sup>9</sup>	170,818	132,836	103,278	29,558	37,982
MEMO					
108 Holdings of commercial paper included in total loans, gross	1,387	785	667	118	601
109 Total individual retirement accounts (IRA) and Keogh plan accounts	87,606	68,218	56,690	11,528	19,388
110 Total brokered deposits	60,769	46,517	38,597	7,920	14,251
111 Total brokered retail deposits	24,140	15,558	12,340	3,218	8,582
112 Issued in denominations of \$100,000 or less	10,213	5,135	4,607	527	5,078
113 Issued in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	13,928	10,424	7,733	2,691	3,504
Savings deposits					
114 Money market deposit accounts (MMDAs)	287,141	228,534	187,006	41,528	58,607
115 Other savings accounts	152,216	116,908	89,024	27,883	35,309
116 Total time deposits of less than \$100,000	457,024	341,427	289,727	51,701	115,597
117 Time certificates of deposit of \$100,000 or more	313,092	240,154	201,787	38,367	72,938
118 Open-account time deposits of \$100,000 or more	35,594	30,830	20,076	10,754	4,764
119 All NOW accounts (including Super NOW accounts)	144,662	111,821	94,216	17,604	32,842
120 Total time and savings deposits	1,393,938	1,072,493	884,325	188,168	321,445
Quarterly averages					
121 Total loans	1,514,447	1,199,155	984,772	214,383	315,291
122 Obligations (other than securities) of states and political subdivisions in the United States	41,653	35,094	25,898	9,196	6,558
123 Transaction accounts (NOW accounts, ATS accounts, and telephone preauthorized transfer accounts)	151,535	117,125	97,744	19,382	34,410
Nontransaction accounts					
124 Money market deposit accounts (MMDAs)	287,414	227,388	186,626	40,762	60,026
125 Other savings deposits	152,441	116,753	89,191	27,562	35,688
126 Time certificates of deposits of \$100,000 or more	311,136	239,095	200,337	38,758	72,041
127 All other time deposits	481,392	362,708	302,116	60,592	118,684
128 Number of banks	2,766	1,563	1,318	245	1,203

Footnotes appear at the end of table 4.22

4.22 DOMESTIC OFFICES, Insured Commercial Bank Assets and Liabilities<sup>1,2,6</sup>  
Consolidated Report of Condition, March 31, 1989

Millions of dollars

Item	Total	Members			Non-members
		Total	National	State	
<b>1 Total assets<sup>6</sup></b>	<b>2,813,416</b>	<b>2,087,797</b>	<b>1,672,249</b>	<b>415,548</b>	<b>725,620</b>
2 Cash and balances due from depository institutions	217,450	168,182	134,562	33,621	49,268
3 Currency and coin	23,303	17,760	14,866	2,894	5,542
4 Noninterest-bearing balances due from commercial banks	30,657	17,576	14,515	3,061	13,080
5 Other	163,491	132,846	105,180	27,665	30,645
<b>6 Total securities, loans, and lease financing receivables (net of unearned income)</b>	<b>2,418,874</b>	<b>1,773,383</b>	<b>1,428,806</b>	<b>344,577</b>	<b>645,491</b>
7 Total securities, book value	514,644	343,569	268,752	74,818	171,075
8 U.S. Treasury securities and U.S. government agency and corporation obligations	348,628	230,011	183,640	46,371	118,617
9 Securities issued by states and political subdivisions in the United States	99,090	70,705	52,556	18,149	28,385
10 Taxable	2,584	1,588	1,281	307	996
11 Tax-exempt	96,507	69,117	51,275	17,842	27,390
12 Other securities	58,263	38,918	29,381	9,537	19,345
13 All holdings of private certificates of participation in pools of residential mortgages	4,181	3,080	2,005	1,074	1,101
14 All other	n.a.	n.a.	n.a.	n.a.	n.a.
15 Federal funds sold and securities purchased under agreements to resell	138,354	109,426	77,436	31,990	28,928
16 Federal funds sold	55,523	31,927	27,378	4,549	23,596
17 Securities purchased under agreements to resell	4,248	2,898	2,317	582	1,350
18 Total loans and lease financing receivables, gross	1,779,466	1,330,083	1,090,520	239,563	449,383
19 Less: Unearned income on loans	13,591	9,695	7,901	1,794	3,895
20 Total loans and leases (net of unearned income)	1,765,875	1,320,388	1,082,619	237,769	445,488
<i>Total loans, gross, by category</i>					
21 Loans secured by real estate	693,378	488,083	416,664	71,418	205,295
22 Construction and land development	131,791	102,367	85,637	16,729	29,424
23 Farmland	16,304	7,715	6,547	1,168	8,589
24 1-4 family residential properties	322,692	218,857	186,390	32,467	103,835
25 Revolving, open-end loans, and extended under lines of credit	45,145	34,140	29,059	5,081	11,005
26 All other loans	277,547	184,717	157,331	27,386	92,830
27 Multifamily (5 or more) residential properties	19,454	14,584	12,695	1,889	4,870
28 Nonfarm nonresidential properties	203,136	144,559	125,395	19,164	58,577
29 Loans to depository institutions	30,413	26,512	19,611	6,900	3,901
30 Loans to finance agricultural production and other loans to farmers	30,707	16,079	13,785	2,294	14,628
31 Commercial and industrial loans	509,510	400,943	318,502	82,441	108,567
32 Acceptances of other banks	3,622	1,856	1,581	275	1,766
33 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	363,704	268,514	226,640	41,874	95,190
34 Obligations (other than securities) of states and political subdivisions in the United States	42,460	34,771	25,796	8,975	7,690
35 Nonrated industrial development obligations	1,221	934	748	186	286
36 Other obligations (excluding securities)	41,239	33,836	25,048	8,788	7,403
37 All other loans	74,810	66,964	46,079	20,885	7,846
38 Lease financing receivables	30,862	26,362	21,861	4,501	4,500
39 Customers' liability on acceptances outstanding	24,114	22,950	17,407	5,543	1,164
40 Net due from own foreign offices, Edge and agreement subsidiaries, and IBFs	41,019	36,295	25,070	11,225	4,723
41 Remaining assets	152,978	123,282	91,474	31,808	29,696
<b>42 Total liabilities and equity capital</b>	<b>2,813,416</b>	<b>2,087,797</b>	<b>1,672,249</b>	<b>415,548</b>	<b>725,620</b>
<b>43 Total liabilities<sup>4</sup></b>	<b>2,607,925</b>	<b>1,941,304</b>	<b>1,558,154</b>	<b>383,150</b>	<b>666,621</b>
44 Total deposits	2,114,442	1,522,796	1,237,643	285,154	591,645
45 Individuals, partnerships, and corporations	1,928,544	1,385,120	1,129,080	256,040	543,424
46 U.S. government	4,586	3,561	3,137	423	1,025
47 States and political subdivisions in the United States	108,043	73,139	61,113	12,025	34,904
48 Commercial banks in the United States	36,577	31,876	24,340	7,536	4,701
49 Other depository institutions in the United States	8,174	6,253	5,240	1,012	1,922
50 Certified and official checks	18,401	13,841	9,652	4,189	4,560
51 All other	10,116	9,007	5,080	3,927	1,109
52 Total transaction accounts	618,565	464,503	369,331	95,172	154,062
53 Individuals, partnerships, and corporations	530,945	393,963	316,637	77,327	136,981
54 U.S. government	3,300	2,475	2,094	381	826
55 States and political subdivisions in the United States	26,850	18,660	15,431	3,229	8,190
56 Commercial banks in the United States	25,419	23,380	17,882	5,498	2,038
57 Other depository institutions in the United States	5,127	4,174	3,308	866	953
58 Certified and official checks	18,401	13,841	9,652	4,189	4,560
59 All other	8,524	8,010	4,328	3,682	514
60 Demand deposits (included in total transaction accounts)	428,970	333,637	259,316	74,321	95,333
61 Individuals, partnerships, and corporations	354,032	270,972	213,135	57,837	83,060
62 U.S. government	3,245	2,437	2,057	380	808
63 States and political subdivisions in the United States	14,248	10,836	8,965	1,872	3,411
64 Commercial banks in the United States	25,414	23,378	17,880	5,498	2,036
65 Other depository institutions in the United States	5,108	4,164	3,299	865	944
66 Certified and official checks	18,401	13,841	9,652	4,189	4,560
67 All other	8,522	8,009	4,328	3,681	513
68 Total nontransaction accounts	1,495,876	1,058,293	868,312	189,982	437,583
69 Individuals, partnerships, and corporations	1,397,600	991,157	812,443	178,714	406,443
70 U.S. government	1,285	1,086	1,044	42	200
71 States and political subdivisions in the United States	81,193	54,479	45,683	8,796	26,713
72 Commercial banks in the United States	11,158	8,496	6,458	2,038	2,663
73 Other depository institutions in the United States	3,047	2,079	1,932	146	969
74 All other	1,593	997	752	245	596

## 4.22—Continued

Item	Total	Members			Non-members
		Total	National	State	
75 Federal funds purchased and securities sold under agreements to repurchase <sup>12</sup>	261,917	223,654	170,302	53,353	38,263
76 Federal funds purchased	32,072	23,240	19,629	3,611	8,833
77 Securities sold under agreements to repurchase	31,990	15,776	12,784	2,993	16,213
78 Demand notes issued to the U.S. Treasury	31,090	28,252	21,168	7,085	2,838
79 Other borrowed money	84,045	66,436	55,178	11,258	17,609
80 Banks liability on acceptances executed and outstanding	24,740	23,575	17,982	5,593	1,164
81 Notes and debentures subordinated to deposits	2,564	1,650	1,527	124	914
82 Net due to own foreign offices, Edge and agreement subsidiaries, and IBFs	15,706	12,701	10,559	2,141	3,006
83 Remaining liabilities	89,128	74,940	54,356	20,584	14,188
<b>84 Total equity capital<sup>9</sup></b>	<b>205,491</b>	<b>146,492</b>	<b>114,095</b>	<b>32,398</b>	<b>58,999</b>
<b>MEMO</b>					
85 Assets held in trading accounts <sup>13</sup>	20,239	19,581	12,986	6,595	658
86 U.S. Treasury securities	10,298	9,947	5,548	4,399	350
87 U.S. government agency corporation obligations	2,481	2,452	1,985	467	29
88 Securities issued by states and political subdivisions in the United States	1,095	1,058	870	188	37
89 Other bonds, notes, and debentures	36	16	13	3	20
90 Certificates of deposit	999	995	949	46	4
91 Commercial paper	49	49	49	0	0
92 Bankers acceptances	1,888	1,824	1,137	687	64
93 Other	3,066	2,977	2,176	801	89
94 Total individual retirement accounts (IRA) and Keogh plan accounts	104,744	74,867	62,083	12,784	29,877
95 Total brokered deposits	61,926	46,894	38,918	7,976	15,032
96 Total brokered retail deposits	25,154	15,871	12,601	3,271	9,283
97 Issued in denominations of \$100,000 or less	11,116	5,429	4,852	577	5,686
98 Issued in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	14,039	10,442	7,748	2,694	3,597
<b>Savings deposits</b>					
99 Money market deposit accounts (MMDAs)	326,377	245,503	200,736	44,767	80,874
100 Other savings deposits	182,423	129,114	98,715	30,399	53,309
101 Total time deposits of less than \$100,000	595,653	394,319	332,136	62,183	201,334
102 Time certificates of deposit of \$100,000 or more	354,215	258,009	216,223	41,786	96,206
103 Open-account time deposits of \$100,000 or more	37,208	31,349	20,501	10,847	5,860
104 All NOW accounts (including Super NOW)	183,894	127,546	107,142	20,404	56,347
105 Total time and savings deposits	1,685,471	1,189,159	978,327	210,832	496,312
<b>Quarterly averages</b>					
106 Total loans	1,716,669	1,280,886	1,049,719	231,167	435,783
107 Transaction accounts (NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)	192,532	133,467	111,136	22,332	59,065
<b>Nontransaction accounts</b>					
108 Money market deposit accounts (MMDAs)	327,477	244,705	200,628	44,077	82,772
109 Other savings deposits	182,600	128,970	98,903	30,068	53,629
110 Time certificates of deposit of \$100,000 or more	351,912	256,666	214,615	42,051	94,895
111 All other time deposits	619,377	415,155	344,223	70,932	204,221
112 Number of banks	12,912	5,312	4,276	1,036	7,600

1. Effective Mar. 31, 1984, the report of condition was substantially revised for commercial banks. Some of the changes are as follows: (1) Previously, banks with international banking facilities (IBFs) that had no other foreign offices were considered domestic reporters. Beginning with the Mar. 31, 1984 call report these banks are considered foreign and domestic reporters and must file the foreign and domestic report of condition; (2) banks with assets greater than \$1 billion have additional items reported; (3) the domestic office detail for banks with foreign offices has been reduced considerably; and (4) banks with assets under \$25 million have been excused from reporting certain detail items.

2. The "n.a." for some of the items is used to indicate the lesser detail available from banks without foreign offices, the inapplicability of certain items to banks that have only domestic offices and/or the absence of detail on a fully consolidated basis for banks with foreign offices.

3. All transactions between domestic and foreign offices of a bank are reported in "net due from" and "net due to." All other lines represent transactions with parties other than the domestic and foreign offices of each bank. Since these intraoffice transactions are nullified by consolidation, total assets and total liabilities for the entire bank may not equal the sum of assets and liabilities respectively, of the domestic and foreign offices.

4. Foreign offices include branches in foreign countries, Puerto Rico, and in U.S. territories and possessions; subsidiaries in foreign countries; all offices of Edge act and agreement corporations wherever located and IBFs.

5. The 'over 100' column refers to those respondents whose assets, as of June 30 of the previous calendar year, were equal to or exceeded \$100 million. (These respondents file the FFIEC 032 or FFIEC 033 call report.) The 'under 100' column

refers to those respondents whose assets, as of June 30 of the previous calendar year, were less than \$100 million. (These respondents filed the FFIEC 034 call report.)

6. Since the domestic portion of allowances for loan and lease losses and allocated transfer risk reserve are not reported for banks with foreign offices, the components of total assets (domestic) will not add to the actual total (domestic).

7. Since the foreign portion of demand notes issued to the U.S. Treasury is not reported for banks with foreign offices, the components of total liabilities (foreign) will not add to the actual total (foreign).

8. The definition of 'all other' varies by report form and therefore by column in this table. See the instructions for more detail.

9. Equity capital is not allocated between the domestic and foreign offices of banks with foreign offices.

10. Only the domestic portion of federal funds sold and securities purchased under agreements to resell are reported here, therefore, the components will not add to totals for this item.

11. "Acceptances of other banks" is not reported by domestic respondents less than \$300 million in total assets, therefore the components will not add to totals for this item.

12. Only the domestic portion of federal funds purchased and securities sold are reported here, therefore the components will not add to totals for this item.

13. Components of assets held in trading accounts are only reported for banks with total assets of \$1 billion or more; therefore the components will not add to the totals for this item.

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# Federal Reserve Banks, Branches, and Offices

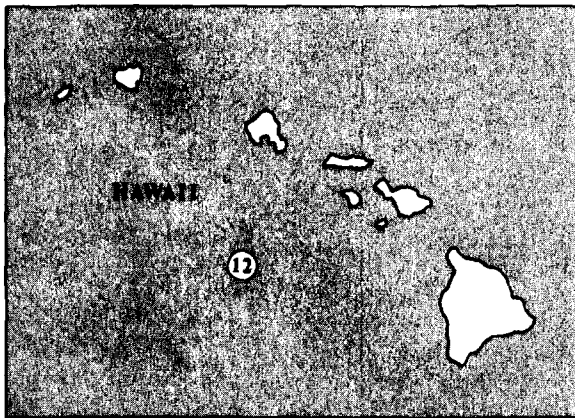
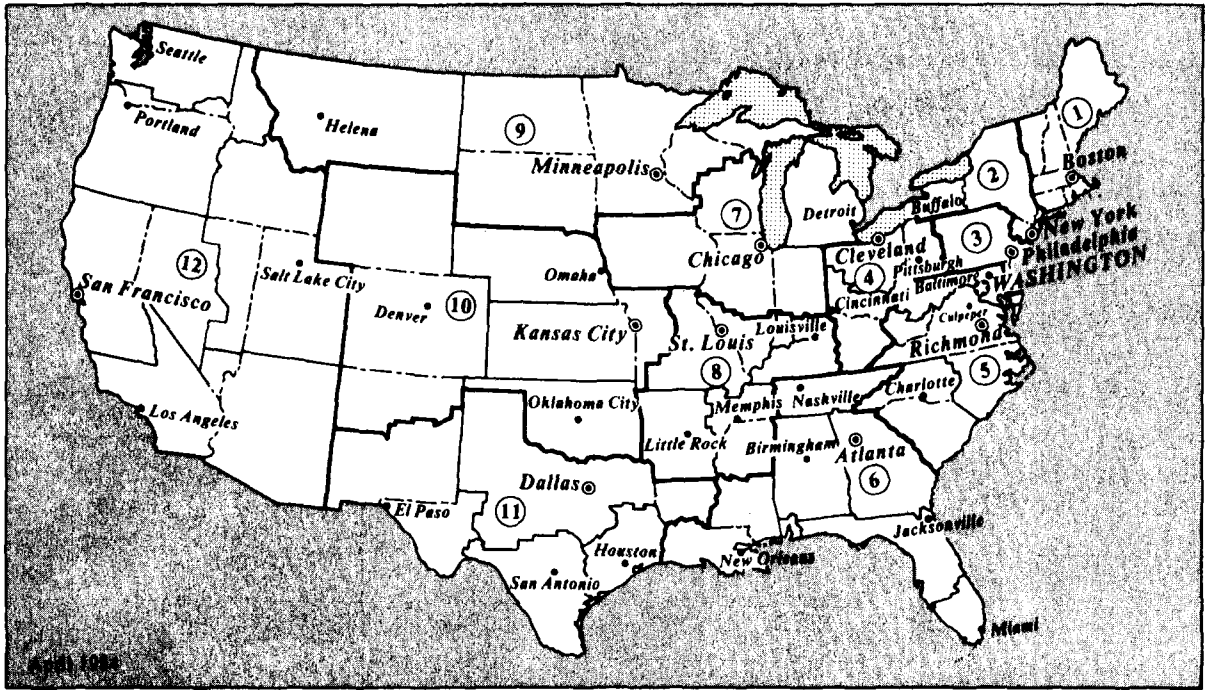
FEDERAL RESERVE BANK branch, or facility	Chairman Deputy Chairman	President First Vice President	Vice President in charge of branch
BOSTON*..... 02106	Richard N. Cooper Richard L. Taylor	Richard F. Syron Robert W. Eisenmenger	
NEW YORK*..... 10045	Cyrus R. Vance Ellen V. Futter	E. Gerald Corrigan James H. Oltman	John T. Keane
Buffalo..... 14240	Mary Ann Lambertsen		
PHILADELPHIA..... 19105	Peter A. Benoliel Gunnar E. Sarsten	Edward G. Boehne William H. Stone, Jr.	
CLEVELAND*..... 44101	Charles W. Parry John R. Miller	W. Lee Hoskins William H. Hendricks	Charles A. Cerino <sup>1</sup> Harold J. Swart <sup>1</sup>
Cincinnati..... 45201	To be announced		
Pittsburgh..... 15230	Robert P. Bozzone		
RICHMOND*..... 23219	Hanne M. Merriman Anne Marie Whittemore	Robert P. Black Jimmie R. Monhollon	Robert D. McTeer, Jr. <sup>1</sup> Albert D. Tinkelenberg <sup>1</sup> John G. Stoides <sup>1</sup>
Baltimore..... 21203	John R. Hardesty, Jr.		
Charlotte..... 28230	William E. Masters		
<i>Culpeper Communications     and Records Center 22701</i>			
ATLANTA..... 30303	Larry L. Prince Edwin A. Huston	Robert P. Forrestal Jack Guynn	Donald E. Nelson Fred R. Herr <sup>1</sup> James D. Hawkins <sup>1</sup> James T. Curry III Melvin K. Purcell Robert J. Musso
Birmingham..... 35283	A. G. Trammell		
Jacksonville..... 32231	Lana Jane Lewis-Brent		
Miami..... 33152	Victoria B. Jackson		
Nashville..... 37203	Caroline G. Theus		
New Orleans..... 70161	Robert D. Apelgren		
CHICAGO*..... 60690	Marcus Alexis Charles S. McNeer	Silas Keehn Daniel M. Doyle	Roby L. Sloan <sup>1</sup>
Detroit..... 48231	Phyllis E. Peters		
ST. LOUIS..... 63166	H. Edwin Trusheim Robert H. Quenon	Thomas C. Melzer James R. Bowen	John F. Breen <sup>1</sup> Howard Wells Ray Laurence
Little Rock..... 72203	To be announced		
Louisville..... 40232	To be announced		
Memphis..... 38101	To be announced		
MINNEAPOLIS..... 55480	Michael W. Wright Delbert W. Johnson	Gary H. Stern Thomas E. Gainor	John D. Johnson <sup>1</sup>
Helena..... 59601	J. Frank Gardner		
KANSAS CITY..... 64198	Fred W. Lyons, Jr. Burton A. Dole, Jr.	Roger Guffey Henry R. Czerwinski	Kent M. Scott David J. France Harold L. Shewmaker
Denver..... 80217	Barbara B. Grogan		
Oklahoma City..... 73125	John F. Snodgrass		
Omaha..... 68102	Herman Cain		
DALLAS..... 75222	Bobby R. Inman Hugh G. Robinson	Robert H. Boykin William H. Wallace	Tony J. Salvaggio <sup>1</sup> Sammie C. Clay Robert Smith, III <sup>1</sup> Thomas H. Robertson
El Paso..... 79999	To be announced		
Houston..... 77252	To be announced		
San Antonio..... 78295	To be announced		
SAN FRANCISCO..... 94120	Robert F. Erburu Carolyn S. Chambers	Robert T. Parry Carl E. Powell	Thomas C. Warren <sup>2</sup> Angelo S. Carella <sup>1</sup> E. Ronald Liggett <sup>1</sup> Gerald R. Kelly <sup>1</sup>
Los Angeles..... 90051	Yvonne B. Burke		
Portland..... 97208	William A. Hilliard		
Salt Lake City..... 84125	Don M. Wheeler		
Seattle..... 98124	Bruce R. Kennedy		

\*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.
2. Executive 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