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A Method for Evaluating Interest Rate Risk in U.S. Commercial Banks

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When interest rates change, the economic values of the loans, securities, and deposits at banks also change, but not necessarily in offsetting ways. The net effect of these changes is reflected in a bank's earnings and net worth. The risk that changes in rates might adversely affect a bank's financial condition is referred to as interest rate risk.

As financial intermediaries, banks and other depository institutions accept interest rate risk as a normal part of their business. They assume the risk whenever the interest rates paid on their liabilities do not adjust in unison with the rates earned on their assets. Such mismatches often present institutions with opportunities to profit from favorable changes in interest rates, but they also expose a bank's capital and earnings to adverse changes. Effective management of interest rate risk is a fundamental element of the banking business.

Banks have many ways of managing their risk. Most banks change their exposures by altering the rates (or prices) and maturities at which they are willing to originate loans, buy or sell securities, and accept deposits. With the emergence of many new financial products and markets during the 1980s, banks have acquired even more alternatives for managing interest rate risk while meeting customer preferences on the terms of loans and deposits. Interest rate swaps and financial futures, forwards, and options are some of the growing number of tools banks now use to adjust their exposures.

In the United States, the combination of a volatile interest rate environment, deregulation, and the growing array of new on- and off-balance-sheet products has made the management of interest rate risk a growing challenge. Accordingly, bank supervisors are placing increased emphasis on evaluating the interest rate risk of banks. This focus has become particularly sharp in light of the current implementation of risk-based capital charges. The 1988 international agreement on capital standards known as the Basle Accord represents an important milestone in supervisory policy by making a bank's minimum capital requirements sensitive to the credit risk of its assets and off-balance-sheet positions.[1] The agreement, however, focuses primarily on credit risk; it does not impose an explicit capital charge tied to interest rate risk.

One possible effect of this focus is that banks may have an incentive to substitute interest rate risk for credit risk in structuring their balance sheets. Indeed, this may already be happening. The emergence of large positions in mortgage-backed securities is particularly noticeable. At the end of 1988, these securities accounted for 17 percent of the aggregate securities portfolio of the commercial banking industry and less than 3 percent of its total assets; by early 1991 these shares had doubled, to 35 percent of all bank securities and 6.5 percent of total banking assets. Although the share of mortgage-backed securities in total assets is still small, the rapid growth

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1. The Basle Accord, reached on July 11, 1988, covers the twelve industrial countries participating in the Basle Committee on Banking Regulations and Supervisory Practices under the auspices of the Bank for International Settlements, in Basle, Switzerland (Belgium, Canada, France, Germany, Italy, Japan, Luxembourg, the Netherlands, Sweden, Switzerland, the United Kingdom, and the United States). In the United States, the Federal Reserve Board on January 19, 1989, adopted requirements implementing the Basle Accord for state banks that are members of the Federal Reserve System and for bank holding companies. Interim requirements became effective at the end of 1990, and final requirements will take effect at the end of 1992.

within such a short period may be an indication of increasing interest rate risk exposure among banks. Regardless of whether banks are increasing their exposure, interest rate risk is a fundamental element of the business and should be considered in assessing the adequacy of bank capital.

Current Risk Guidelines

The Basle Accord tailors a bank's minimum capital requirement to the credit risk embodied in the institution's assets and off-balance-sheet instruments. Under the agreement, those balances perceived to carry greater credit risk must be backed by levels of capital higher than those required for lower-risk positions. Overall, the standard requires internationally active banks to have total capital (including equity, reserves, and subordinated debt) equal to at least 8 percent of their risk-weighted assets by the end of 1992.[2] The capital treatment of interest rate risk was deferred in the construction of the existing agreement and is now being addressed by another international committee working, once again, under the aegis of the Bank for International Settlements (BIS).

The Federal Reserve System is actively participating in the work of the BIS committee. However, several reasons suggest the need for simultaneous steps to supplement the current "domestic" approach to the supervision of interest rate risk. One reason is that the time required to develop and implement an international standard is uncertain. Moreover, the international approach under development is aimed primarily at the largest and most internationally active banks, which conduct activities in a variety of currencies (each with its own interest rate exposure) often involving complex transactions. An approach for incorporating interest rate risk into the risk-based capital standard developed for them may have to be modified for application to many of the 12,000 small and medium-size U.S. banks. Indeed, once an international framework emerges for the assessment of interest rate risk, every country may need to tailor that framework to the specific characteristics and structure of its own banking system.

In view of these considerations, staff members at the Federal Reserve are investigating a possible supervisory approach to assessing interest rate risk that would supplement existing examination procedures and provide an additional off-site monitoring tool for understanding potential exposures to interest rate changes. The approach, which would be further developed and field tested before its formal incorporation in the examination process, is consistent with that being pursued internationally and would therefore be adaptable to any international agreement that is likely to emerge.

Current Techniques for Measuring and Managing Interest Rate Risk

gap analysis [illegible] duration [illegible]

Depending on their objectives and the complexity of their operations, banks use a variety of techniques to manage interest rate risk, ranging from relatively simple maturity "gap" calculations to more sophisticated duration or simulation analyses. Maturity gap analysis begins with a report that categorizes assets and liabilities by their repricing dates to identify mismatches within specific time periods. Those reports are typically used by banks to estimate the effect of interest rate changes on their near-term reported earnings. By focusing on reported earnings to judge rate sensitivity, this accounting approach to evaluating interest rate risk tends to ignore or downplay the effect of mismatches among medium- or long-term positions.

Contrasting with techniques that take an accounting perspective are those that focus on estimating the interest rate sensitivity of the economic value of a bank's on- and off-balance-sheet positions. Duration analysis is one such technique. The duration of a financial instrument is the weighted average maturity of the instrument's total cash flows in present value terms. When modified to reflect an instrument's discrete compounding of interest, duration provides a concise measure of the sensitivity of the present

definition of duration

2. As defined, risk-weighted assets include credit exposures contained in off-balance-sheet instruments.

value of the instrument to changing interest rates. Specifically, modified duration can be viewed as an elasticity that estimates the percentage change in the value of an instrument for each percentage point change in market interest rates. The greater the modified duration of the instrument, the more sensitive is its value to changing rates. (Hereafter, modified duration will be referred to simply as duration. See the appendix for details.)

By estimating the durations of assets, liabilities, and off-balance-sheet positions, a bank can estimate the net duration of its portfolio and the interest sensitivity of the present value of its net worth. In this sense, duration analysis offers a more comprehensive approach to measuring interest rate risk by incorporating the entire spectrum of a bank's repricing mismatches. It expands the basic maturity gap approach to assess the effects of changes in rates on the present value of all future earnings, not just on next year's book earnings.

Duration analysis has several disadvantages, however. Its accuracy as a measure of interest rate sensitivity declines as the size of the rate change increases. In addition, its use typically assumes instantaneous parallel shifts in the yield curve. Duration analysis also requires a number of assumptions and complexities in order to incorporate the effects of options embedded in many bank assets, liabilities, and off-balance-sheet positions. Finally, many managers have difficulty translating duration measures into reported net interest income and other accounting measures on which they have traditionally focused.

To overcome the limitations of both maturity gap and duration analyses, some banks turn to computer simulation. Sophisticated computer models are used to simulate the effects of a wide array of interest rate scenarios on a bank's financial condition. Simulation models can generate measures that address both the accounting and economic perspectives of an institution's interest rate risk exposure. However, as with many computer modeling techniques, simulations are highly data intensive, and the results rely heavily on assumptions. Moreover, the effects of these assumptions on the target variable a model assesses (for example, net interest income) make it difficult to isolate objectively the influence of changing interest rates. The chief benefit of simulation models resides, to a large degree, in revealing the sensitivity of results to the assumptions used.

For their part, bank examiners assess an institution's approach to managing both the accounting and economic aspects of interest rate risk during their overall review of a bank's funds management process. Traditionally, examiners have evaluated the stability of net interest margins and net interest income as well as the underlying nature and apparent riskiness of the positions a bank holds. Their review places much importance on the adequacy of internal reporting, auditing, and information systems and on the bank's policies and procedures for measuring and controlling its risk. If the exposure is considered excessive given the bank's capital and expertise, the supervisor reviews the matter with the bank's senior management and directors and requests corrective action. If necessary, the bank will be required to develop and implement a formal plan for reducing the risk and for restructuring the bank's risk management and control systems.

To date, this supervisory process has been generally satisfactory. However, with the rising importance of interest rate risk management, the process is increasingly hampered by the absence of a systematic method to monitor interest rate risk and by the lack of quantitative standards for adjusting capital to cover that risk. More specific procedures for quantifying and assessing a bank's risk, if proven valid and effective, would supplement and strengthen the supervision of interest rate risk. To be effective, any quantification of risk must consider the entire spectrum of mismatches. An approach that incorporates a monitoring system and related guidelines based on the economic perspective is consistent with this principle.

A Supervisory Approach for Assessing Interest Rate Risk

Several considerations are relevant in the development of a supervisory framework for measuring and evaluating interest rate risk. First, the more than 1,200 bank failures in the past decade demonstrate that the principal risk to commercial banks is credit risk. Although other risks—such as operating risk, foreign exchange risk, and interest rate risk—can prove costly and must be controlled, they are dominated in most cases by the threat of credit losses on loans. This situation could change, of course, as the nature of banking evolves. Indeed, even in the past, interest rate movements have produced significant losses at some banks and have caused others to increase risk in other areas to offset problems caused by rate movements. Nevertheless, interest rate risk by itself has rarely caused a commercial bank to fail when it was in otherwise sound condition. Credit risk, therefore, should account for most of the industry's capital requirement.

Second, the complexity of a model's algorithms and the precision of the data collected are often dominated by the underlying assumptions used to derive a measure of interest rate risk. Even the most sophisticated measures of interest rate risk require certain assumptions that can materially affect the results. Many of these assumptions relate to assets and liabilities with embedded options that make their cash flows especially difficult to predict. The interest rate sensitivity of core deposits is just one example. The overriding influence of such assumptions suggests the need for caution in trying to estimate levels of interest rate risk across the entire industry.

Third, information requirements of any supervisory or regulatory system should be held to a necessary minimum. The dominance of credit risk, combined with the considerable difficulties in measuring interest rate risk, creates a tradeoff: gains in the accuracy of interest rate risk measures must be balanced against the associated increase in costs and reporting burdens and the degree to which the overall precision of a capital standard that included interest rate risk would be improved. Moreover, supervisory agencies do not need the same level of precision that bank management may need. Regulators are concerned principally with identifying significant threats to a bank's solvency; they are less concerned with small changes to the bank's reported earnings.

These factors argue for a comparatively simple supervisory approach to evaluating interest rate risk. One way to achieve that simplification would be to interpret the current risk-based capital standard as covering "normal" levels of a bank's interest rate risk. The assumption avoids the need for an absolute measure of interest rate risk and requires only a relative measure. Banks that have more risk than the majority of banks could be identified through an off-site screening process, and a subsequent on-site review would consider the specific circumstances of the identified "outlier" banks.

The measure to be used in this screening process would need to identify only relative orders of magnitude of interest rate risk among commercial banks. Some underlying assumptions may be imprecise, but if used consistently, they are not likely to mask the exposures of banks facing the highest risk or cause truly low-risk institutions to appear as outliers.

An Interest Rate Risk Measure and Its Informational Requirements

A measure of interest rate risk under consideration for use in the screening process applies the principles of duration analysis to the familiar maturity gap report. An advantage of duration analysis over the use of simulation is its relative simplicity in reflecting the economic effects of changes in rates. It has the attractive attribute of summarizing the interest rate risk exposure of an institution in a single number.

In brief, the risk measure under consideration is calculated by first classifying a bank's assets, liabilities, and off-balance-sheet positions on the basis of their contractual maturity or repricing dates and their cash flow characteristics. These positions would then be weighted by risk factors that approximate their modified durations. The sum of these weighted positions would be the measure of interest rate risk to be used in comparing exposures among banks.

Spread among eight maturity/repricing periods ("time bands"), the information used to derive this measure fits on a single page (table 1 is a sample report for a hypothetical bank). In the interest of simplicity, only maturity/repricing

1. Sample report of a hypothetical bank's positions by repricing period[1]
Millions of dollars

Item	Total	Months		Years					
		0-3	3-12	1-2	2-3	3-5	5-10	10-20	More than 20
Assets									
Interest-bearing balances due	120	75	35	10					
Securities (including trading)									
Amortizing	143	10	5	2	3		5	3	115
Nonamortizing	338	29	25	27	45	107	85	15	5
Deep-discount	151	81	40	5	5	5	8	5	2
Federal funds sold and securities purchased for resale	149	149							
Loans, leases, and acceptances									
Amortizing	553	50	83	60	60	120			180
Nonamortizing	1,459	900	311	94	92	57	5		
Deep-discount									
Total interest-bearing assets	2,913	1,294	499	198	205	289	103	23	302
Non-interest-bearing assets	380								
Total assets	**3,293**	**1,294**	**499**	**198**	**205**	**289**	**103**	**23**	**302**
Liabilities									
Interest-bearing deposits									
NOW accounts	200	60	30	30	30	20	10	10	10
MMDAs	358	106	54	54	54	36	18	18	18
Savings	194	58	29	29	29	19	10	10	10
Time	1,355	700	611	10	15	16	3		
Federal funds purchased and securities sold for repurchase	259	259							
Other borrowed funds	162	100	40	3	3	4	12		
Total interest-bearing liabilities	2,528	1,283	764	126	131	95	53	38	38
Non-interest-bearing liabilities									
Demand deposits	464	139	70	70	70	46	23	23	23
Other liabilities	91								
Total liabilities	**3,083**	**1,422**	**834**	**196**	**201**	**141**	**76**	**61**	**61**
Net worth	210								
Net off-balance-sheet positions									
Amortizing	0	20		−20					
Nonamortizing	0	5			−5				
High-risk instruments[2]	2								2

1. *Repricing period is time remaining before maturity or interest rate adjustment.*

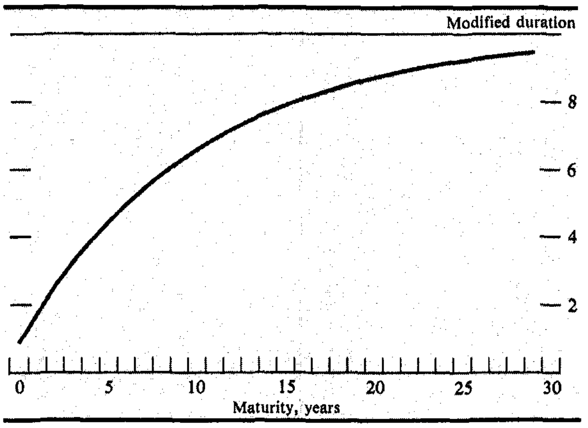
2. *Included above in nonamortizing and deep-discount securities. See discussion in text.*

data are recorded; assumptions regarding coupon rates on assets and liabilities and other features of financial contracts are made in developing the risk weights.

The characteristics of duration heavily influenced the structure of the repricing schedule portrayed in table 1. One feature of duration is that, other things equal, it is positively related to the maturity of the underlying instrument. As maturity extends, however, the duration of most instruments increases at a decreasing rate so that the durations of the longest-term instruments are generally less than ten years (chart 1). This pattern suggests that perhaps eight to ten time bands with equally spaced durations could capture the interest rate sensitivity of most loan or investment portfolios. At the same time, however, one must consider the actual repricing periods of bank assets and liabilities; most are heavily concentrated in the short-term. Taking both points into account, the illustrated repricing schedule employs eight time bands that incorporate more precision in the shorter time periods.

The nature of duration also influenced the choice of the specific line items in table 1. The duration of a financial instrument depends upon the timing of its cash flows, which are a function of maturity, coupon rate, amortization, and other factors. The cash flows of most bonds and commercial loans consist of periodic payments of interest only, and repayment of all principal at maturity. Mortgages and consumer loans, in contrast, generally amortize; that is, their periodic payments include both principal and interest.

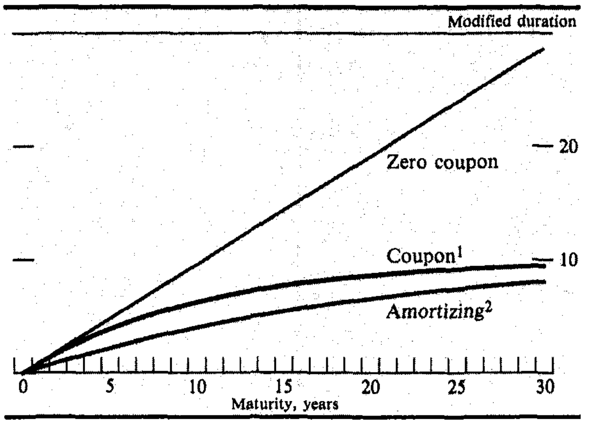
1. Modified duration of a 10 percent semiannual coupon instrument yielding 10 percent, by maturity of the instrument



Still other instruments, such as deep-discount and zero coupon bonds, have most or all of their payments of both principal and interest occur at maturity. These distinctions alone can cause the durations of instruments with similar maturities to be significantly different.

For example (chart 2), a 30-year, 10 percent coupon Treasury bond yielding 10 percent has a duration of about 9.5 years. However, the duration of a 30-year, 10 percent amortizing mortgage yielding 10 percent with no prepayment is about 8 years but could be as short as 4–6 years if common levels of prepayment are assumed. The duration of a 30-year zero coupon bond yielding

2. Modified duration of three instruments, each yielding 10 percent, by maturity of instruments



1. Ten percent semiannual coupon.
2. Ten percent monthly amortizing instrument, assuming no prepayments.

10 percent is 28.6 years.[3] To capture the effect of these distinctly different payment streams, the repricing schedule categorizes all securities, loans, and off-balance-sheet items into one of three groups according to their inherent cash flow structures: amortizing, nonamortizing, and deep-discount. In the interest of simplicity and of minimizing the burdens of collecting data, the balances of loans and securities are generally distributed across the time bands of table 1 using the contractual maturity or repricing date of the instrument. Anticipated prepayments on amortizing instruments are incorporated in the calculation of the interest rate risk weights using standardized assumptions. The only exception to this distribution procedure is the treatment of tranches of collaterized mortgage obligations (CMOs) and real estate mortgage investment conduits (REMICs). Because of their wide diversity, such tranches are slotted according to their current average life as calculated by bank management.[4]

Core Deposits

Time deposits and other liabilities with well-defined maturities are easily distributed across the time bands of table 1. However, the indefinite maturities of core deposits (demand deposits, NOW accounts, money market deposit accounts, and savings deposits) pose significant problems. These deposits are usually stable but can be withdrawn at any time. In addition, their repricing tends to lag changes in market rates and can vary from bank to bank according to each institution's geographic location, pricing strategies, and depositor base.

Because of their uncertain maturities, core deposits could be placed into a single time band or spread among several bands. If a single band is

3. The Macaulay duration of a thirty-year zero coupon bond is indeed thirty years. Because zero coupon yields are quoted as semiannual equivalents, their modified duration is slightly less than maturity (see the appendix for the calculation of modified duration).

4. Most off-balance-sheet items are recorded on the repricing schedule with a double-entry system of offsetting long and short positions. The two offsetting entries result in an aggregate net position that changes the repricing structure of the portfolio without changing its face value.

chosen, the shortest one would be a logical choice because the deposits are all subject to immediate withdrawal. However, the experience of most banks indicates that these deposits could have longer effective maturities or repricing periods. A standard industry practice is to distribute deposits among several periods to reflect the fact that they tend to run off over time.[5] Table 1 illustrates a possible distribution of core deposits among the time bands, which produces an average maturity of 2.5 years. Some such standardized distribution for all banks would be used in practice.

High-Risk Assets

The repricing schedule gives special treatment to certain positions in highly volatile and complex derivative instruments, such as interest-only and principal-only stripped mortgage-backed securities and CMO residuals (shown in table 1 as high-risk instruments).[6] Examiners would also give them special attention during on-site examinations and would closely assess the risk they present to an individual institution.

Derivation of Risk Weights

In the measurement system under consideration, each recorded position is multiplied by a risk weight that approximates its duration to produce a risk-weighted value. Table 2 illustrates the calculation. The top panel summarizes the positions reported in table 1. The middle panel displays the risk weights. The system employs four sets of risk weights: one set for each of the three types of assets (amortizing, nonamortizing, and deep-discount) and one set for all liabilities. The weights are calculated as the duration of an instrument with a remaining maturity equal to the midpoint of each time band and an assumed coupon and market yield. For simplicity, a single coupon is assumed for each of the three sets of assets and another coupon is assumed for all liabilities; these coupons are assumed to equal market yields. For illustrative purposes, the weights presented here are based on a 10 percent coupon for assets and an 8 percent semiannual coupon for liabilities.

To handle the problem posed by the prepayment options embedded in amortizing assets, prepayment adjustments are made to the weights for the amortizing assets. Intermediate- and long-term amortizing assets are assumed to be primarily mortgages and mortgage securities. For those instruments, a market consensus of the rate at which mortgages with the assumed coupon are expected to prepay is used to construct their weights. For example, a weight of 4.6 is used for amortizing assets with maturities of more than twenty years. This weight is the duration of a 10 percent, thirty-year mortgage with a remaining term to maturity of twenty-five years and an assumed 9 percent constant annual prepayment rate. That rate was the average prepayment estimate of eight U.S. securities firms as of June 1, 1991, for a Government National Mortgage Association pass-through security with a gross coupon of 10 percent. For amortizing assets with remaining maturities of less than five years, a prepayment rate of 1 percent is assumed. In implementing the proposed measurement system, the weights for these assets can be updated periodically to reflect changes both in coupon assumptions and in the market consensus of prepayment rates.

Calculating the Risk Measure

In the construction of the risk weights, the estimated durations are multiplied by 0.01 to convert them into percentages. As a result, the weights estimate the percentage decrease in the present value of a position that results from a 1 percentage point increase in market rates (or the increase in value that results from a decrease in rates).

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5. Note that with careful selection of the time bands, spreading the liabilities among many repricing periods will produce the same result as putting them in one period.

6. In January 1991 the Federal Financial Institutions Examination Council (FFIEC) issued for public comment a proposed supervisory policy statement that would, in part, designate certain types of securities with volatile price or other high-risk characteristics as generally unsuitable investments for depository institutions. Such securities include stripped mortgage-backed securities, high-risk CMO tranches, and CMO residuals. The FFIEC is expected to announce a policy statement on this issue in the near future.

2. Calculation of interest rate risk for positions of a hypothetical bank[1]
Millions of dollars except as noted

Item	Total	Months		Years					
		0–3	3–12	1–2	2–3	3–5	5–10	10–20	More than 20
1 Interest-bearing assets	2,913	1,294	499	198	205	289	103	23	302
2 Amortizing	696	60	88	62	63	120	5	3	295
3 Nonamortizing	2,066	1,153	371	131	137	164	90	15	5
4 Deep-discount	151	81	40	5	5	5	8	5	2
5 Liabilities (interest-bearing and demand-deposit)	−2,992	−1,424	−834	−196	−201	−141	−76	−61	−61
Net off-balance-sheet positions									
6 Amortizing	0	20		−20					
7 Nonamortizing	0	5			−5				
8 High-risk instruments	2								2
		Risk weights (percent)							
Assets									
9 Amortizing		.10	.30	.60	1.00	1.50	2.60	3.90	4.60
10 Nonamortizing		.15	.60	1.35	2.15	3.20	5.20	7.70	9.10
11 Deep-discount		.15	.60	1.45	2.40	3.80	7.10	14.30	23.80
12 Liabilities		.15	.60	1.40	2.20	3.40	5.60	8.70	10.70
		Weighted positions							
13 Assets	39.66	1.91	2.73	2.21	3.70	7.24	5.38	1.99	14.50
14 Liabilities	−35.14	−2.14	−5.00	−2.74	−4.41	−4.81	−4.24	−5.29	−6.51
15 Off-balance-sheet positions	−.20	.03		−.12	−.11				
16 Subtotal (initial estimate of exposure)	4.32	−.20	−2.27	−.64	−.82	2.42	1.13	−3.30	7.99
17 Adjustment for high-risk instruments	.48								.48
18 Weighted net position	**4.80**	**−.20**	**−2.27**	**−.64**	**−.82**	**2.42**	**1.13**	**−3.30**	**8.47**
19 Duration of net worth (weighted net position as a percent of net worth × 100)	**2.28**								
20 Sensitivity index (weighted net position as a percent of assets)	**.15**								

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

Multiplying a position by a risk weight estimates the dollar change in the present value of the position for a 1 percentage point change in market rates. For example, in line 1 of table 2, the $1,294 million position in interest-bearing assets maturing or repricing in less than three months is weighted by multiplying each of its three components (lines 2–4) by their respective weights (lines 9–11) and summing. The result is a weighted value of $1.91 million (line 13). Assuming that current balances yield market rates, this weighted value can be interpreted as the decline in the present value of the recorded positions for a 1 percentage point increase in rates (or the increase in value that results from a decline in rates).

The summation of all weighted values for assets, liabilities, and off-balance-sheet items (lines 13–16, first column) shows that the bank's net worth is vulnerable to rising interest rates. Overall, a 1 percentage point increase in market rates would reduce the present value of the bank's assets an estimated $39.66 million (line 13) and lower the present value of its liabilities $35.14 million (line 14). The illustrated off-balance-sheet positions offset the decline in the value of assets by $0.2 million (line 15), producing an initial estimate of exposure of $4.32 million (line 16) for a 1 percentage point increase in rates.

At this point, an adjustment to the exposure is made for the presence of high-risk instruments (line 8) in the portfolio. The complexity of these instruments makes them difficult to incorporate into the proposed screening measure. To maintain a practical level of simplicity in the assessment process, high-risk instruments are given the same weight as that of deep-discount assets (line 11) in the corresponding time band and the same sign as that of the initial estimate of exposure (line 16). In this way, the process draws the attention of the examiner to the high-risk position because that position is always portrayed as increasing the absolute value of the initial estimate of exposure. The actual interest rate risk profile of these instruments, as well as their appropriateness for a particular institution, would be assessed on-site by the examiner.

In the example, the $2 million high-risk position (line 8, last column) is multiplied by the risk weight of 23.8 percent (line 11); because the initial estimate of exposure (line 16) is positive, the product—$0.48 million—is added to the $4.32 million subtotal to derive the overall weighted net position of the institution of $4.80 million (line 18). Had the initial estimate of exposure been negative, a negative sign would have been assigned to the high-risk position to increase the negative exposure of the institution. Recognition of the potential macro- or micro-hedging capabilities of these instruments is left to the discretion of the examiner.

The weighted net position (line 18) is a key statistic. When divided by net worth and multiplied by 100, it represents the implied risk weight for the bank's net worth and gives a summary measure of interest rate risk exposure. In the example, the estimated exposure of net worth to a 1 percent increase in rates is 2.28 percent of the bank's total net worth. When multiplied by 100, this implied risk weight can be used as an estimate of the bank's duration of net worth and as a measure of the vulnerability of the institution to insolvency as a result of interest rate changes. This measure of the duration of net worth is of central importance in the screening process and can play an important role in an examiner's assessment of interest rate risk.[7]

7. The use of this measure in screening banks may identify some institutions as having high interest rate risk simply because their capital ratios were low; although that assessment would not be incorrect, interest rate risk is most likely to be overwhelmed by other problems that already are the focus of supervisory attention.

Considered alone, however, this estimate of the duration of net worth might not detect those banks that have significant mismatches but high capital ratios. Apart from the risk to the solvency of the bank that any asset-liability mismatch may present, the degree of interest rate sensitivity is also important to know. That knowledge provides insights into the nature of the bank's business and its managerial approach. Moreover, some banks need relatively strong capital ratios to support greater-than-average exposure to asset quality problems or other banking risks. Viewing those institutions as having low interest rate risk simply because they have high capital ratios could be inappropriate. Expressing the weighted net position as a percent of total assets (line 20) provides a second measure, called the "sensitivity index," which focuses directly on the *degree* of sensitivity of the bank's positions to changing interest rates (0.15 percent in the example).

Both risk measures have a parallel in the analysis of bank profitability. That is, using both the duration of net worth and the sensitivity index to evaluate a bank's interest rate risk could be compared to using return on equity (ROE) and return on assets (ROA) to evaluate its profitability. The ROE and ROA compare reported earnings with their respective denominators. The two interest rate risk measures compare estimates of the expected change in the present value of future earnings (which is the change in net worth) with those same denominators: The duration of net worth indicates the interest rate sensitivity relative to equity; the sensitivity index indicates the interest rate sensitivity relative to the asset base. Combined, the two interest rate risk measures enable examiners to quantify the rate sensitivity of a bank's on- and off-balance-sheet positions and assess its ability to absorb losses that the mismatches might produce.

Identifying Outliers

As described above, this approach recognizes that a certain amount of interest rate risk is inherent in banking. Consequently supervisory attention would be directed at those banks identified as having relatively high risk—outliers. Using an outlier approach, however, requires information about the distributions of both the sensitivity index and duration of net worth for the industry.

The data to develop these distributions as accurately as would be required are not available from financial reports currently filed with regulatory agencies. Maturity and repricing data, for example, are reported for only four time bands, and the longest period contains all positions repricing in more than five years. These constraints, and similar ones regarding information about the cash-flow structure of assets, require a number of assumptions in order to use existing data. To construct an estimate, we have used existing call report data to illustrate how the distributions might look, subject to the above caveats, and how outliers could be identified.

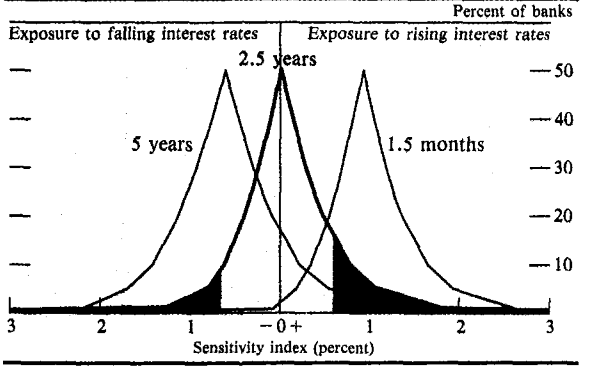
Outliers would be defined on the basis of both their sensitivity index and their durations of net worth. For both measures, outliers would be taken from both tails of an industry distribution curve to recognize exposures to rising and declining rates. The riskiest 25 percent, for example, could be considered outliers.

In constructing a distribution of the industry's exposure to changing interest rates, the placement of core deposits is of primary importance. When core deposits are spread to produce a weighted average maturity of 2.5 years, the median institution appears to be virtually balanced in terms of its sensitivity index (chart 3, middle curve).

Placing core deposits at an average maturity of either 1.5 months or 5 years yields significantly different results and illustrates the sensitivity of the measure to changes in the selected maturity of deposits. A short-term placement sharply increases the apparent exposure of the industry to rising interest rates; placing the deposits at 5 years would indicate that the industry is highly exposed to declining rates. These distributions, while only illustrative, suggest that viewing core deposits as having a maturity of two to three years is not only operationally useful in constructing a measurement system but is also consistent with a perception that the large majority of commercial banks do not have high exposures to interest rate risk.

In the middle distribution of chart 3, the median bank has an estimated sensitivity index of 0.02 percent. A cut-off point around 0.6–0.7

3. Sensitivity index of interest rate risk, estimated distributions for the U.S. banking industry, by assumed maturity of core deposits, December 31, 1990[1]



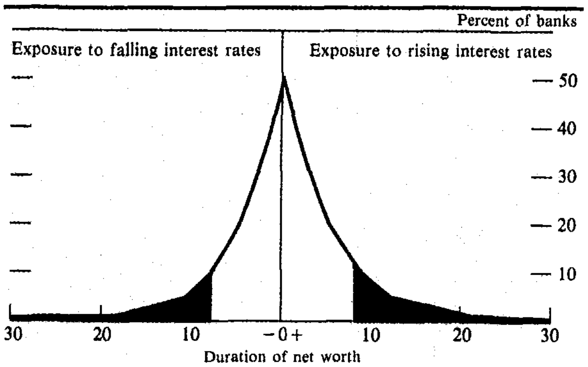
1. Sensitivity index is the weighted net position as a percent of assets (see table 2). Measurement covers 12,127 commercial banks. Shaded areas represent the roughly 25 percent of banks most vulnerable to rising or falling rates assuming an average maturity for core deposits of 2.5 years. Preliminary measure using existing call report data and simplifying assumptions.

percent on each tail of the distribution would capture approximately 25 percent of the banks: about 16 percent that are exposed to rising interest rates (those on the right side in chart 3) plus another 9 percent that are exposed to declining rates (those on the left).

A similar approach could be used to identify outliers on the basis of their durations of net worth. Once again, the median bank appears to be almost balanced, with 0.23 percent of its equity at risk from a 1 percentage point increase in rates (chart 4). Outliers could be defined, for example, as those institutions with roughly 7–8 percent or more of their net worth at risk. That cut-off would capture approximately 25 percent of the industry: about 15 percent from the banks with relatively high exposure to rising rates and another 10 percent from those with a large exposure to declining rates. These 25 percent would then be compared with the outliers identified with the sensitivity index to determine which institutions appear to warrant the most concern.

As with many elements of the measure, the identification of outliers must be carefully monitored and updated as conditions change. If the industry became much more cautious, for example, fewer institutions would be identified as outliers. Conversely, more banks would become outliers if the overall exposure of the industry grew.

4. Duration of net worth, estimated distribution for the U.S. banking industry, December 31, 1990[1]



1. Duration of net worth is the weighted net position as a percent of net worth × 100 (see table 2). Measurement covers 12,127 commercial banks. Shaded areas represent the roughly 25 percent of banks most vulnerable to rising or falling rates assuming an average maturity for core deposits of 2.5 years. Preliminary measure using existing call report data and simplifying assumptions.

The distributions illustrated in charts 3 and 4 are estimates based on the limited data currently reported by the banking industry and are shown here not as empirical evidence but only for heuristic purposes. No information is available about the repricing periods of the industry's off-balance-sheet positions; much of the placement of balances among time bands was estimated; and core deposits were distributed uniformly, and thus somewhat arbitrarily, for all banks.

APPLYING THE RISK MEASURE

Bank supervision entails both off-site surveillance and on-site examinations. If implemented, the procedure described here for measuring interest rate risk would be another tool to help bank supervisors screen banks off-site to identify those with relatively high levels of measured interest rate risk. Supervisors could then take appropriate follow-up actions, such as requesting additional information from the bank or considering the apparent risk when planning future examinations. Once on-site, examiners could use the interest rate risk measures as an indicator of how they might allocate their time and resources. Institutions with apparently high interest rate risk would be more likely to receive more detailed reviews of their asset and liability management procedures than would those exhibiting lower risk.

No firm conclusions would be based on these measures alone. Examiners would need to confirm or reject the measure based on their assessment of many of the elements they currently review: the bank's own policies, controls, information systems, and risk-measurement techniques. Examiners would continue to apply significant flexibility in their consideration of the conditions at each bank. In particular, nothing in the approach described here would preclude examiners from employing other relevant techniques based on the bank's own internal reports, systems, and controls regarding interest rate risk.

Nevertheless, the approach can provide examiners with a reference point for evaluating the riskiness of a bank's positions and guidelines for evaluating the adequacy of its capital. Also, bankers may find the comparison of their banks with the industry useful. The measurements require no more than simple spreadsheet calculations and thus can be performed on-site to test the effect of different assumptions, such as those regarding the maturity of core deposits.

The more sophisticated simulation analyses conducted by some banks could offer further insights into the likely losses (or gains) under a variety of scenarios. Combined, these measures and techniques could lead to reasonably firm conclusions about the bank's overall exposure to interest rate risk and what corrective steps may be needed.

CONCLUSION

The measurement approach described above represents the first phase of a supervisory program for evaluating interest rate risk in commercial banks. These guidelines and principles will be further developed and field-tested before their formal incorporation in examination procedures. Limited field testing to date indicates that this approach can be used to identify institutions that may be exposed to high levels of interest rate risk and to establish an initial reference point for examiners in evaluating a bank's management of its investment and funding activities. At the same time, it allows examiners significant flexibility to consider many other factors that are important to assessing this aspect of the bank's business, such as its policies, procedures, controls, and operating systems.

The measurement and management of interest rate risk is a complex topic but one that may be of growing importance to banks and bank supervisors. Fundamentally, the management of interest rate risk and the allocation of capital to support that risk is a bank function that, like others, must be conducted in a reasoned and prudent manner. In its consideration of this risk, the approach described here recognizes the limits to precision and the reporting cost to banks. A measurement system based on relative levels of exposure that gives examiners sufficient flexibility appears to avoid many of the disadvantages of other techniques.

APPENDIX: DURATION

Duration is a widely accepted measure of a financial instrument's interest rate risk. In its most basic form, "Macaulay duration," it is a measure of the effective maturity of an instrument. Specifically, duration is the weighted average maturity of an instrument's cash flows, where the present values of the cash flows serve as the weights. The Macaulay duration of an instrument can be calculated by first multiplying the time until the receipt of each cash flow by the ratio of the present value of that cash flow to the instrument's total present value. The sum of these weighted time periods is the Macaulay duration of the instrument. Mathematically,

$$\textit{Macaulay duration} = \sum_{t=1}^{n} \frac{PV(CF_t)}{TPV} \times t,$$

where

t = The number of periods remaining until the receipt of cash flow CF_t

CF_t = The cash flow received in period t

PV = The present value function $1/(1 + R)^t$, where R is the per-period internal rate of return of the instrument

TPV = The total present value of all future cash flows (including accrued interest)

n = The number of periods remaining until maturity.

Because a zero coupon instrument has only one cash flow, its Macaulay duration is equal to its maturity. In contrast, instruments with periodic cash flows, such as coupon bonds and amortizing mortgages, have durations smaller than their maturity.

Duration is measured in units of time. Relative to the more traditional measure of term to maturity, duration represents a significantly more sophisticated measure of the effective life of a financial instrument. Moreover, when modified to reflect an instrument's discrete compounding of interest, duration measures the instrument's price volatility relative to changes in market yields. Modified duration is calculated as follows:

$$\textit{Modified duration} = \frac{\textit{Macaulay duration}}{1 + R/c}$$

where

R = Per-period internal rate of return of the instrument

c = Number of times per period that interest is compounded (for example, 2 for a semiannual coupon bond when R is an annual rate).

Modified duration is the price elasticity of an instrument with respect to changes in rates. It represents the percentage change in the present value of a financial instrument for a given percentage point change in market yields; this relationship is defined as follows:

$$\begin{array}{c}\textit{Percentage}\\\textit{change}\\\textit{in price}\end{array} = - \begin{array}{c}\textit{Modified}\\\textit{duration}\end{array} \times \frac{\begin{array}{c}\textit{basis point}\\\textit{change}\\\textit{in yield}\end{array}}{100}$$

For example, with a modified duration of 10, a bond changes 10 percent in price for every 100 basis point change in the market yield of that bond.

In the above equation, the inverse relationship between the price of a bond and its market yield is established by the minus sign preceding the term for modified duration. Modified duration acts as a multiplier in translating the effect of changing interest rates on the present value of an instrument: The larger the duration, the greater the effect for a given change in interest rates; and for a given duration, large changes in market rates lead to large percentage changes in price. Therefore, to the extent that the riskiness of an instrument is equated with its price sensitivity, modified duration acts as a measure of interest rate risk.

Modified duration provides a standard measure of price sensitivity for different types of instruments. The standardization allows the duration of a portfolio to be calculated as the weighted average of the durations of its individual components. Because a financial institution can be thought of as a portfolio of assets and liabilities, the duration of an institution's net worth is simply a weighted average of the durations of assets and liabilities. Therefore, by weighting assets, liabilities, and off-balance-sheet positions by their estimated durations, a single measure of interest rate risk exposure can be derived.

Modified duration is a powerful concept for measuring interest rate risk, but it does have several limitations. The most noteworthy is that the accuracy of duration depends on the assumption of small, instantaneous, parallel shifts in the yield curve. Errors in its use as a measure of interest rate risk increase as actual changes in market yields diverge from these assumptions.[8] □

8. Further information on duration is available in Livingston G. Douglas, *Bond Risk Analysis: A Guide to Duration and Convexity* (New York: New York Institute of Finance, 1990); and Gerald O. Bierwag, *Duration Analysis: Managing Interest Rate Risk* (Cambridge, Mass.: Ballinger, 1987).

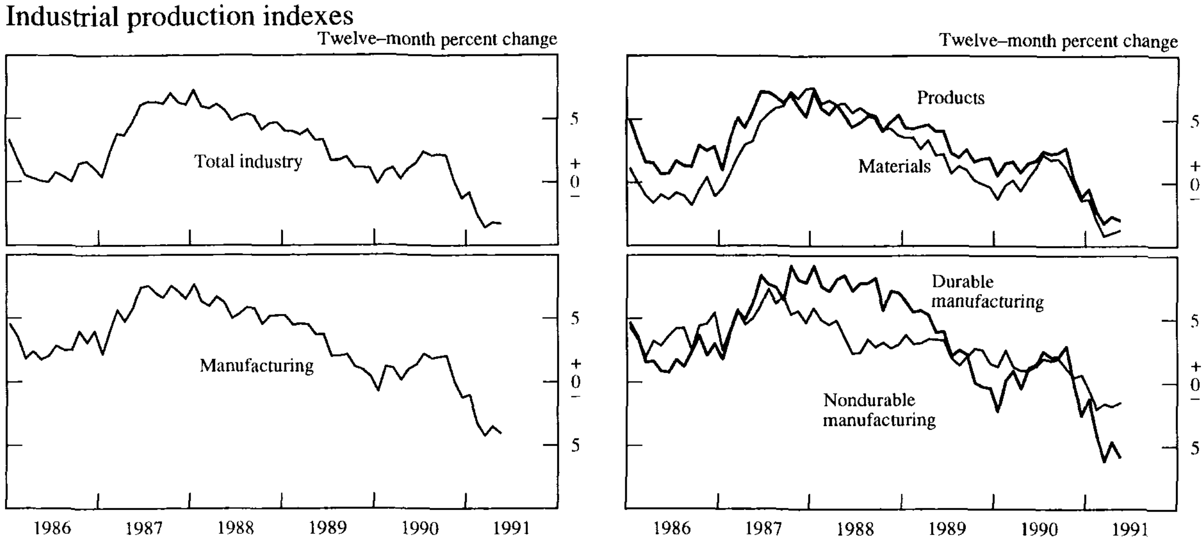
Industrial Production and Capacity Utilization

Released for publication on June 14

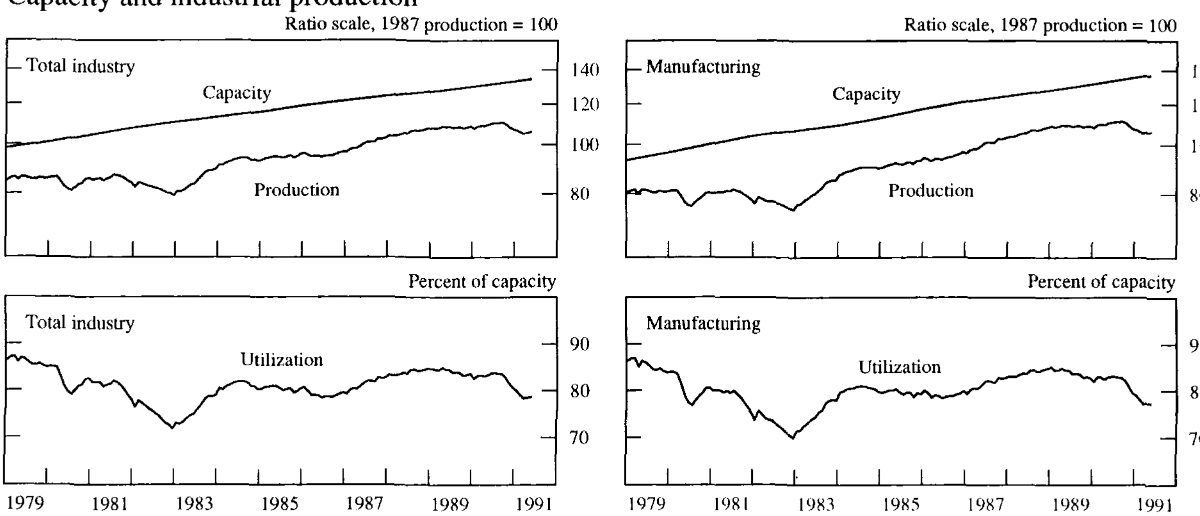
Industrial production increased 0.5 percent in May after an upward revised gain of 0.3 percent in April. Output of motor vehicles and parts continued to rise in May, and utilities production, boosted by unusually warm weather in May, also contributed to the overall gain. Excluding motor vehicles and parts and utilities, industrial production was little changed in both May and April. Total industrial capacity utilization in May increased 0.2 percentage point to 78.7 percent, after a revised increase of 0.1 percent in April. At 105.8 percent of its 1987 annual average, total industrial production in May was 3.3 percent below its year-ago level.

In market groups, output of consumer goods

Industrial production indexes



Capacity and industrial production



All series are seasonally adjusted. Latest series, May.

Industrial production	1987 = 100				Percentage change from preceding month				Percentage change, May 1990 to May 1991
	1991				1991				
	Feb. r	Mar. r	Apr. r	May p	Feb. r	Mar. r	Apr. r	May p	
Total index	**105.7**	**105.0**	**105.3**	**105.8**	**−.9**	**−.6**	**.3**	**.5**	**−3.3**
Previous estimates	105.7	105.0	105.1	...	−.8	−.6	−.1	...	...
Major market groups									
Products, total	**106.9**	**106.6**	**106.9**	**107.3**	**−.8**	**−.3**	**−.3**	**.4**	**−3.0**
Consumer goods	104.7	104.9	105.5	106.3	−.8	.1	.6	.8	−1.1
Business equipment	120.6	120.3	121.0	120.6	−.9	−.2	.6	−.3	−2.4
Construction supplies	96.4	94.2	95.3	95.8	−1.3	−2.3	1.2	.5	−9.2
Materials	103.9	102.6	103.0	103.6	−.9	−1.2	−.4	.6	−3.8
Major industry groups									
Manufacturing	106.1	105.2	105.7	105.9	−.9	−.8	.5	.2	−4.0
Durable	106.1	105.0	105.9	106.1	−1.0	−1.1	.8	.2	−5.8
Nondurable	106.0	105.4	105.5	105.7	−.8	−.6	.1	.2	−1.6
Mining	102.9	101.6	100.1	100.0	1.1	−1.3	−1.5	−.1	−2.2
Utilities	104.6	106.3	106.4	110.6	−2.8	1.7	.1	3.9	3.3

Capacity utilization	Percent of capacity								Capacity growth, May 1990 to May 1991
	Average, 1967–90	Low, 1982	High, 1988–89	1990	1991				
				May	Feb. r	Mar. r	Apr. r	May p	
Total industry	**82.2**	**71.8**	**85.0**	**83.4**	**79.1**	**78.4**	**78.5**	**78.7**	**2.6**
Manufacturing	81.5	70.0	85.1	82.9	78.0	77.2	77.4	77.3	2.9
Advanced processing	81.1	71.4	83.6	82.1	77.4	76.8	77.1	76.9	3.2
Primary processing	82.4	66.8	89.0	85.0	79.5	77.9	78.1	78.3	2.2
Mining	87.4	80.6	87.2	88.9	90.4	89.1	87.7	87.5	−.6
Utilities	86.8	76.2	92.3	84.6	81.6	82.9	82.9	86.1	1.5

r Revised.
p Preliminary.

NOTE. Indexes are seasonally adjusted.

excluding motor vehicles and electricity for residential use edged up in April and May, owing mainly to gains in production of durable goods such as appliances, carpeting, and furniture; production of most other consumer goods has changed little in recent months. Output of business equipment other than autos and trucks declined 0.6 percent in May and has fallen more than 3 percent since its peak last September; declines over the past eight months have been most significant in industrial equipment. Production of construction supplies increased 0.5 percent in May after a rise of 1.2 percent in April but was still more than 9 percent below its level of a year earlier. Among materials, output of durables increased 0.5 percent further in May, reflecting increases in output of parts for consumer goods, particularly those used by the motor vehicle industry. Production of basic metals, mainly steel, and equipment parts remained weak. Output of nondurable goods materials was little changed for the second month, as gains in textiles were about offset by decreases in paper. Output of energy materials rose 1.4 percent in May, as electricity generation surged in response to increased demand for air conditioning.

In industry groups, output in manufacturing increased 0.2 percent in May; excluding motor vehicles and parts, manufacturing output was unchanged from April. Utilization for manufacturing as a whole edged down 0.1 percentage point in May. The operating rate for primary processing industries picked up a bit in May, while the rate for advanced processing declined. Output at utilities increased 3.9 percent in May, and production at mines was little changed.

Among producers of nondurable goods, production of both textiles and apparel rose notably in April and May. Textile output has now increased for four consecutive months. An increase of 2 percent in petroleum refining in May also helped boost production of nondurables. In contrast, paper production fell 0.9 percent in May, continuing the decline that began last fall.

Output of durable goods increased in both April and May, with significant gains in motor vehicles and parts and industries that produce construction materials, mainly lumber, and stone, clay, and glass products; in addition, industries associated with these materials, such as appliances, furniture, and fabricated metals, also have increased during the past two months. Production of primary metals was little changed in April and May, after having fallen sharply during the fall and winter. On the negative side, output of both nonelectrical machinery and instruments continue to decline, falling more than ½ percent in May.

Statements to the Congress

Statement submitted by the Board of Governors of the Federal Reserve System to the Subcommittee on Policy Research and Insurance of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, June 6, 1991.

I would like to thank you for the opportunity to discuss the issues of lender liability under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) as well as the solutions to this problem proposed by H.R.14550 and S.651. The issues presented in this legislation are complex, and I commend the committee for undertaking to explore them fully at this time.

As an initial matter, we strongly support the purposes of CERCLA. We all wish to live in a clean and healthy environment; however, the costs of achieving this goal are substantial. The Environmental Protection Agency has estimated that the cleanup of the 1,200 priority sites alone may exceed $30 billion. The General Accounting Office has estimated that as many as 425,000 sites may need investigation and possibly cleanup. In light of these potential costs, we have become concerned over the effect of recent court interpretations of CERCLA that have held lenders liable for the cost of the cleanup of hazardous substances found on a borrower's property. Despite an exemption in CERCLA designed to shield lenders from CERCLA liability, these decisions, in effect, place lenders in the role of policing the hazardous substance disposal activities of their borrowers. Lenders are often ill equipped to perform this function, and imposition of unlimited liability can be expected to reduce their willingness to provide credit to prospective borrowers in any business or area when there is a risk of CERCLA liability. A reduction in the availability of credit threatens the viability of these businesses and their ability to contribute to the cleanup of the environment. Consequently, we believe that the imposition of cleanup liability on lenders is counterproductive to long-term environmental goals and we support the objectives of H.R.1450 and S.651 to limit lender liability for cleanup costs under CERCLA.

Under CERCLA, the owner or operator of a property may be held liable for the entire cost of cleaning up hazardous substances found on a site, regardless of whether the owner or operator is responsible for the release of the hazardous substance. By its terms, CERCLA generally excludes secured lenders from this liability; however, recent court decisions have largely eroded the protection furnished by this exclusion. Courts have imposed lender liability under CERCLA when a lender secured by property forecloses on property or has "participated in the management" of its borrowers by virtue of the rights reserved by the lender under its lending and security agreements with the borrower. With the average projected cost of remedying contamination at sites on the National Priority List climbing to more than $25 million dollars, liability in CERCLA cases may far exceed the amount of the lender's original loan.

Because of the erosion of the secured lender exemption, lenders to borrowers in businesses that use or produce hazardous substances are faced with a dilemma. Lenders can actively attempt to police hazardous substance disposal by their borrowers, risking being found to have "participated in the management" of the borrower and therefore liable for potential cleanup costs, or they can ignore the borrowers's activities and risk nonpayment of the loan. Further, these court decisions may discourage even normal loan collection practices out of concern that they will be found to constitute management.

Lenders already have adequate incentives to encourage their borrowers to engage in environmentally safe practices so that these borrowers will avoid CERCLA liability. However, lenders do not generally have the technical expertise to police the environmental aspects of a borrower's operations. Covenants in borrowing agreements that give lenders a voice in their borrower's activities are designed to ensure that the borrower acts prudently in financial matters and places a high priority on the repayment of the debt, not to permit the lender to substitute its judgment for the borrower's in technical aspects of the borrower's business.

Imposing affirmative liability for environmental cleanup costs on lenders because of the exercise of such covenants is likely to do little to prevent the pollution of the environment but is likely to interfere with the availability of credit to even prudent businesses that use hazardous substances, such as farmers, dry cleaners, service stations, and chemical and fertilizer producers. Credit is a necessity for the operation of commercial enterprises. Lenders already reluctant to extend credit to borrowers that are subject to a high risk of CERCLA liability will only be further deterred by the prospect of affirmative lender liability under CERCLA. Increased lender reluctance to provide funds to industries or areas that present a risk of CERCLA liability is likely to have a significant adverse effect on these industries or areas.

Lack of credit in these cases may also frustrate environmental interests. Companies that are unable to continue operating because they cannot obtain credit will not be able to make any contribution to the environmental cleanup costs. Consequently, the current thrust of court decisions imposing lender liability under CERCLA may actually frustrate the environmental goals of CERCLA and increase the cleanup costs that must be borne by the government.

While the Board does not have comprehensive data on lender losses due to CERCLA liability to date, clearly significant losses have already occurred. More important to the future is that data from the Federal Reserve Banks suggest that CERCLA liability is, in fact, affecting the availability of credit. Banks are developing environmental guidelines that often indicate that the lender should decline to make loans collateralized by real property when past uses may have resulted in contamination of the property or to make loans to businesses that may use or produce hazardous substances in their operations. In some cases it appears that banks are declining to make loans regardless of the safety of a borrower's handling of hazardous substances.

In addition, banks are examining property carefully before they foreclose on it and are sometimes walking away from their collateral to avoid environmental liability. This problem appears to be widespread and is not confined to industrial areas of the country or to particular types of businesses. Virtually every Federal Reserve Bank reported instances when lenders had walked away from collateral, even when the collateral was the only source of repayment for the loan. The experience of walking away from collateral to avoid CERCLA liability is likely to cause lenders to become increasingly cautious about loans to many businesses or areas, even if no actual liability has been incurred under CERCLA.

In carrying out its examination and supervisory activities, the Federal Reserve expects banking organizations to have policies and procedures in place to monitor and control the risks to which banking organizations are exposed. However, banks have experienced difficulty in determining the appropriate protective practices to minimize the potential for CERCLA liability. Lending institutions are at risk for hazardous waste liability whether they have ignored hazardous waste issues altogether or have actively attempted to monitor the safety of their borrowers' operations. The Board currently is developing guidelines for bank examiners to follow in determining whether a lending institution has adopted appropriate procedures and safeguards to recognize potential hazardous substance problems. Unfortunately, given the current state of the law, there is no clear guidance that we can provide as to how an institution can extend credit and still avoid liability.

Besides private sector liability, CERCLA raises significant issues concerning the funding of government operations. Many lending institutions that are potentially subject to CERCLA liability are federally insured through the bank and thrift insurance funds. Unlimited liability under CERCLA poses a potential threat to the capital and solvency of these institutions and in some cases could result in the costs of hazardous substance removal being borne by the bank and thrift insurance funds. We understand that the Federal Deposit Insurance Corporation (FDIC) has already incurred losses as a result of CERCLA.

Further, many agencies and instrumentalities of the federal government, such as Federal Reserve Banks, Federal Home Loan Banks, the Farm Credit System, and the Small Business Administration, are also lenders. Lender liability presents a threat to the ability of these organizations to carry out the missions assigned to them by the Congress. The Federal Reserve Banks fulfill important functions in providing adjustment credit and acting as a lender of last resort for depository institutions. In acting as lender of last resort, a Federal Reserve Bank may advance funds to a depository institution collateralized by the institution's loans, which may, in turn, be secured by real property. Should the institution fail, the FDIC, as receiver, would likely acquire the loans from the Reserve Bank and would be left holding the loans. In these cases, the FDIC would be exposed to lender liability to the same extent as the original lender.

It is not appropriate to shift the risks and expenses of environmental cleanup costs from the funds allocated by the Congress for this purpose to the bank and thrift insurance funds or to governmental instrumentalities such as the Federal Reserve Banks. Federal agencies and instrumentalities have been charged by the Congress with particular responsibilities. Their funds are intended to be used to fulfill these responsibilities, not to cover the costs of hazardous substance removal.

Any legislation to limit the application of CERCLA liability should apply to all lenders and should strive to delineate clearly those activities that will lead to CERCLA liability. H.R.1450 and S.651 present different approaches for reducing potential lender liability problems under CERCLA for both the private and public sectors. While each bill has strong points, both bills leave unanswered questions as to what duties, if any, a lender must perform to preserve the limitation on its liability.

H.R.1450 would amend CERCLA to require that a lender exercise "actual, direct, and continual or recurrent exercise of managerial control" that "materially divests the borrower, debtor, or obligor of such control" to be held liable for cleanup costs. Lenders with a security interest in property or lenders that had acquired title to the property through foreclosure or other means primarily for the purpose of protecting a security interest would not be subject to liability. These limitations on liability would be available broadly to all lenders and would protect governmental as well as private lenders. However, under H.R.1450 it is not clear whether lenders, either private or public, would be required to perform an environmental evaluation to avoid liability. Lenders that caused or exacerbated the release of hazardous substances would continue to be liable for costs resulting from their actions. In addition, lenders would still run the risk of nonpayment from borrowers that incurred CERCLA liability.

Rather than amend CERCLA directly, S.651 would amend the Federal Deposit Insurance Act to limit the liability of mortgage lenders and federally insured depository institutions for the cost of hazardous substance removal. It appears that the liability of these lenders would be limited to the amount of the loan made by the lender or the actual benefit received by the lender from the cleanup of the property, up to the amount of the loan. S.651 also provides that mortgage lenders or insured depository institutions will not be liable for cleanup costs based on their unexercised capacity to influence the operations of a borrower. Under S.651, however, a lender would lose all benefit of the exemption if it caused or contributed to the release of hazardous wastes, and it is not clear under what circumstances a lender would be considered to have caused or contributed to a release or what actions a lender must take to prevent a release. This stringent standard, juxtaposed against the severe implications of being found responsible, could be a serious inhibition to a lender's willingness to lend.

S.651 addresses the concerns of public sector lenders directly and provides protection for public sector lenders by excluding them from liability for hazardous substance removal, by extending that immunity to the next purchaser of the property, and by exempting property acquired from CERCLA liens. These provisions would improve the ability of public sector lenders to obtain repayment of their loans and would limit the extent to which the funds of these lenders are diverted to pay for hazardous substance cleanup costs.

In closing, it is in the interests of the financial and environmental communities to find a balanced solution to the lender liability issue. If this issue is not resolved, we risk a reduction in the availability of credit to any industry, area, or borrower that appears to present a risk of liability for hazardous substance removal. We also risk imposing additional costs on the bank and thrift insurance funds to pay for environmental cleanup costs that would otherwise be met from the funds allocated by the Congress for that purpose. In light of these considerations, we believe that the environmental goals of CERCLA will be furthered rather than hampered by the provisions of H.R.1450 or S.651. □

Statement by Alan Greenspan, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, June 11, 1991.

I am pleased to have the opportunity to appear before this committee today in support of the Foreign Bank Supervision Enhancement Act, which is designed to strengthen the supervision and regulation of foreign banks operating in the United States. As you have requested, I will also comment on section 231 of the Financial Institutions Safety and Consumer Choice Act of 1991 (H.R.15015), the banking reform proposal, which deals with proposed restrictions on activities of foreign banks in the United States.

Each of these legislative proposals has far-reaching significance for the U.S. financial system. The liquidity and depth of the U.S. banking environment have, to a great extent, been made possible by the participation of foreign banks. The active presence of foreign banks in this country has helped to assure the continued importance of the United States in international financial markets and has contributed to the growth of banking, including international banking, in several U.S. cities. Of equal significance, foreign banks have been a substantial source of credit for all types of American businesses in all parts of this country.

It is clear that foreign banks occupy an important and growing place among banking institutions in the United States. At the end of 1990, there were 290 foreign banks with operations in the United States having aggregate assets of $800 billion. The great bulk of these operations are conducted in branches and agencies, which alone had aggregate assets of $626 billion, or 18 percent of total banking assets in this country, as of the end of 1990.

The Board is concerned that the framework for supervising the U.S. operations of foreign banks is not as strong as it could be. The discovery of fraud and other criminal activity at a small number of foreign banks has convinced us of the need to direct greater attention to these operations on a coordinated basis. For this reason and because we have a strong interest in ensuring the soundness and integrity of the U.S. banking system, the Board has proposed the legislation being considered here today.

To this end, the legislative proposal would establish uniform federal standards for entry and expansion of foreign banks in the United States, including, importantly, a requirement of consolidated home country supervision as a prerequisite for entry into the United States and the application of the comparable financial, managerial, and operational standards that govern U.S. banks. The proposal would also grant regulators the power to terminate the activities of a foreign bank that is engaging in illegal, unsafe, or unsound practices and provide regulators with the information-gathering tools necessary to carry out their supervisory responsibilities. The proposal would clarify the Board's examination authority over foreign banks by providing that it may coordinate examinations of all U.S. offices of a foreign bank.

At the same time, my colleagues and I believe that, with proper supervision and subject to appropriate regulatory standards, foreign banks should be able to continue to participate in the

U.S. market through branch operations. Consequently, the Board has serious concerns about section 231 of the banking reform legislation, which requires that such branches be closed as a prerequisite to conducting new financial activities.

I shall first discuss the Foreign Bank Supervision Enhancement Act and then turn to section 231 of the banking reform legislation, H.R.1505.

Foreign Bank Supervision Enhancement Act

As I have already stated, foreign bank operations in this country are large and growing, accounting now for approximately 21 percent of U.S. banking assets. The criminal activity that was discovered in several foreign banks over the past several years has convinced the Board that there needs to be greater, more comprehensive, and better-coordinated attention paid by state and federal regulators to the U.S. offices of these institutions. There is no evidence at this time that the problems are widespread in relation to the overall presence of foreign banks in the United States; nevertheless, recent experience in other areas of the financial services industry demonstrates that early warning signs of trouble should not be ignored.

As a result of these recent supervisory problems, the Board conducted a review to determine whether the existing statutory framework governing foreign bank operations in this country is adequate. From that review, we have developed and recommended for enactment the Foreign Bank Supervision Enhancement Act.

The legislation is not intended to impose sweeping new requirements or to alter radically the framework governing foreign bank operations in the United States. Rather, its purpose is to build upon and complement the existing supervisory structure to fill those regulatory and supervisory gaps that experience has demonstrated exist.

The Board has proposed this legislation not only to provide better tools to deal with potential illegal activity but also because of our continuing strong interest in ensuring that all banking institutions in the United States observe the same regulatory and supervisory standards and operate in a safe and sound manner. The proposal is also intended to ensure that the banking policies established by the Congress are implemented in a fair and uniform manner with respect to all entities conducting a banking business in the United States. It is important to note at this point that the legislative proposal will not foreclose every problem that could arise with a foreign bank. Fraud is extremely hard for any regulatory authority to detect, especially when bank employees actively conspire to prevent official scrutiny or when all relevant information relating to the fraudulent activity is maintained outside the United States. The legislative proposal is intended to minimize the potential for illegal activities by creating a bar to entry by questionable organizations and to provide as many regulatory and supervisory tools as possible to investigate and enforce compliance with U.S. laws and regulations.

Uniform Standards for Financial and Managerial Strength

The Board recommends that the law establish clear and definite standards that would apply to any foreign institution seeking entry into the United States. Under the current system, a state may allow entry by a foreign bank based on its own criteria, which could differ substantially from the criteria applied by another state. There should be a common set of minimum standards that all applicants must meet to be participants in the U.S. banking market. These standards must be designed to continue to permit strong international banks to do business in the United States but to deny entry to weakly capitalized, poorly managed, or inadequately supervised institutions.

The proposal would not in any way replace or substitute for state regulatory approval of foreign bank branches and agencies. A state must still license a branch or agency of a foreign bank and must apply its own standards to the establishment and ongoing operation of the office, including standards that may be more stringent or rigorous than those proposed here. The proposal establishes a minimum standard that all foreign banks operating in the United States must meet because of the significance and impact of these institutions on our nation's banking system. For these reasons, the Board believes that foreign banks should meet the standards of financial responsibility comparable to those applied to U.S. banks, including the standards that would be applied to a U.S. bank operating internationally.

Consolidated Supervision

My colleagues and I believe that it is critical that any foreign bank entrant be subject to comprehensive supervision on a consolidated basis by a home country regulator. When an institution operates internationally in separate jurisdictions with differing laws and regulations, consolidated review and supervision is the only means of determining its financial condition and the extent and lawfulness of its operations. Comprehensive, consolidated regulation has in recent years become a necessary response to the globalization of financial markets.

This standard of comprehensive and consolidated supervision was not a generally accepted principle of international bank supervision at the time the International Banking Act was adopted, as it is today, and became so only after experience demonstrated the problems associated with fragmented review of an international bank's operations. The Board recommends incorporation of this standard into the laws governing foreign banks operating in the United States.

Access to Information

The Board also recommends that the uniform standards include a requirement that a foreign bank agree to supply information on its activities and operations that a regulatory agency finds to be necessary to determine whether the bank is in compliance with U.S. banking requirements. Recent experience has demonstrated the critical importance of agency access to this type of information. Without this type of agreement, it is difficult for the agency to detect and enforce compliance with the banking laws. The agency is in the position of having to use its enforcement authority to attempt to gain access to information that the bank may be trying deliberately to shield by holding it offshore.

The provision is not intended to grant authority to the banking agencies for "fishing expeditions" or to allow the exercise of extraterritorial jurisdiction over the non-U.S. operations of the foreign bank or to provide access to the records of customers unrelated to the bank's compliance with U.S. banking laws. Rather, the provision seeks to confirm that a foreign bank that chooses to participate in the U.S. market, with all attendant privileges and responsibilities, will also make available to banking regulators information that is directly relevant to determining and enforcing the bank's compliance with U.S. banking requirements.

Requirement for Prior Review

As a means of implementing these standards, we recommend that the Congress adopt a requirement of prior federal review that applies these standards to the proposed entry by a foreign bank through any form of banking office, whether a state or federally licensed office or a commercial lending company. The International Banking Act gave the Board certain responsibilities for the supervision of foreign banks in the United States, but no federal agency has a voice in deciding whether individual institutions seeking to enter U.S. markets through state branches, agencies, or commercial lending companies meet the standards generally applicable to banking organizations in this country. As the Board is the agency charged with responsibility for the overall supervision of foreign banks in this country, it is our view that the Board should have a role in deciding whether the foreign bank may establish or maintain a U.S. banking presence. This practice applies in other areas of federal bank regulation, and, given the size and importance of foreign bank offices in the U.S. banking market, the practice should be applied to these institutions as well.

Supervision of Representative Offices

Foreign banks also participate in the U.S. market through representative offices. These offices are ones at which a foreign bank may promote the services offered by the foreign bank but may not engage directly in a banking business with customers. Representative offices may not make credit or other business decisions but must refer such decisions to the home office. Because their activities are intended to be limited, there is a lesser degree of regulation of these offices. There have, however, been instances in which foreign banks have used representative offices to conduct banking activities without licenses. To prevent such instances in the future, we believe that it would be appropriate to require federal review of the establishment by foreign banks of representative offices in the United States and to make these offices subject to examination.

Termination of Activities

Besides the adoption of standards for the establishment of a new foreign bank office that would require federal approval, the Board has recommended that federal authority be provided to terminate the activities of a state branch, agency, representative office, or commercial lending company of a foreign bank. The grounds for such termination would be violations of law or the conduct of unsafe or unsound practices when the continuation of the activities would not be consistent with the public interest or the applicable statutory standards.

Coordination of Examinations

Our experience has demonstrated the need to strengthen and coordinate federal and state examinations of the various branches and agencies of a foreign bank. Many foreign banks operate extensive interstate networks of branches and agencies licensed under the authority of the various states or the Office of the Comptroller of the Currency (OCC). As a result, the timing of the examinations of the various office and the elements of the various examination processes may differ widely. Our experience has also demonstrated that comprehensive supervision requires that the branch offices of a bank should be regulated and examined in a consistent manner.

While the International Banking Act gives the Board the residual responsibility for supervising all of a foreign bank's U.S. operations, it also requires that the Board use the reports of examination of other regulators to the extent possible. The Board believes that the statute should be amended to remove this requirement and to authorize the Board to call for coordinated or simultaneous examinations. Because such coordinated examinations would require the close cooperation of several different regulators, the Board believes that it is preferable that there be clear congressional authorization for such coordination, including authority to coordinate simultaneous examinations when appropriate.

The proposal is not intended to interfere with state efforts to examine and supervise state-licensed branches and agencies. In implementing a coordinated examination program, the Board would anticipate that examinations of state branches and agencies be conducted in a manner similar to those of state member banks. The Federal Reserve has a long record in coordinating examinations of state member banks with the states. The Board applies a flexible approach designed to use resources efficiently while obtaining the necessary information from the examination. The Board may conduct its own examination of the branch, participate in a joint examination, or alternate examinations with the supervisor every other year. Examination of branches and agencies may require greater coordination with the states and the OCC because of the interstate aspect of the foreign bank's operations and the number of different regulators that are involved, but we hope that the end result will provide a more comprehensive picture of a foreign bank's U.S. operations than is currently available. We hope to enhance existing communications and cooperation with federal and state bank regulators in conjunction with the program of coordinated examinations.

Cooperation with Foreign Supervisors

In terms of supervising banks that operate internationally, a crucial aspect is cooperation and coordination with the home country regulators of such banks. Consequently, the Board recommends that the International Banking Act be amended to clarify that the federal banking agencies are authorized to share supervisory information with their foreign counterparts, subject to adequate assurances of confidentiality, when such sharing is appropriate in carrying out the agency's supervisory responsibilities.

Other Proposals

There are several other areas in which we have recommended either enhancing current requirements in the law or extending to foreign banks in the United States the same legal requirements as apply to U.S. banking organizations. These areas include requiring reports by foreign banks with U.S. operations of loans secured by 25 percent or more of the voting shares of any insured depository institution; requiring that a foreign bank with a branch, agency, or commercial lending company in the United States obtain prior approval before acquiring more than 5 percent of the shares of a U.S. bank or bank holding company; clarifying the managerial standards applicable to bank acquisitions in the Bank Holding Company Act; and confirming the authority to impose civil money penalties for violation of the International Banking Act or its implementing regulations. In addition, the proposal calls for designating the relevant federal banking agency to enforce the consumer lending statutes for foreign bank branches and agencies rather than the approach under some existing laws that would leave residual enforcement authority for foreign bank offices with the Federal Trade Commission or in one case the Department of Housing and Urban Development.

I would also note that, as part of the Treasury's proposed legislation on banking reform, state-chartered banks would be limited in their activities to those of a national bank, absent agency approval. If that portion of the banking reform legislation were to be enacted, a similar limitation should be applied to the activities of state branches and agencies of foreign banks.

Foreign Bank Activities in the United States under the Banking Reform Proposal

Section 231 of H.R.1505, the Treasury's banking reform legislation, would require a foreign bank that desires to engage in newly authorized financial activities, such as securities, establish a financial services holding company in the United States through which such activities would have to be conducted by subsidiaries. The provision would also require any foreign bank that chooses to engage in the new financial activities to conduct all of its U.S. banking business through a U.S. subsidiary bank and to close and "roll up" its U.S. branches and agencies into that bank. Finally, under the provision, foreign banks would lose their grandfather rights for U.S. securities affiliates after three years and would be required to obtain approval from appropriate authorities to engage in underwriting and dealing in securities activities in the United States in the same way that a U.S. banking organization would.

The supervisory standards that would be the basis for authorizing affiliates of U.S. banks to engage in newly authorized financial activities and in interstate banking would apply also to affiliates of foreign banks. Such a policy appears appropriate and equitable. However, in implementing that policy, we question the need for the requirement that foreign banks close their U.S. branches and agencies and conduct their U.S. banking business in a separately capitalized U.S. subsidiary bank of the financial services holding company to take advantage of the expanded powers for new activities.

It has been the policy of the United States, at least since the adoption of the International Banking Act of 1978, to apply the principle of national treatment to the regulation of foreign banks in the United States. The Congress in that act recognized that foreign banks operating in this country come from jurisdictions with differing and varied banking structures. The Congress determined that national treatment required adaptation of U.S. legal requirements to provide foreign banks, not with identical treatment, but rather with equivalent, or parity of, treatment. Within the context of applying the principle of national treatment, an effort has been made to limit the extraterritorial effect of regulation in the United States while assuring both that appropriate supervisory safeguards are in place and that no competitive advantages accrue to foreign institutions as a result of the form or structure of regulation in this country.

In the International Banking Act the Congress balanced these concerns by treating foreign banks as bank holding companies for purposes of the nonbanking restrictions of the Bank Holding Company Act but without specifically requiring foreign banks to establish separate holding companies. That approach has worked well for the past thirteen years. In our view, the imposition of the additional legal requirement that foreign banks transfer their banking business in the United States to separate subsidiaries, as a *precondition* to new activities, imposes additional costs on the U.S. operations of foreign banks but does not enhance the safety and soundness of those operations.

We believe that the principle of national treatment does not require that foreign banks operate their U.S. banking business through subsidiary banks in the United States to engage in new financial activities. Moreover, if identity of treatment is a prerequisite for national treatment, the question arises as to whether section 231 may be viewed as denying national treatment because it prohibits foreign banks from branching in the United States from their head offices when U.S. banks would have that authority.

Moreover, the capital and other supervisory standards that are the basis for authorizing affiliates of foreign banks to engage in newly authorized financial activities can be applied without requiring the termination of the branches and agencies of foreign banks in the United States and without requiring that foreign banks establish an intervening U.S. holding company between the parent foreign bank and U.S. activities. The Federal Reserve has for several years taken into account the capital strength of the entire foreign banking organization for purposes of determining whether the organization may commence new U.S. activities under the Bank Holding Company Act. A similar assessment could be made for purposes of the banking reform legislation. Indeed, an assessment of the strength of the entire banking organization would be a better basis for judging a foreign bank's fitness for new powers than would an assessment of only the capital of the U.S. subsidiary bank, and would meet the standards of national treatment and equality of competitive opportunity for U.S. and foreign banks in this country.

There are also other reasons to question the approach of section 231 in its current form. As the Treasury proposal recognizes in advocating domestic interstate branching, a requirement that a banking business be conducted through separately incorporated subsidiaries rather than branches imposes additional costs by not permitting a banking organization to use its capital and managerial resources efficiently. In many of the important banking markets, U.S. banks have been permitted to conduct banking operations through branches on an equal basis with local banks. In bilateral and multilateral discussions, U.S. authorities have correctly argued that a restriction against branching discourages the involvement of U.S. banks in foreign markets. It would be inconsistent not to acknowledge that foreign banks could also be discouraged from involvement in U.S. banking markets by requiring foreign banks to operate only through subsidiaries to engage in new activities.

Foreign banks have made a substantial contribution to the competitive environment of U.S. financial markets and the availability of credit to U.S. borrowers. To the extent the proposal may cause a retreat from the commitment of foreign banks to the U.S. market, it may reduce the availability of credit to American businesses and local governments. Currently, legal lending limits for U.S. branches and agencies of foreign banks are based on the consolidated capital of their parent banks. By contrast, requiring a "roll up" of branches and agencies of a foreign bank into a U.S. subsidiary bank, whose capital is measured separately from the parent, might limit the extent to which foreign banks contribute to the depth and efficiency of markets in the United States and continue to lend to individual borrowers.

Moreover, by compelling a switch from branches, whose deposits now are largely uninsured, to U.S. subsidiaries, whose deposits would be covered by U.S. deposit insurance, we would be increasing the extent to which depositors would look to the U.S. safety net instead of to the foreign parent in the event of problems.

We also have reservations about the purpose that would be served by requiring a foreign bank to establish a holding company in the United States to conduct new financial activities. In particular, requiring a foreign bank to operate through a holding company is not necessary to assure competitive equity for U.S. financial services holding companies or independent U.S. nonbank firms. A foreign bank's U.S. operating company, whether a securities firm or the bank itself, would have to meet at least the same standards required for any other U.S. firm engaged in that business. The question then is whether the requirement of a financial services holding company removes some other potential competitive advantages for foreign banks. We think not. The foreign bank itself would have to be well capitalized. Moreover, any cost advantage a foreign bank may have in its own home market would be available regardless of the structure of its U.S. operations.

Requiring the termination of U.S. branches and agencies of foreign banks and a holding company structure could create inducements for foreign banks to conduct banking operations in less costly environments outside the United States. Such requirements could also encourage foreign authorities to enact similar restrictions on branching activities by foreign banks, including U.S. financial firms, possibly setting off a mutually destructive spiral of escalating restrictions.

Finally, we support the policy reflected in section 231 that would allow a termination of the grandfathered securities activities of foreign banks if foreign as well as domestic institutions are given the power to engage in securities activities under the new structure for financial reform.

CONCLUSION

In sum, the Foreign Bank Supervision Enhancement Act is designed to be consistent with the policy established in the International Banking Act of national treatment for foreign banks and to provide federal regulators with the same authority over the U.S. operations of foreign banks as they have with respect to domestic banks. The proposed legislation does not establish a new scheme of bank regulation; it applies to foreign banks the same structure of regulation as currently applies to domestic banks. The dual banking system is served in the same way as with domestic banks, and the proposed legislation recognizes that states have an important roll in determining whether to permit foreign banks to enter their states under a scheme of state regulation. The proposed legislation also recognizes, however, that the presence of an international bank in the U.S. market has implications that go beyond the boundaries of any one state and that the national policies established by the Congress with respect to banking must also be served.

This legislative proposal will enhance the ability of U.S. regulatory authorities to assess the ability of a foreign banking organization as a whole to support its U.S. operations. The comments I have made on section 231 of the committee print of H.R.1505 also emphasize that such an assessment is a more reliable basis for determining whether a foreign bank should be given new financial powers in the United States. The "roll up" and the holding company requirement run counter to that interest. It would appear that the underlying intent of section 231 is to provide a firm basis for U.S. regulation of foreign banks. We believe that there are other ways to achieve an appropriate level of supervision of foreign banks. The provisions of the Foreign Bank Supervision Enhancement Act would serve that goal without the negative side effects of the "roll up" and the holding company requirements of section 231.

I appreciate having the opportunity to testify on these important issues and would be pleased to answer any questions. □

Statement by Edward W. Kelley, Jr., Member, Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, June 12, 1991.

I would like to thank you for the opportunity to discuss the issues of lender liability under the Comprehensive Environmental Response,Compensation, and Liability Act of 1980 (CERCLA), as well as the solutions to this problem proposed by S.651. The issues presented in this legislation are complex, and I commend the committee for undertaking to explore them fully at this time.

As an initial matter, we strongly support the purposes of CERCLA. We all wish to live in a clean and healthy environment; however, the costs of achieving this goal are substantial. The Environmental Protection Agency has estimated that the cleanup of the 1,200 priority sites alone may exceed $30 billion. The General Accounting Office has estimated that as many as 425,000 sites may need investigation and possibly cleanup.

In light of these potential costs, we have become concerned over the effect of recent court interpretations of CERCLA that have held lenders liable for the cost of the cleanup of hazardous substances found on a borrower's property. Despite an exemption in CERCLA designed to shield lenders from CERCLA liability, these decisions, in effect, place lenders in the role of policing the hazardous substance disposal activities of their borrowers. Lenders are often ill equipped to perform this function, and imposition of unlimited liability can be expected to reduce their willingness to provide credit to prospective borrowers in any business or area where there is a risk of CERCLA liability. A reduction in the availability of credit threatens the viability of these businesses and their ability to contribute to the cleanup of the environment. Consequently, we believe that the imposition of cleanup liability on lenders is counterproductive to long-term environmental goals and is contributing to an unnecessary and unwarranted constriction of credit availability to a wide range of otherwise creditworthy borrowers. We support the objectives of S.651 to limit lender liability for cleanup costs under CERCLA.

Under CERCLA, the owner or operator of a property may be held liable for the entire cost of cleaning up hazardous substances found on a site, regardless of whether they are responsible for the release of the hazardous substance. By its terms, CERCLA generally excludes secured lenders from this liability; however, recent court decisions have largely eroded the protection furnished by this exclusion. Courts have imposed lender liability under CERCLA when a lender secured by property forecloses on property or has "participated in the management" of its borrower by virtue of the rights reserved by the lender under its lending and security agreements with the borrower. With the average projected cost of remedying contamination at sites on the National Priority List climbing to more than $25 million dollars, liability in CERCLA cases may far exceed the amount of the lender's original loan.

Because of the erosion of the secured lender exemption, lenders to borrowers in businesses that are used or produce hazardous substances are faced with a dilemma. Lenders can actively attempt to police hazardous substance disposal by their borrowers, risking being found to have "participated in the management" of the borrower and therefore liable for potential cleanup costs, or they can ignore the borrower's activities and risk nonpayment of the loan. Further, these court decisions may discourage even normal loan collection practices out of concern that they will be found to constitute management.

Lenders already have adequate incentives to encourage their borrowers to engage in environmentally safe practices so that these borrowers will avoid CERCLA liability. However, lenders do not generally have the technical expertise to police the environmental aspects of a borrower's operations. Covenants in borrowing agreements that give lenders a voice in their borrower's activities are designed to ensure that the borrower acts prudently in financial matters and places a high priority on the repayment of the debt, not to permit the lender to substitute its judgment for that of the borrower's in technical aspects of the borrower's business.

Imposing affirmative liability for environmental cleanup costs on lenders because of the exercise of such covenants is likely to do little to prevent the pollution of the environment but is likely to interfere with the availability of credit to even prudent businesses that use hazardous substances, such as farmers, dry cleaners, service stations, and chemical and fertilizer producers. Credit is a necessity for the operation of commercial enterprises. Lenders, already reluctant to extend credit to borrowers that are subject to a high risk of CERCLA liability, will only be deterred further by the prospect of affirmative lender liability under CERCLA. Increased lender reluctance to provide funds to industries or areas that present a risk of CERCLA liability is likely to have a significant adverse effect on these industries or areas.

Lack of credit in these cases may also frustrate environmental interests. Companies that are unable to continue operating because they cannot obtain credit will not be able to make any contribution to the environmental cleanup costs. Consequently, the current thrust of court decisions imposing lender liability under CERCLA may actually frustrate the environmental goals of CERCLA and increase the cleanup costs that must be borne by the government.

While the Board does not have comprehensive data on lender losses because of CERCLA liability to date, clearly significant losses have already occurred. More important to the future is that data from the Federal Reserve Banks suggest that CERCLA liability is, in fact, affecting the availability of credit. Banks are developing environmental guidelines that often indicate that the lender should decline to make loans collateralized by real property when past uses may have resulted in contamination of the property or to make loans to businesses that may use or produce hazardous substances in their operations. In some cases it appears that banks are declining to make loans regardless of the safety of a borrower's handling of hazardous substances.

In addition, banks are examining property carefully before they foreclose on it and are sometimes walking away from their collateral to avoid environmental liability. This problem appears to be widespread and is not confined to industrial areas of the country or to particular types of businesses. Virtually every Federal Reserve Bank reported instances in which lenders had walked away from collateral, even when the collateral was the only source of repayment for the loan. The experience of walking away from collateral to avoid CERCLA liability is likely to cause lenders to become increasingly cautious about loans to many businesses or areas, even if no actual liability has been incurred under CERCLA.

In carrying out its examination and supervisory activities, the Federal Reserve expects banking organizations to have policies and procedures in place to monitor and control the risks to which banking organizations are exposed. However, banks have experienced difficulty in determining the appropriate protective practices to minimize the potential for CERCLA liability. Lending institutions are at risk for hazardous waste liability whether they have ignored hazardous waste issues altogether or have actively attempted to monitor the safety of their borrowers' operations. The Board currently is developing guidelines for bank examiners to follow in determining whether a lending institution has adopted appropriate procedures and safeguards to recognize potential hazardous substance problems. Unfortunately, given the current state of the law, there is no clear guidance that we can provide as to how an institution can extend credit and still avoid liability.

Besides private sector liability, CERCLA raises significant issues concerning the funding of government operations. Many lending institutions that are potentially subject to CERCLA liability are federally insured through the bank and thrift insurance funds. Unlimited liability under CERCLA poses a potential threat to the capital and solvency of these institutions and in some cases could result in the costs of hazardous substance removal being borne by the bank and thrift insurance funds. We understand that the Federal Deposit Insurance Corporation (FDIC) has already incurred losses as a result of CERCLA.

Further, many agencies and instrumentalities of the federal government, such as Federal Reserve Banks, Federal Home Loan Banks, the Farm Credit System, and the Small Business Administration, are also lenders. Lender liability presents a threat to the ability of these organizations to carry out the missions assigned to them by the Congress. The Federal Reserve Banks fulfill important functions in providing adjustment credit and acting as a lender of last resort for depository institutions. In acting as lender of last resort, a Federal Reserve Bank may advance funds to a depository institution collateralized by the institution's loans, which may in turn be secured by real property. Should the institution fail, the FDIC, as receiver, would likely acquire the loans from the Reserve Bank and would be left holding the loans. In these cases, the FDIC would be exposed to lender liability to the same extent as the original lender. If the FDIC chose not to acquire the loans, however, the Reserve Bank would be subject to this exposure.

It is not appropriate to shift the risks and expenses of environmental clean-up costs from the funds allocated by the Congress for this purpose to the bank and thrift insurance funds or to governmental instrumentalities such as the Federal Reserve Banks. Federal agencies and instrumentalities have been charged by the Congress with particular responsibilities. Their funds are intended to be used to fulfill these responsibilities, not to cover the costs of hazardous substance removal.

We believe that the appropriate avenue for remedying these problems is legislation. While we commend the Environmental Protection Agency for its efforts to provide regulations to clarify the secured lender exemption, its efforts are necessarily limited by the current statutory provisions. We believe that greater certainty and protection for both public and private sector lenders will be provided by statutory amendments.

Any legislation to limit the application of CERCLA liability should apply to all lenders and should strive to delineate clearly those activities that will lead to CERCLA liability. S.651 presents a viable approach to reducing potential lender liability problems under CERCLA for both the private and public sectors. While this bill has several strong points, it does not cover all lenders and leaves unanswered questions as to what duties, if any, those lenders that are covered must perform to preserve the limitation on liability.

S.651 amends the Federal Deposit Insurance Act to limit the liability of mortgage lenders and federally insured depository institutions for the cost of hazardous substance removal. It appears that the liability of these lenders would be limited to the amount of the loan made by the lender or the actual benefit received by the lender from the cleanup of the property. S.651 also provides that mortgage lenders or insured depository institutions will not be liable for cleanup costs based on their unexercised capacity to influence the operations of a borrower.

However, under S.651 a lender would lose all benefit of the exemption if it caused or contributed to the release of hazardous wastes or failed to take reasonable steps to prevent continued release. It is not clear under what circumstances a lender would be considered to have caused or contributed to a release or what actions a lender must take to prevent a release. This stringent standard juxtaposed against the severe implications of being found responsible could be a serious inhibition to a lender's willingness to lend.

S.651 also specifically addresses the concerns of federal banking and lending agencies by providing protection for these entities and the next purchaser of the property by excluding them from liability for hazardous substance removal and exempting property held or sold by these agencies from certain CERCLA liens. The federal banking and lending agencies would also be exempted from CERCLA provisions requiring federal government entities that are owners or operators of facilities to provide warranties concerning the cleanup of any property before it can be sold.

These provisions would improve the ability of the federal banking and lending agencies to obtain repayment of their loans or to realize the value of real property and would limit the extent to which their funds are diverted to pay for hazardous substance cleanup costs. The extension of the broader agency immunity to subsequent purchasers should be particularly helpful in this regard by encouraging prospective purchasers to invest in properties that carry a risk of CERCLA liability.

S.651 also requires the federal bank regulatory agencies to promulgate regulations to require the institutions they supervise to adopt procedures for evaluating environmental risks associated with lending secured by property. We believe that the incentives arising from the risk that the borrower will be unable to repay its loan because of its own CERCLA liability are adequate to encourage lenders to evaluate environmental risks related to their borrower's property. Banks are already beginning to undertake these evaluations. Accordingly, we do not believe that it is necessary to add additional regulatory requirements in this area.

In closing, it is in the interests of the financial and environmental communities to find a balanced solution to the lender liability issue. If this issue is not resolved, we risk a reduction in the availability of credit to any industry, area, or borrower that appears to present a risk of liability for hazardous substance removal. We also risk imposing additional costs on the bank and thrift insurance funds to pay for environmental cleanup costs that would otherwise be met from the funds allocated by the Congress for that purpose. In light of these considerations, we believe that the environmental goals of CERCLA will be furthered rather than hampered by the provisions of S.651. □

Statement by John P. LaWare, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Securities of the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, June 12, 1991.

Thank you for this opportunity to give our views regarding possible amendments to the Government Securities Act of 1986. At the outset, let me note that the Federal Reserve Board continues to support the recommendations of the joint Treasury–Securities and Exchange Commission (SEC)–Federal Reserve Board study—most important, that the Congress extend the Treasury's rulemaking authority over the market beyond the current sunset date. The experience of the past several years can, in our view, be read as ratifying the importance and usefulness of the Government Securities Act and of the rules that the Treasury has promulgated under the authority that the act granted it. In its capacity as rulemaker, the Treasury has effectively addressed the concerns about the maintenance of a fair, honest, and liquid market that motivated the original legislation. Thus, in light of both its experience and its special expertise in this market, the Department of the Treasury should retain its current authority to write the rules in the market for government securities.

Before getting into the specifics of other suggested amendments, I would like to lay out the Board's frame of reference in approaching this issue. Specifically, we begin from the premise that it is absolutely essential to preserve the extraordinary liquidity and efficiency of the government securities market. This liquidity both facilitates the implementation of monetary policy through open market operations and allows the Treasury to issue federal debt at the lowest possible cost to the taxpayers. Investors accept a lower rate of return on government securities, in part, because they know that this market is deep and broad and liquid—large transactions can be made quickly with relatively little effect on prices and can be, if necessary, reversed just as quickly with relatively low transactions costs. While we view market liquidity as essential, this is not to say that investor protection is not also a legitimate concern. It is an important concern in its own right, and, if not adequately addressed, a loss of investor confidence in the fairness and functioning of the government securities market could itself impair liquidity.

But any securities regulation involves costs—directly to the issuer, customer, or dealer, as well as indirectly by potentially diminishing the general liquidity of the market. Consequently, in weighing the advisability of new legislation to add regulation, the Congress will, of course, want to assure itself that the expected benefits of any new regulation exceed the associated expected costs. Several years ago, when drafting the Government Securities Act, the Congress explicitly considered the case for broader regulation of sales practices and some other areas but chose not to make it part of the act. In the Board's view, a convincing case for calling this decision into question has not yet been made.

In the area of sales practice rules, the General Accounting Office's (GAO's) report in September 1990 recommended that the Congress amend the Securities Exchange Act to authorize a federal agency to adopt rules of fair practice applicable to all government securities brokers and dealers, addressing, at a minimum, dealer markups and investor suitability requirements. The Treasury's proposed legislation would do just that and would designate the Treasury itself as the federal agency in charge, with quite broad powers in this area.

In taking a closer look at these proposals, our experience in applying markup rules elsewhere suggests that there are significant difficulties and ambiguities in administering such rules fairly. Even if judgments about the reasonableness of markups in this fast-paced market could be made on an *ex-post* basis, it could be difficult to formulate meaningful criteria for use in making *ex-ante* judgments and providing guidance to dealers. The government securities market spans a wide range of securities, from the extremely liquid, so-called on-the-run Treasury securities, for which bid-asked spreads are razor-thin, to the more exotic and sometimes tailor-made hybrids and derivatives, for which a fair markup could be sizable.

In the same vein, the Board is concerned that suitability rules could impose a burden on the government securities market by adding to costs, delaying the execution of transactions and potentially limiting the range of legitimate investments available to a dealer's customers. Moreover, many of the losses in the government securities market cited by the GAO and others in support of sales practice rules have involved large investors, whom one would expect to have the sophistication to judge the appropriateness of various investments themselves. It is doubtful that any suitability rules should apply to those best described as institutional investors.

There are, nevertheless, concerns that smaller and perhaps less sophisticated investors may, at times, have been subjected to high-pressure sales tactics and sold inappropriate investments. As the regulator of state-chartered member banks, some of whom have been the targets of such practices, the Board is aware of this possibility, and in 1988 the Board, along with the other bank regulatory agencies, adopted a policy statement regarding the selection of securities dealers and unsuitable investment practices. The policy statement lists standards that an institution should apply when selecting a dealer and describes the interest rate risk characteristics of several extremely volatile instruments, such as stripped mortgage-backed securities, noting that such instruments "cannot be considered as suitable investments for the vast majority of depository institutions." The adoption of the policy statement, together with an effort to educate banks to the risks involved, has virtually eliminated the problem for the banks we regulate.

There are other investors for whom this would not be a practical or a complete solution, however, and the Board recognizes that the Congress may conclude that additional sales practice rules are desirable to help curb existing or potential abuses. In that case, perhaps the least costly measure would be a simple removal of the prohibition on the National Association of Securities Dealers, Inc. (NASD) applying its sales practice rules to government securities transactions. Allowing the NASD to apply its existing rules to government securities sales by its members would parallel what is already the case for New York Stock Exchange (NYSE) member firms, and it would extend coverage to all nonbank brokers and dealers. In this process, which would in essence take place with oversight by the SEC, we would favor substantive consultation and cooperation with the Department of the Treasury as the primary regulator of this market.

In our view, going further than this—to cover bank dealers—is unnecessary, given the lack of allegations of sales practice abuses involving these dealers. Bank examiners routinely go through customer complaint files, and this is an area in which they simply have not been seeing complaints. We believe that the bank supervisory agencies, through the use of frequent and detailed examinations and other tools at their disposal, have the ability to identify any abuses quickly, should they develop.

The issue of whether legislation is needed to expand access to information about securities trading through interdealer brokers appears at present to be very nearly moot. An independent corporation sponsored by the Public Securities Association and owned by the brokers and dealers is moving toward implementation of its plan to disseminate price and volume information on a fee basis in just a few days. We recognize that this initiative may have been motivated strongly by the possibility of legislative action. But we believe that so long as it is going forward, actual legislation and associated regulatory oversight are unnecessary and could actually constrain rapidly changing market practices. Should this latest private sector initiative falter, however, or should the information prove inadequate, our view of the desirability of a legislative response likely would change.

With respect to the GAO recommendation that Securities Investor Protection Corporation (SIPC) insurance be extended to customer accounts at registered government securities brokers and dealers, there could be some marginal benefits in terms of customer protection, but other regulatory changes might be necessary in connection with the adoption of this proposal. For example, the SIPC has pointed out that the proposal raises major questions about regulatory oversight because all current members of the SIPC are subject to the full rulemaking authority of the SEC. A range of related questions warrants further study before a definitive conclusion can emerge about the desirability of expanding SIPC coverage.

On a minor note, we question the Treasury's recommendation that the act be amended to provide for information to be furnished to the Treasury directly by the Federal Reserve Banks, rather than through the Board of Governors as it is now. Any information that the Treasury might need from the Federal Reserve to carry out its responsibilities under the Government Securities Act likely would be obtained through our supervisory authority, and the Board has detailed, well-established procedures concerning the release of such information. The proposed rule change would be inconsistent with those procedures. Accordingly, in the absence of a clear need for such a change, we would oppose it.

Finally, committee staff has requested that we also address a recent episode in the Treasury coupon market, in which strong demands by a few participants apparently "squeezed" others in the market who had committed to deliver last month's two-year Treasury note. As a result, prices were distorted for a time in the market for the security and for its financing. In the wake of that incident, questions have arisen about whether current regulations provide adequate protection against the potential for manipulative practices in this market. As is the case for the other concerns being addressed here today, equitable and nondistorting regulations are not easy to design, and we would counsel caution in expanding regulation lest the cost to the taxpayer be excessive. Certainly, we do not want to interfere with strong bidding for securities that lowers the cost to the taxpayer of servicing the public debt. But if that strong bidding results in the perception that prices of Treasury securities are arbitrary and subject to manipulation, marketmakers and investors could turn away from these instruments, impairing liquidity and ultimately lowering demand in the market with adverse effect on the cost to the government. Both the facts and the outlook in this area are worth studying further, and it may be that additional rules or reporting requirements will be found to be in order. At this point, however, no new legislation appears to be needed, and a range of possible responses could be implemented under the Treasury's existing authority.

In sum, by instituting an effective and comprehensive regulatory structure, the Government Securities Act of 1986 appears to have largely accomplished its goals. It is the Board's position that the need for additional legislation, beyond that already proposed in the joint Treasury–SEC–Federal Reserve Board study, has not been decisively demonstrated. Nevertheless, we would not stand in opposition to a modest broadening of the scope of regulation over this market through the removal of the prohibition on the NASD's applying its existing sales practice rules to the government securities activities of its members. However, we would view substantial additional regulation as not only unnecessary but detrimental. The creation of a whole new panoply of rules and regulations likely would prove an inefficient and potentially very costly way of dealing with the relatively few abuses that have occurred in this area. □

Statement by Alan Greenspan, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Ways and Means, U.S. House of Representatives, June 18, 1991.

I am pleased to appear before this committee to discuss U.S. international competitiveness. This topic has received much attention over the past two decades as the U.S. economy has become increasingly more open.

The concept of competitiveness can mean different things to different people, depending on their particular perspective; so let me begin by defining terms. At the level of the individual firm, competitiveness is, of course, gauged by bottom-line performance in the market. Competitive firms are those firms whose costs of production lie sufficiently below the market price of the output they sell so that they earn a rate of return on equity at or above the market cost of capital. Competitive firms survive, increase their market share, and prosper; uncompetitive firms do not. A similar concept of competitiveness is often applied at the national level as well. The country's international performance is frequently monitored by such measures as the shares of its exports in world markets, movements in its trade balance, and movements in its aggregate price level and production costs relative to those of other countries.

At the national level, however, such conventional measures of competitiveness lose much of their meaning or at best are difficult to interpret. In today's open world trading system, exchange rates tend to adjust over time to ensure that the country's international accounts return to balance. For example, if overall production costs rose in the United States, everything else equal, the dollar would depreciate against other currencies, restoring the price and profit competitiveness of U.S. firms, thereby enabling them to maintain their sales abroad.

However, a gain in price competitiveness associated with a depreciation of the dollar, while good for U.S. firms that compete internationally, could actually worsen overall economic well-being in the United States. A lower dollar means that we must sell more of our output to buy a given amount of foreign-produced goods and services.

Our competitiveness as a nation, therefore, goes beyond movements in the shares of our exports in world markets and the international price competitiveness of our firms and industries. The ultimate test of the country's competitiveness is what is happening to the standard of living of our citizens over time.

Over the past four decades, U.S. real—or inflation-adjusted—per capita national income has more than doubled. The United States continues to enjoy the highest standard of living among major industrial countries. In 1990, U.S. real per capita income was about 30 percent more than that in both Japan and Germany, our major competitors among industrial countries. We enjoy a similar advantage in total manufacturing productivity.

It is also clear, however, that the gap between the United States and other major industrial countries has narrowed substantially over the postwar period as per capita income and productivity have grown substantially faster abroad. In some areas, individual firms and even entire industries in other countries may well have caught up to and passed their U.S. counterparts. Does this narrowing of the productivity gap mean that we are a nation in decline? Not in and of itself.

To a considerable extent, the narrowing of the gap has been inevitable, reflecting economic forces that are shrinking the globe, providing a strong stimulus to international trade, and making countries better informed about each others' products and production techniques. It is clearly easier to grow fast by catching up, using techniques and processes that have already been developed, than by breaking new ground through technological innovation.

One important factor that has contributed to this process of economic convergence as well as to the rapid expansion of world trade in the post-World-War-II period is what I have broadly referred to elsewhere as the "downsizing of economic output." Goods now derive a smaller proportion of their value from the volume of physical matter embodied in them. Advances in design and engineering, the use of lighter but stronger materials, and the availability of smaller but more reliable electronic components all have contributed to the downsizing of output. The increasing importance of conceptual content in output reflects, in part, the explosive growth of information gathering and processing, which has greatly extended our analytical capabilities of substituting ideas for physical volume.

The downsizing of output, combined with significant advances in intercontinental transportation and communication, has facilitated the rapid growth in international trade that we have seen in recent decades. Moreover, information about new products and new technologies spreads further and much more rapidly today than it did just a few years ago. As information-processing capabilities increase in all countries, technological and productivity gaps likely will continue to narrow further.

While other countries have benefited greatly from technology that has been developed first in the United States, U.S. residents, too, have benefited significantly from the rapid growth of productivity abroad. As goods and services produced abroad improve in quality or decline in price, opportunities for international trade are enhanced and U.S. consumers who import foreign goods and services benefit directly.

The rapid growth of international trade over the past four decades has enhanced our standard of living more generally in several respects. One way is the well-known gains from specialization and exchange, commonly referred to as the law of comparative advantage. Just as individuals within a country gain by devoting their energies to what they do relatively well and exchanging their output for the output of others, so do entire countries gain through specialization and exchange. By specializing in industries in which they are relatively efficient producers and trading for products in which they are relatively inefficient, the citizens of all countries increase the total amount of goods and services available for their own consumption.

Another source of gains from trade is the stimulus to the efficiency of domestic production that is provided by international competition. For example, increases in the quality of U.S. automotive products since the early 1970s were stimulated, in part, by the competition of Japanese and European automakers. Although the implications for workers in the domestic automobile industry were not always positive, those implications for consumers and their standard of living were definitely so. In addition, the rapid expansion of U.S. exports over the past several years owes much to a period of capacity enhancements and productivity improvements by U.S. manufacturing firms earlier in the 1980s when the dollar was strong and foreign competition was intense.

In a dynamic competitive world economy, with new products, technologies, and production processes continually coming on stream, some firms and industries will always be on the decline as others are on the rise. Protectionist pressures often arise when foreign competition intensifies for a domestic industry that is in decline. The ailing industry has a strong incentive to seek protection from foreign competition; the losses of those put out of business and out of jobs are real. However, the appropriate policy response to an industry that is losing ground to foreign competition is not to erect barriers to imports but rather to facilitate the redirection of workers who do lose their jobs to more productive employment opportunities elsewhere. If the protectionist route is followed, newer, more efficient industries will have less scope to expand, and overall output and economic welfare will suffer.

It is noteworthy that despite the alleged weakening of our international competitive position during the 1980s, it can scarcely be argued that jobs have been lost, on balance. In fact, the unemployment rate by the latter part of the 1980s, at below 5½ percent, was the lowest level since the early 1970s. Moreover, the view that employment growth has been concentrated in less productive areas more recently is not supported by the data. Indeed, real wages and salaries per worker grew almost as fast during the 1980s as they did during the 1970s.

It is, of course, prudent to be vigilant against unfair trade practices or excessive concentration of market power on the part of foreign firms. Nevertheless, the current level of protection in the United States seems well in excess of the response that would be warranted by the actual existence of unfair trade practices abroad. By some plausible estimates, the unilateral removal of quantitative restrictions now placed on U.S. imports of textiles, apparel, and various agricultural products would result in net gains to U.S.

consumers amounting to the tens of billions of dollars. Moreover, the complete removal of existing foreign restrictions on U.S. exports probably would reduce our trade deficit by only modest amounts.

While the traditional impetus for protection has been the loss of domestic market share and jobs to foreign competition, a new school of thought argues that a case can be made for government intervention in the form of promotion of technological change and innovation in particular industries. Certain industries promise the possibility of high profits or above-average wages to employees because of increasing returns to scale in production, spillover benefits to related industries, and barriers to market entry associated with high initial research and development costs. As the argument goes, other countries are beating us to the punch in such high value-added areas because their governments have heavily subsidized initial expenditures for research and development.

This argument has some appeal, but I would caution against adopting a policy of targeting particular industries for special support from the government for several reasons. First, if the potential returns to specific industries are really as high as promised, in many cases private investment could be expected to respond. Second, it is not at all clear that the government is in any better position than the private market to identify those particular firms or industries that are most deserving of support for research and development. Third, even if the spillovers were significant and obvious enough in a given case to warrant government subsidies, making an exception in one case would risk the spread of government intervention to less clear-cut cases.

I have suggested that the narrowing of the gap between U.S. productivity and that of our major trading partners, to a considerable extent, has been both inevitable and beneficial. Nevertheless, more could be done to promote productivity growth in the United States.

Some observers have suggested that a case can be made for government support for basic research and development, that is, support not directed at specific products or industries. However, it is important that government involvement in this area be implemented in such a way that it reinforces but does not supplant private market decisions. Much the same could be said for additional government expenditures on education and training.

More could be done to remove outmoded or unnecessary government restrictions on U.S. private industry. In areas where high value added and spillovers are present, the gains in terms of our standard of living could be significant. To take an example, legislation is now pending to put U.S. banks on a more equal footing with foreign banks by allowing them to provide a more complete range of financial services to their customers. In the absence of such banking reform, we could see a decline in the prominence of the United States as an international financial center, and a potential loss of highly skilled jobs in financial services and allied industries.

Because the arguments for free trade are so compelling, one sure way to enhance the prospects for our national standard of living is to continue to work to remove existing barriers to trade globally. Indeed, the primary thrust of U.S. trade policy has been, and must continue to be, to strive for multilateral reduction of trade restrictions under the auspices of the General Agreement on Tariffs and Trade (GATT). I attach great importance to bringing the current Uruguay round negotiations to a successful conclusion. Much progress has been made already in the talks, and prospects may have improved for ironing out remaining nettlesome areas, particularly in agriculture. Any significant step that could be taken toward tearing down the extremely inefficient and costly worldwide system of government subsidies to agriculture would be a breakthrough that would have many benefits.

The recent extension of the fast-track authority was an important step both for the GATT talks and for the establishment of a North American Free Trade Agreement. With respect to our impending negotiations with Mexico, predictably, some U.S. industries may be hurt by increased competition from that country. But all of the comprehensive studies that I have seen on the subject indicate that the increase in trade with Mexico that will follow a removal of existing trade barriers, on the whole, will result in a net gain in both jobs and incomes for U.S. residents as well as for the residents of Mexico.

Perhaps the most important means at the government's disposal to improve U.S. international competitiveness and our standard of living in the long run is to pursue sound macroeconomic policies. It goes without saying that a stable financial system and steady progress toward price stability will tend to minimize risk and enhance the attractiveness of investing in the United States—both by U.S. investors and by investors from abroad. Policies that contribute to low inflation among our major trading partners at the same time will lead to more stable exchange rates and contribute to further sustained growth of international trade and, accordingly, domestic real incomes.

On the fiscal side, the connection between movements in our budget deficits and our external performance, within the equation between national saving and investment, was confirmed by events during the 1980s. The widening of the federal budget deficit, along with a downtrend in the U.S. private saving rate, contributed to an increase in both real interest rates and the dollar's exchange rate during the first half of the 1980s. The stronger dollar and associated decline in the price competitiveness of U.S. firms, in turn, contributed to a sharp widening of the trade deficit and declines in the world market shares of U.S. exports. In the second half of the 1980s, the budget deficit turned around, interest rates and the dollar fell, the U.S. trade deficit began to narrow, and the world market shares of U.S. exports recovered strongly.

Despite the swing in the U.S. external position during the 1980s, U.S. investment continued to show reasonably strong growth, and productivity in manufacturing advanced at an above-average annual rate of 3½ percent. However, given the low and declining U.S. saving rate, the growth in investment was necessarily at the expense of future consumption by U.S. residents. The shortfall of U.S. domestic saving was made up by a substantial net inflow of capital from abroad. All told, the increase in our net debt to foreigners over the past ten years amounted to about $750 billion. Servicing that increased net debt over the years ahead will mean that the rate of consumption in the United States relative to our output will be lower than it would otherwise have been.

There is no question that the decline in the U.S. national saving rate has been costly and that the recovery of that saving rate should be a national priority. At a minimum, we should ensure that progress toward eliminating the federal budget deficit over the next five years, as envisioned in last year's budget agreement, is achieved. □

Statement by David W. Mullins, Jr., confirmation hearing on nomination to become Vice Chairman, Board of Governors of the Federal Reserve System, Committee on Banking, Housing and Urban Affairs, U.S. Senate, June 18, 1991.

Chairman Riegle, Senator Garn, and members of the committee, it is a privilege to appear before you today as President Bush's nominee to serve as Vice Chairman of the Federal Reserve Board. I am deeply honored that the President has asked me to assume this additional responsibility.

When I appeared before you seeking confirmation of my appointment to the Board last year, I spoke briefly in my opening remarks on what I thought should be the basic goals in the two major areas of Federal Reserve activity: monetary policy and financial regulation. The last year has indeed been a challenging one on both fronts. With your indulgence, I would like to revisit these topics from the perspective of a year later.

MONETARY POLICY

On the first topic, monetary policy, I believe that the Federal Reserve should seek to maximize sustainable economic growth. Inflation is detrimental to this objective. Steady, credible policies with respect to the growth of money and credit should contribute to fostering sustainable economic growth with progress toward price stability. Of course, fiscal policy, international influences, and economic shocks play important roles in affecting the path of the economy as well.

On a conceptual level, monetary policy is straightforward. However, the past year demonstrates the practical complexities encountered in conducting monetary policy. Not long after I arrived at the Board, we were confronted by a series of extraordinary events that presented a challenging mix of risks for the economy and financial markets. In short order, we were confronted with the conflict in the Persian Gulf, the associated spike in world oil prices and collapse of consumer confidence; the fiscal policy debate in the Congress that presented markets with the prospect of budgetary paralysis; and, of course, the stresses in our financial system, which led to what is commonly referred to as the credit crunch. This environment was indeed a complex financial and economic one that faced the Federal Reserve as the economy moved into recession in the second half of 1990.

In response, the Federal Reserve has sought to counteract the contractionary forces in the economy, utilizing open market operations, along with cuts in the discount rate and reduced reserve requirements, to bolster growth in money and credit. As you know, the economy responds with a lag to monetary policy actions, and the stimulative effects of these actions are working their way through the economy and will continue to do so in the months ahead. While inflationary pressures appear to have diminished in recent months, we must continue to be sensitive to the risks that inflation poses to the objective of fostering economic growth in both the long run and the near term.

Although the past year has been marked by economic shocks and recession, recent developments have been encouraging and suggest that the economy may well have bottomed. The prospects now seem favorable for a recovery that leads into a longer-term period of economic expansion and progress toward price stability. I believe, as my colleagues do, that we must continue to assess developments carefully and stand prepared to take appropriate action to foster such an outcome.

Financial Services Reform

When I was last before this committee, I spoke of the need for comprehensive modernization of the regulation of our financial services system. In the past year, the need for such reform has been underscored by stresses within the financial system and pressures on the Federal Deposit Insurance Corporation's (FDIC's) bank insurance fund. Because constraints in credit availability within the banking system have a potentially contractionary influence on the economy, they have been an important consideration in making monetary policy. Stresses in the financial system have also been a focal point of our work in the field of banking supervision and regulation.

I believe that these difficulties are symptomatic of a more fundamental problem—outmoded financial services regulation created more than half a century ago. Technology and innovation have radically altered the financial landscape, resulting in increased competition for banks and diminished competitive opportunity in traditional banking markets. The expansion of the federal safety net has shielded banks from the remedial effects of competition for funds in the financial marketplace, and regulatory discipline has often not been timely and efficient.

We, at the Board, have devoted considerable time to analyzing and debating the causes and potential remedies for the problems facing the banking system. I, like my colleagues, strongly support the thrust of the Administration's proposal for comprehensive financial services reform. The Administration's proposal is designed to deal with each of the components of the problem—to limit the expansion of the federal safety net, to enhance supervision and establish a system in which regulators will implement prompt, progressively more aggressive, corrective action as institutions weaken, and most important, to broaden competitive opportunity for banks. Within the context of strict protections designed to contain the spread of the federal safety net, to limit potential taxpayer exposure, and to enforce essential standards of safety and soundness; the proposal allows banking institutions to apply their resources and expertise over the full range of financial activities without artificial geographical constraints.

In my view such reform is long overdue. To be effective, reform must address the fundamental causes of the difficulties facing the banking industry. I believe that the root cause of these difficulties is diminished competitive opportunity. Broadened competitive opportunity, both in terms of activities and geographical scope, is needed to enhance the long-term competitiveness of the U.S. banking industry and ensure its long-term stability. A strong, competitive banking industry is the best protection for taxpayers exposed through the federal safety net. As our recent experience with the credit crunch illustrates, a strong and vital financial services industry is also an important contributor to economic stability and growth.

Therefore, it is encouraging to see comprehensive financial services reform on the Congress's agenda this year. I believe that the Administration and the Congress deserve credit for their willingness to confront this complex and difficult legislative task. I, as well as my colleagues, support this effort and will seek to be helpful in advancing the enactment of comprehensive reform.

CONCLUSION

There is clearly no shortage of work for the Federal Reserve and the Congress, as we seek to create a vibrant economy and a vital, world-class financial system. I have found my experience on the Board over the past year both challenging and personally rewarding. I hope that I have made some positive contribution to policy formation as well. I appreciate the opportunity to serve the public in this position of responsibility. If I am confirmed as Vice Chairman, I shall devote my energy and abilities to this additional responsibility and shall look forward to working with my colleagues on the Board and with this committee on the important and difficult financial and economic issues facing our nation.

I know that I have only skimmed the surface of the issues confronting us today, and I shall be happy to answer any questions the committee may have. □

Announcements

New Procedures Regarding Access to CRA Performance Evaluations

The Federal Reserve Board announced on June 12, 1991, new procedures for state member banks to follow regarding the public's access to Community Reinvestment Act (CRA) Performance Evaluations and ratings. The Board established these new procedures by amending its Regulation BB (Community Reinvestment). The new procedures became effective July 11, 1991. Currently, state member banks are required to place their CRA Performance Evaluation, which contains the rating, in a public file within thirty business days of its receipt. The new procedures call for only minor modifications to this rule.

The evaluations must be made available for public inspection, and copies must be provided to interested parties for a fee not to exceed the cost of reproduction and mailing. The state member banks' CRA Public Notices must be amended to reflect availability of the evaluation and rating.

The final rule clarifies the point that a state member bank may, at its option, prepare a response to the evaluation and make it available in the public comment file.

Electronic Access to the Federal Reserve Banks for ACH Services

The Federal Reserve Board approved on June 13, 1991, a requirement that all depository institutions that originate or receive commercial automated clearinghouse (ACH) transactions through the Federal Reserve Banks establish electronic access to the Reserve Banks for ACH services by July 1, 1993. The requirement is the result of a proposal that was issued for public comment in December 1990.

The Board anticipates that ACH service fees for nonelectronic input or output media, including magnetic tapes or paper, will be increased significantly, beginning January 1, 1992, to reflect the higher cost of providing those aspects of the ACH service in an increasingly electronic environment.

The Board has determined that the anticipated increases in nonelectronic input and output fees should provide sufficient encouragement for depository institutions to convert to electronic access. Therefore, the Board has not adopted a proposed per-transaction surcharge to nonelectronic endpoints to be implemented in January 1993.

An all-electronic ACH will improve the efficiency of the ACH mechanism by promoting timely posting of ACH payments to customer accounts and will enhance the attractiveness of the ACH system by allowing greater processing flexibility.

Also, an all-electronic ACH will enhance the integrity of the ACH mechanism by reducing credit and fraud risk, providing a higher level of security, and improving contingency and disaster recovery capabilities.

Change in Board Staff

The Board of Governors has announced the appointment of Jeffrey C. Marquardt to the official staff as Assistant Director for Payment Systems Studies in the Division of Reserve Bank Operations and Payment Systems, effective July 1, 1991.

Mr. Marquardt joined the Board's staff in 1981 as an economist in the Division of International Finance. He was promoted to senior economist in October 1988. Mr. Marquardt received his B.A. from Michigan State University and his M.A. and Ph.D. in economics from the University of Wisconsin. He also received a J.D. in law from the same university.

System Membership: Admission of State Banks

The following state banks were admitted to membership in the Federal Reserve System during the period December 1, 1990, through May 31, 1991:

Arizona
Trumann .... First State Bank Arizona

Colorado
Aurora .... Omnibank Iliff

Illinois
Aledo .... Bank of Aledo

Kentucky
Alexandria .... Provident Bank Kentucky

Legal Developments

Final Rule—Amendment to Community Reinvestment Act

The Board of Governors is amending 12 C.F.R. Part 228, its regulation to implement changes in the Community Reinvestment Act of 1977 (CRA) contained in Title XII of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA). This final rule establishes procedures applicable to state member banks governing public access to CRA Performance Evaluations and CRA ratings assigned by the Federal Reserve during the examination process.

This final rule requires state member banks to place their CRA Performance Evaluation and CRA rating in their public comment file (which they are already required to maintain under existing regulations) within 30 business days of receipt. State member banks must make the evaluation and rating available for public inspection and provide copies of the evaluation, upon request, to interested parties. Banks may charge a reasonable fee for reproduction of the evaluation and mailing costs, if applicable. State member banks must also amend their CRA Public Notices to reflect the public availability of the evaluation and rating.

Effective July 11, 1991, 12 C.F.R. Part 228 is amended as follows:

Part 228—(Amended)

Accordingly, the interim rule amending 12 C.F.R. Part 228 which was published at 55 *Federal Register* 26,624–26,628 on June 28, 1990, is adopted as a final rule with the following changes:

1. The authority citation for Part 228 continues to read as follows:

Authority: Community Reinvestment Act of 1977 [title VIII, Pub. L. 95–128, 91 Stat. 1147 (12 U.S.C. 2901 *et seq.*)]; 12 U.S.C. 321, 325, 1814, 1816, 1828, 1842.

* * * * *

2. In section 228.5, paragraphs (a)(3) and (c)(3) are revised to read as follows:

Section 228.5—Files of public comments and recent CRA statements.

(a) * * *

(3) Any response to the comments under paragraph (a)(1) of this section that the bank wishes to make; and

* * * * *

(c) * * *

(3) The most recent CRA Performance Evaluation shall, at a minimum, be available at the head office and at an office in each local community so designated under paragraph (c)(2) of this section. The bank may respond to the CRA Performance Evaluation and may make the response available in the same manner as the CRA Performance Evaluation.

* * * * *

Final Rule—Amendment to Rules Regarding Availability of Information

The Board of Governors has adopted as a final rule, without change, the amendment to 12 C.F.R. Part 261, its Rules Regarding Availability of Information that was adopted by interim rule effective January 2, 1991 (55 *Federal Register* 49,875, December 3, 1990). The interim rule reflected changes in the direct costs to the Board to conduct searches, review documents, and copy documents in response to requests made under the Freedom of Information Act ("FOIA") by adding an "appendix A" to 12 C.F.R. 261.10—Freedom of Information Fee Schedule. "Appendix A" amended the Board's previous fee schedule established in 1987. Appendix A will remain the same as that adopted in the interim rule.

Effective June 27, 1991, for the reasons set forth in this document, and pursuant to the Board's authority under the Freedom of Information Reform Act of 1986 (Pub. L. 99-570, 5 U.S.C. 552(a)(4)(A)(i)) to promulgate rules implementing the FOI Reform Act, the Board confirms its amendment of 12 C.F.R. Part 261.

Part 261—Rules Regarding Availability of Information

Accordingly, the interim rule amending 12 C.F.R. Part 261 which was published at 55 *Federal Register* 49,876 on December 3, 1990, is adopted as a final rule without change.

ORDERS ISSUED UNDER BANK HOLDING COMPANY ACT

Orders Issued Under Section 3 of the Bank Holding Company Act

Boatmen's Bancshares, Inc.
St. Louis, Missouri

Order Approving Acquisition of a Bank

Boatmen's Bancshares, St. Louis, Missouri ("Boatmen's"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied for the Board's approval under section 3(a)(3) of the BHC Act (12 U.S.C. § 1842(a)(3)) to acquire all of the voting shares of First Interstate Bank of Oklahoma, N.A., Oklahoma City, Oklahoma ("Bank").

Notice of the application, affording interested persons an opportunity to submit comments, has been published (56 *Federal Register* 13,153 (1991)). The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the factors set forth in section 3(c) of the BHC Act.

Section 3(d) of the BHC Act, the Douglas Amendment, prohibits the Board from approving an application by a bank holding company to acquire control of any bank located outside of the bank holding company's home state, unless such acquisition is "specifically authorized by the statute laws of the State in which [the] bank is located, by language to that effect and not merely by implication."[1] The home state of Boatmen's is Missouri, while Bank is located in Oklahoma.[2]

The statute laws of Oklahoma specifically authorize any out-of-state bank holding company to acquire a bank in Oklahoma under the following conditions:

(1) the Oklahoma bank to be acquired has been in existence and continuous operation for more than five years or was chartered before May 7, 1986;
(2) the Oklahoma bank would meet applicable capital adequacy standards immediately after the acquisition; and
(3) the acquirer has complied with certain procedural requirements.[3]

Upon consummation, Bank will have been chartered and in existence and continuous operation for more than five years and will meet all capital requirements. In addition, the record indicates that Boatmen's has complied with all applicable procedural requirements. Accordingly, the proposed acquisition is specifically authorized by the statute laws of Oklahoma, and approval of this application is not barred by the Douglas Amendment.[4]

Boatmen's is a multi-bank holding company operating banking subsidiaries located in Missouri, Illinois, and Tennessee, and a limited purpose consumer credit bank in Delaware. Boatmen's is the largest banking organization in Missouri, controlling total deposits of approximately $12.2 billion, representing 22.5 percent of the total deposits in commercial banking organizations in the state.[5] Bank is the third largest banking institution in Oklahoma, with total deposits of approximately $648.0 million, representing 2.7 percent of the total deposits in commercial banking organizations in the state. Consummation of this proposal would not result in any significant adverse effect on the concentration of banking resources in Oklahoma.

Boatmen's does not compete directly with Bank in any banking market. Accordingly, consummation of this proposal would not result in a significantly adverse effect on competition in any relevant banking market.

The financial and managerial resources and future prospects of Boatmen's, its subsidiary banks, and Bank are consistent with approval. The Board also finds that considerations relating to the convenience

1. 12 U.S.C. § 1842(d).

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. (12 U.S.C. § 1842).

3. Okla. Stat. Ann. tit. 6, § 506D. (West Supp. 1991). Oklahoma's interstate banking law also subjects an out-of-state bank holding company to any conditions, restrictions and requirements imposed by the foreign state on acquisitions by Oklahoma banking organizations that are more restrictive than the conditions imposed by the foreign state on acquisitions by in-state banking organizations. § 506D(3). Missouri's interstate statute does not impose any such conditions on Oklahoma banking organizations. Mo. Ann. Stat. § 362.925 (Vernon Supp. 1991). In addition, the Missouri and Oklahoma banking departments determined in a 1987 Reciprocal Agreement that the banking laws of Missouri and Oklahoma permit interstate acquisitions of banks and bank holding companies between the two states.

4. The office of the Oklahoma Bank Commissioner has indicated that the proposed acquisition is authorized under Oklahoma law.

5. All banking data are as of December 31, 1990.

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

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

By order of the Board of Governors, effective June 17, 1991.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

First Commercial Holding Corporation Asheville, North Carolina

Order Approving Acquisition of a Bank

First Commercial Holding Corporation, Asheville, North Carolina ("First Commercial"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied under section 3(a)(3) of the BHC Act to acquire all of the voting shares of The Bank of Iredell, Statesville, North Carolina ("Iredell").

Notice of the application, affording interested persons an opportunity to submit comments, has been published (55 *Federal Register* 29,895 (1990)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the BHC Act.

First Commercial, a one bank holding company, is the 30th largest commercial banking organization in North Carolina, controlling deposits of $95.0 million, representing less than 1 percent of total deposits in commercial banking organizations in the state. Iredell is the 45th largest commercial banking organization in North Carolina, controlling deposits of $54.6 million, representing less than 1 percent of total deposits in commercial banking organizations in the state.[1] Upon consummation of this proposal, First Commercial would become the 24th largest banking organization in North Carolina, controlling deposits of $149.7 million, representing less than 1 percent of total deposits in commercial banks in the state. Consummation of this proposal would not increase significantly the concentration of banking resources in North Carolina.

First Commercial and Iredell do not compete directly in any banking market. Accordingly, consummation of the proposal would not have any significant adverse effect on existing competition in any relevant banking market. Consummation also would not have any significant adverse effect on probable future competition in any relevant banking market. The financial and managerial resources and future prospects of First Commercial and Iredell also are consistent with approval.

In considering the convenience and needs of the communities to be served, the Board is required, under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA"), to consider an institution's record of serving the credit needs of the community, including low- and moderate-income neighborhoods. The CRA requires the federal financial supervisory agencies to encourage financial institutions to help meet the credit needs of the local communities in which they operate consistent with the safe and sound operation of such institutions. To accomplish this end, the CRA requires the appropriate federal supervisory authority to "assess an institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of the institution."[2]

In this regard, the Board has considered comments filed by the Asheville Reinvestment Alliance ("Protestant"). Protestant alleges that components of Bank's CRA program are ineffective, including its outreach programs to ascertain the credit needs of its entire community, particularly low- and moderate-income areas, call program for minority-owned and small businesses, and advertising and marketing techniques to target minority and low- and moderate-income communities. In addition, the Protestant notes the following deficiencies relating to specific parts of Bank's service area:

(1) lack of sufficient involvement in the development of low-income housing and minority-owned businesses in the City of Asheville, North Carolina;

(2) failure to develop a policy on branch closings and placement of the Asheville branches in locations more accessible to persons in affluent neighborhoods than persons in low- and moderate-income neighborhoods of Asheville; and

1. Data are as of December 31, 1990.

2. 12 U.S.C. § 2901.

(3) exclusion of Madison County, North Carolina, from its service community, thereby inaccurately describing its service community.[3]

The Board has carefully reviewed the CRA performance record of First Commercial's subsidiary bank, First Commercial Bank, Asheville, North Carolina ("Bank"), as well as comments received from Protestant and First Commercial's responses to those comments in light of the CRA, the Board's regulations, and the Statement of the Federal Financial Supervisory Agencies Regarding the Community Reinvestment Act ("Agency CRA Statement").[4] The Agency CRA Statement provides guidance regarding the types of policies and procedures that supervisory agencies believe financial institutions should have in place in order to fulfill their responsibilities under the CRA on an ongoing basis and the procedures that the supervisory agencies will use during the application process to review an institution's CRA compliance and performance. The Agency CRA Statement also suggests that decisions by agencies to allow financial institutions to expand will be made pursuant to an analysis of the institution's overall CRA performance and will be based on the actual record of performance of the institution.[5]

Initially, the Board notes that Bank received a satisfactory rating from its primary regulator in the most recent examination of its CRA performance ("the CRA examination").[6] The Agency CRA Statement provides that a CRA examination is an important and often controlling factor where, as in this case, specific issues raised by Protestant were incorporated in the review of Bank. Accordingly, the Board has considered the allegations of Protestants discussed below in light of this satisfactory rating.

Components of CRA Program

Bank has initiated an outreach program whereby officers meet with individuals and groups representing civic, governmental, and business interests located in its delineated community. For example, Bank's CRA officer has met with the Neighborhood Housing Services of Asheville, North Carolina, Inc. ("NHS"), an agency funded by the Department of Housing and Urban Development Community Development Block Grant Program and designed to operate a revolving loan program for low- and moderate-income residents in the Montford neighborhood of Asheville, North Carolina.[7] In addition, each officer is responsible for making a minimum of three contacts per calendar quarter with community leaders, civic and community groups, and forums to discuss community credit needs and services.[8]

Bank's calling program also includes visits to small and medium-sized companies and individual business leaders throughout its delineated area.[9] These calls are documented and reviewed monthly, and the results of this program indicate that the calls reach a broad segment of the business community, including minority businesses.[10] In addition, Bank is a member of the Small Business and Women and Minority Committees of the Asheville Chamber of Commerce, and a variety of other business-oriented organizations.[11]

Bank also has increased the involvement of its board of directors in its CRA policies and credit ascertainment efforts. Bank's board has approved a CRA policy that outlines goals and objectives to improve Bank's CRA program and specifies the oversight responsibilities of the board. In addition, the board has appointed a senior Bank official to serve as a CRA officer, and has created a CRA committee that meets monthly, oversees all CRA activities, and ensures that information is obtained from sources throughout the community. Board members are regularly briefed on CRA matters, and submit quarterly reports detailing the

3. Protestant also alleges that Bank has an insufficient number of minority full-time employees. Although the Board fully supports affirmative action programs designed to promote equal opportunity in every aspect of a bank's personnel policies and practices in the employment, development, advancement, and treatment of employees and applicants for employment, the Board believes that the alleged deficiencies in Bank's general personnel practices are beyond the scope of the factors assessed under the CRA and under the convenience and needs requirement of the BHC Act. *See Fifth Third Bank*, 77 *Federal Reserve Bulletin* 347, 348 n.7 (1991).

4. 54 *Federal Register* 13,742 (1989).

5. *Id.*

6. The Federal Deposit Insurance Corporation ("FDIC") conducted an examination of Bank's performance under the CRA as of May 13, 1991.

7. This program is designed to provide credit assistance to residents in low- and moderate-income census tracts 2 and 3 of the Asheville MSA.

8. Bank has established contacts with several civic organizations, including the Asheville Community Relations Office, the Asheville-Buncombe Community Relations Council, and the Western North Carolina Habitat for Humanity.

9. Bank is a participating bank in the Small Business Administration Guaranteed Loan Program.

10. Calls are summarized and reviewed monthly by Bank's CRA Compliance Officer, Business Development Officer, and board of directors. In addition, calls made to assist low- and moderate-income individuals and to discuss government-assisted programs are listed separately.

11. These organizations include: the Asheville-Buncombe Development Corporation, the Downtown Development Corporation, the Small Business Council of the Asheville Chamber of Commerce, the Small Business Administration Service Corporation of Retired Executives Small Business Workshop, the Asheville Board of Realtors, the Home Builders of Asheville, and the Mortgage Lenders of Western North Carolina. Bank is also involved with the Asheville Downtown Development Commission and Industrial Development Board, two organizations designed to generate business and economic growth, and foster community redevelopment.

activities and contacts that they have made during the reported quarter. Minutes from board meetings reflect the directors' discussion of Bank's CRA program and the board's emphasis on Bank's efforts in low- and moderate-income areas.

In addition, Bank has taken steps to improve the marketing and advertising of its services to target all areas of its community. Bank has begun to advertise in the *Asheville Advocate,* a local minority-owned newspaper designed to reach the minority population, and in *The Black Pages,* a directory of local minority-owned businesses. Bank also has increased its advertising to include commercials that promote specific credit products of Bank, including deposit services, home improvement loans, and residential mortgages.[12] Mortgage rate and service information is promoted in local papers and through Bank's contacts with all of the realty firms in the area, including Asheville's only minority-owned realty firm. Bank has also initiated plans to conduct a direct mail campaign focusing on persons who live in low- to moderate-income areas based on zip codes.

Finally, Bank has improved its documentation and analysis of the geographic distribution of its credit extensions. Bank has provided detailed information separated by county showing the number of loans approved and denied in the following five categories: retail/construction loans, commercial loans, commercial real estate loans, wholesale mortgage loans, and consumer real estate loans. This analysis shows that Bank approved approximately 86.2 percent of these types of loan applications for the period 1988 to 1990.

Specific Portions of Service Area

The record indicates that Bank has undertaken a number of steps to address the credit needs of low- and moderate-income neighborhoods, including the portions of Bank's service area identified in Protestant's comments. Bank has provided a geographic survey of all its lending activities in Buncombe County which constitutes all of the Asheville MSA.[13] The survey demonstrates that for 1990, approximately 10 percent of all outstanding loans by Bank in Buncombe County were made within low- and moderate-income census tracts. This loan volume compares favorably with the fact that approximately 12 percent of Buncombe County's population resides in low- and moderate-income census tracts.[14] In addition, Bank approved all applications in Buncombe County for mortgages from minority applicants in 1990. Bank is also a member of the Community Investment Corporation of North Carolina, an organization that provides financing services for low- to moderate-income housing projects in the Asheville area.[15]

Bank's small business activities include government lending programs such as SBA.[16] In addition, Bank is a participant in the Community Loan Pool, an organization of financial institutions in the Asheville area established to provide a funding source for minority businesses that do not qualify for conventional bank financing or SBA programs. Bank's president and CEO is also a director of the Asheville Downtown Development Commission, an organization that has administered $67 million in reinvestment funds over the last nine years. Bank has co-sponsored a workshop on small business financing and has arranged to sponsor membership of a minority business in the Asheville Chamber of Commerce's Member Share Program.

First Commercial has adopted a specific written policy with regard to branch closings, which provides for the board of directors both to analyze the impact of any proposed office closing on the local community and to consider alternative courses of action.[17] In the Asheville area, Bank is the only bank that operates on Saturday and has extended hours of operation throughout the week in order to improve its service to Bank's entire community.[18] Bank's North and South branch offices in Asheville are located on public bus routes and offer full services and extended hours of operation. The CRA examination also concluded that Bank's definition of its community was reasonable and did not unreasonably exclude a portion of Bank's service area as alleged by Protestant.[19]

12. In response to suggestions from community groups, Bank now uses a variety of models of different ethnic backgrounds in its television commercials.

13. The CRA examination found as a general matter that Bank's extensions of credit and denials demonstrated a reasonable penetration of all segments of Bank's delineated community. In addition, geocoding of Bank's loans indicated a reasonable distribution of loans, including loans in low- and moderate-income areas. The CRA examination also found no evidence of prohibited discriminatory or other illegal credit practices.

14. Bank makes $1,500 consumer loans, which are considered the lowest minimum loan in its market. Bank also offers senior citizen and low-cost checking accounts.

15. Bank also participates in both FHA and VA lending programs. In the last quarter of 1990, Bank's mortgage loan division originated and sold 57 VA and FHA type home mortgages in the aggregate amount of approximately $3.6 million.

16. Bank participates in the SBA 504 guaranteed loan program through the Asheville-Buncombe Development program, a certified development company.

17. The policy also requires notices of at least 90 days prior to changes in service and must include Bank's rationale for the decision.

18. All of Bank's branches are open until at least 5:00 p.m., and two of its Asheville branches close at 7:00 p.m. Bank's mortgage loan officers also accept mortgage applications at an applicant's home or place of work.

19. Bank received only 58 loan applications from residents in Madison County for the two-year period from 1988 to 1990. Bank's total lending in Madison County represents less than 1 percent of its total lending in its entire service community over this same period. In

For the reasons discussed above, and on the basis of all facts of record, the Board believes that Bank's CRA record is consistent with approval of this application.[20] The Board expects Bank to continue in its efforts to strengthen its CRA performance.

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

By order of the Board of Governors, effective June 17, 1991.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

Orders Issued Under Section 4 of the Bank Holding Company Act

The Dai-Ichi Kangyo Bank, Limited Tokyo, Japan

Order Approving Application to Engage in Various Interest Rate and Currency Swap Activities

The Dai-Ichi Kangyo Bank, Limited, Tokyo, Japan ("Dai-Ichi"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)), and section 225.23(a)(3) of the Board's Regulation Y (12 C.F.R. 225.23(a)(3)) to engage *de novo* through its subsidiary, DKB Credit Corporation, New York, New York ("Company"), in the following activities:

(1) Intermediating in the international swap markets by acting as an originator and principal in interest rate swap and currency swap transactions;
(2) Acting as an originator and principal with respect to certain interest rate and currency risk-management products such as caps, floors and collars, as well as options on swaps, caps, floors and collars ("swap derivative products");
(3) Acting as a broker or agent with respect to the foregoing transactions or instruments; and
(4) Acting as adviser to institutional customers regarding financial strategies involving interest rate and currency swaps and swap derivative products.

Notice of the application, affording interested persons an opportunity to submit comments, has been published (56 *Federal Register* 19,854 (1991)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 4 of the BHC Act.

With total consolidated assets equivalent to approximately $457 billion, Dai-Ichi is the largest banking organization in the world.[1] In the United States, Dai-Ichi owns a bank subsidiary in Los Angeles, California; agencies in Atlanta, Georgia; San Francisco, California; and Los Angeles, California; and branches in New York, New York; and Chicago, Illinois. It engages in various nonbanking activities through a number of subsidiaries, including Company.

The Board previously has determined by order that the proposed activities are closely related to banking and permissible for bank holding companies within the meaning of section 4(c)(8) of the BHC Act.[2] Dai-Ichi proposes to engage in these swap activities in accordance with all of the provisions and conditions set forth in those orders.

In order to approve this application, the Board is required to determine that the performance of the proposed activities by Dai-Ichi "can reasonably be expected to produce benefits to the public . . . that outweigh 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).

Company appears to be capable of managing the risks associated with the proposed activities. Dai-Ichi,

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addition, in 1989 Bank included within its community a portion of Madison County within a ten-mile radius of Bank's Weaverville Branch.

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

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

1. Data are as of March 31, 1991.

2. *See, e.g., The Sanwa Bank, Limited,* 77 *Federal Reserve Bulletin* 64 (1991); *The Fuji Bank, Limited,* 76 *Federal Reserve Bulletin* 768 (1990); *The Sumitomo Bank, Limited,* 75 *Federal Reserve Bulletin* 582 (1989).

which has extensive experience in lending and financing services worldwide, has undertaken to provide credit screening for all potential counterparties of Company through its credit desk services in Tokyo, Japan. In appropriate cases, Company will obtain a letter of credit on behalf of, or collateral from, a counterparty. In addition, Company will establish separate credit risk exposure limits for each swap counterparty. Company will monitor this exposure on an ongoing basis, in the aggregate and with respect to each counterparty. Senior management will be periodically informed of the potential risk to which Company is exposed.

In order to manage the risk associated with adverse changes in interest or currency exchange rates ("price risk"), Company will seek to match all the swaps and related instruments in which it is principal and will hedge any unmatched positions pending a suitable match. Company will not enter into unmatched or unhedged swaps for its own account for speculative purposes. Company's management will set absolute limits on the level of risk to which its swap portfolio may be exposed. Company's exposure to price risk will be monitored by both business management and internal auditing personnel to guarantee compliance with the risk limitations imposed by management. Auditing personnel will report directly to senior management to ensure that any violations of portfolio risk limitations are reported and corrected.

With respect to the risk associated with the potential for differences between the floating rate indices on two matched or hedged swaps ("basis risk"), Company's management will impose absolute limits on the aggregate basis risk to which Company's swaps portfolio may be exposed. If the level of risk threatens to exceed the limits at any time, Company will actively seek to enter into matching transactions for its unmatched, hedged positions. Company's internal auditing staff, together with management, will monitor compliance with the management-imposed basis risk limits.[3]

In addition, Company intends to minimize operations risk through the recruitment and training of an experienced back-office support staff and the use of a separate operational and data processing structure for processing swap and hedging transactions.

In order to minimize any possible conflicts of interests between Company's role as a principal or broker in swap transactions and its role as advisor to potential counterparties, Company will disclose to each customer the fact that Company may have an interest as a counterparty principal or broker in the course of action ultimately chosen by the customer. Also, in any case in which Company has an interest in a specific transaction as an intermediary or principal, Company will advise its customer of that fact before recommending participation in that transaction.[4] In addition, Company's advisory services will be offered only to sophisticated institutional customers who would be unlikely to place undue reliance on investment advice received and better able to detect investment advice motivated by self-interest.[5]

The Board has expressed its concerns regarding conflicts of interests and related adverse effects that, absent certain limitations, may be associated with financial advisory activities. In order to address these potential adverse effects, Dai-Ichi has committed that:

(1) Company's financial advisory activities will not encompass the performance of routine tasks or operations for a client on a daily or continuous basis;

(2) Disclosure will be made to each potential client of Company that Company is an affiliate of Dai-Ichi;

(3) Company will not make available to Dai-Ichi or any of Dai-Ichi's subsidiaries confidential information received from Company's clients, except with the client's consent; and

(4) Advice rendered by Company on an explicit fee basis will be without regard to correspondent balances maintained by a client of Company at Dai-Ichi or any of Dai-Ichi's depository subsidiaries.

In every case involving a nonbanking acquisition by a bank holding company under section 4 of the BHC Act, the Board considers the financial condition and

3. In addition to price and basis risk, the value of a swap option is subject to market expectations of the future direction and rate of change in interest rates, or volatility risk. Company's management will impose absolute limits on the level of volatility risk to which Company's swap portfolio may be exposed.

4. In any transaction in which Company arranges a swap transaction between an affiliate and a third party, the third party will be informed that Company is acting on behalf of an affiliate.

5. Dai-Ichi defines an institutional customer as:

(A) a bank (acting in an individual or fiduciary capacity); an insurance company; a registered investment company under the Investment Company Act of 1940; or a corporation, partnership, trust, proprietorship, organization or institutional entity with assets exceeding $1 million that regularly engages in transactions in securities;

(B) an employee benefit plan with assets exceeding $1 million or whose investment decisions are made by a bank, insurance company or investment advisor registered under the Investment Advisers Act of 1940;

(C) a natural person whose individual net worth (or joint net worth with his or her spouse) at the time of receipt of Company's services exceeds $1 million;

(D) a broker-dealer or options trader registered under the Securities Exchange Act of 1934; or other securities, investment or banking professional;

(E) any government or government entity; or

(F) an entity all of the equity owners of which are institutional customers.

resources of the applicant and its subsidiaries and the effect of the transaction on these resources.[6] After making adjustments to reflect Japanese banking and accounting principles, including consideration of a portion of unrealized appreciation in Dai-Ichi's portfolio of equity securities the Board concludes that financial considerations are consistent with approval of this application. The managerial resources of Dai-Ichi also are consistent with approval.

Consummation of the proposal would provide added convenience to Dai-Ichi's customers. In addition, the Board expects that the *de novo* entry of Dai-Ichi into the market for these activities would increase the level of competition among providers of these services. Under the framework established in this and prior decisions, consummation of this proposal is not likely to result in any significant adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices. Accordingly, the Board has determined that the performance of the proposed activities by Dai-Ichi can reasonably be expected to produce benefits to the public.

Based on the foregoing and other facts of record, the Board has determined to, and hereby does, approve the application subject to the commitments made by Dai-Ichi, as well as all of the terms and conditions set forth in this order and in the above-noted Board orders that relate to these activities. The Board's determination is also subject to all of the conditions set forth in 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 San Francisco, pursuant to delegated authority.

By order of the Board of Governors, effective June 10, 1991.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

6. 12 C.F.R. 225.24; *The Fuji Bank, Limited*, 75 *Federal Reserve Bulletin* 94 (1989); *Bayerische Vereinsbank AG*, 73 *Federal Reserve Bulletin* 155, 156 (1987).

Dauphin Deposit Corporation
Harrisburg, Pennsylvania

Order Approving Application to Acquire a Broker-Dealer and Thereby Underwrite and Deal in All Types of Securities, Engage in Other Securities Related Activities, and Engage in Other Nonbanking Activities

Dauphin Deposit Corporation, Harrisburg, Pennsylvania ("Applicant"), a bank holding company subject to the Bank Holding Company Act (12 U.S.C. § 1841, *et seq.*) (the "BHC Act") has applied, pursuant to section 4(c)(8) of the BHC Act, and section 225.23(a)(3) of the Board's Regulation Y (12 C.F.R. 225.23(a)(3)), for approval to acquire Hopper, Soliday & Co., Inc., Lancaster, Pennsylvania ("Company"), and thereby engage, through Company, in the following activities:

(1) underwriting and dealing in securities that state member banks are permitted to underwrite and deal in under Section 16 of the Banking Act of 1933, 12 U.S.C. § 24(Seventh), (the "Glass–Steagall Act"), (hereinafter "bank-eligible securities"), as permitted by section 225.25(b)(16) of Regulation Y, 12 C.F.R. 225.25(b)(16);

(2) underwriting and dealing in, on a limited basis, all other types of debt securities, including without limitation, municipal revenue bonds, mortgage-related securities, consumer-receivable-related securities, commercial paper, sovereign debt securities, corporate debt, debt securities convertible into equity securities, and securities issued by a trust or other vehicle secured by or representing interests in debt obligations ("bank-ineligible debt securities");

(3) underwriting and dealing in, on a limited basis, equity securities, including without limitation, common stock, preferred stock, American Depositary Receipts, options, limited partnership units, warrants, and securities issued by closed-end investment companies but not securities issued by open-end investment companies ("bank-ineligible equity securities");

(4) acting as agent in the private placement of all types of securities, including providing related advisory services, and buying and selling securities on the order of investors as a "riskless" principal;

(5) providing "full-service brokerage" (*i.e.*, investment advisory and brokerage services separately and on a combined basis) to both institutional and retail customers;

(6) providing financial advice to state and local governments, including advice with respect to the issuance of their securities, pursuant to section

225.25(b)(4)(v) of Regulation Y, 12 C.F.R. 225.25(b)(4)(v); and
(7) providing advice in connection with merger, acquisition, divestiture, recapitalization and financing transactions, and structuring and arranging loan syndications for financial and non-financial institutions; performing valuations for financial and non-financial institutions; providing fairness opinions in connection with mergers, acquisitions and similar transactions for financial and non-financial institutions, and conducting feasibility studies for corporations (collectively, "financial advisory services").

Notice of the application, affording interested persons an opportunity to submit comments on the proposal, has been published (56 *Federal Register* 19,855 (1991)). 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.

Applicant, with total consolidated assets of $3.4 billion, is the sixth largest banking organization in Pennsylvania.[1] It operates one banking subsidiary in Pennsylvania and engages in community development and insurance agency and underwriting activities pursuant to 12 C.F.R. 225.25(b)(6) and (8), through nonbanking subsidiaries.

Underwriting and Dealing in Bank-Ineligible Securities

The Board has determined that, subject to the prudential framework of limitations established in previous decisions to address the potential for conflicts of interests, unsound banking practices, or other adverse effects, the proposed underwriting and dealing activities are so closely related to banking as to be proper incidents thereto within the meaning of section 4(c)(8) of the BHC Act.[2] The Board also has determined that the conduct of these securities underwriting and dealing activities is consistent with section 20 of the Glass–Steagall Act, provided that the underwriting and dealing subsidiary derives no more than 10 percent of its total gross revenue from underwriting and dealing in bank-ineligible securities over any two-year period.[3] Applicant has committed that Company will conduct its underwriting and dealing activities with respect to bank-ineligible securities subject to the 10 percent revenue test established by the Board in its previous orders, and to the prudential limitations established by the Board in its *J.P. Morgan & Company Incorporated, et al.* order as modified by the *Modification Order*.[4]

Applicant's proposal is broad enough to include underwriting and dealing in shares of closed-end investment companies and unit investment trusts (but not open-end investment companies, *i.e.*, mutual funds). Underwriting or dealing activities involving investment company securities under this Order must be conducted in accordance with the limitations contained in the existing provisions of Regulation Y authorizing bank holding companies to provide advisory activities to investment companies. In particular, Regulation Y provides that a bank holding company and its subsidiaries may not purchase for their own account, or engage directly or indirectly in the sale or distribution of, the securities of any investment company that the holding company advises or sponsors. 12 C.F.R. 225.125(g)(1)(h). This regulation applies to all types of investment companies, including unit investment trusts.

Private Placement and "Riskless Principal" Activities

The Board previously has determined that, subject to certain prudential limitations established to address the potential for conflicts of interests, unsound banking practices or other adverse effects, the proposed private placement and riskless principal activities are so closely related to banking as to be proper incidents thereto within the meaning of section 4(c)(8) of the BHC Act.[5] The Board also has determined that acting

1. Data are as of December 31, 1990.
2. *J.P. Morgan & Company Incorporated, The Chase Manhattan Corporation, Bankers Trust New York Corporation, Citicorp,* and *Security Pacific Corporation,* 75 *Federal Reserve Bulletin* 192 (1989) ("*J.P. Morgan & Company Incorporated, et al.*"), 75 *Federal Reserve Bulletin* 192 (1989); *Chemical New York Corporation, et al.*, 73 *Federal Reserve Bulletin* 731 (1987); *Citicorp, et al.*, 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,* 486 U.S. 1059 (1988); as modified by Order, dated September 21, 1989, 75 *Federal Reserve Bulletin* 751 (1989) ("*Modification Order*"), *aff'd sub nom., Securities Industry Association v. Board of Governors of the Federal Reserve System,* 900 F.2d 360 (D.C. Cir. 1990) (collectively, "section 20 orders"). The Board hereby adopts and incorporates herein by reference the reasoning and analysis from the section 20 orders.
3. *Modification Order;* and *J.P. Morgan & Company Incorporated, et al.*
4. Compliance with the revenue limits shall be calculated in the manner set forth in *J.P. Morgan & Company Incorporated, et al.*, at 196–97. In light of the fact that Applicant is acquiring a going concern with outstanding underwriting commitments, the Board believes that allowing Company to calculate compliance with the revenue limitation on an annualized basis during the first year following consummation of the acquisition and thereafter on a quarterly basis would be consistent with *J.P. Morgan & Company Incorporated, et al.*
5. *J.P. Morgan & Company Incorporated,* 76 *Federal Reserve Bulletin* 26 (1990) ("*J.P. Morgan*"); *Bankers Trust New York Corporation,* 75 *Federal Reserve Bulletin* 829 (1989) ("*Bankers Trust*"). Applicant has not proposed that its nonbank subsidiaries purchase securities privately placed by Company nor proposed that Applicant

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 that revenue derived from these activities is not subject to the 10 percent revenue limitation on ineligible securities underwriting and dealing.[6] Applicant has committed that Company will conduct its private placement and "riskless principal" activities using the same methods and procedures, and subject to the same prudential limitations established by the Board in the *Bankers Trust* and the *J.P. Morgan* orders.[7]

Securities Brokerage Activities

The Board previously has determined by order that full-service brokerage activities are permissible for bank holding companies under section 4(c)(8) of the BHC Act.[8] Applicant proposes that Company engage in these activities in accordance with all of the conditions set forth in those orders.[9] In addition, Company will provide discretionary investment management services for institutional customers only, subject to the same terms and conditions as previously approved by the Board.[10]

Financial Advisory Activities

Applicant proposes that Company provide advice in connection with merger, acquisition, divestiture, recapitalization and financing transactions, and structuring and arranging loan syndications for financial and non-financial institutions; perform valuations for financial and non-financial institutions; provide fairness opinions in connection with mergers, acquisitions and similar transactions for financial and non-financial institutions, and conduct feasibility studies for corporations (collectively, "financial advisory services"). The Board previously has approved these activities for bank holding companies. *See Signet Banking Corporation*, 73 *Federal Reserve Bulletin* 59 (1987), and *Banc One Corporation*, 76 *Federal Reserve Bulletin* 756 (1990). Applicant proposes to conduct these activities in accordance with the commitments listed in the Board's previous orders.

Financial Factors, Managerial Resources and Other Considerations

The Board has reviewed the capitalization of both Applicant and Company in accordance with the standards set forth in the *J.P. Morgan & Company, Incorporated* order, and finds the capitalization of each to be consistent with approval of the proposal. With respect to the capitalization of Company, approval of the requested activities is limited to a level consistent with the projections of position size and types of securities contained in the application. Accordingly, the Board concludes that financial considerations are consistent with approval of the application. The managerial resources of Applicant also are consistent with approval.

In order to approve this application, the Board is required to determine that the performance of the proposed activities by Applicant "can reasonably be expected to produce benefits to the public . . . that outweigh 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).

Under the framework established in this and prior decisions, consummation of this proposal is not likely to result in any significant adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices. Based on the foregoing and other facts of record, and subject to the commitments made by Applicant, the Board has determined that the performance of the proposed activities by Applicant can reasonably be expected to produce public benefits which would outweigh possible adverse effects under

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or its subsidiaries lend to an issuer for the purpose of repaying securities placed by Company.

6. *Id.*

7. In previous orders approving riskless principal activities, the Board has relied on commitments by bank holding companies to refrain from entering quotes for specific securities in the NASDAQ or any other dealer quotation system in connection with riskless principal transactions. *Bankers Trust*, at 832. Applicant proposes that Company, in acting as a riskless principal, may (i) enter bid *or* ask quotations; or publish "offering wanted" *or* "bid wanted" notices on trading systems other than an exchange or the NASDAQ. In order to ensure that Company would not hold itself out as a market maker with respect to securities for which it acts as riskless principal, Applicant has committed that Company would not enter price quotations on different sides of the market for a particular security for two business days. In other words, after entering a "bid" quote with respect to the same security, and vice versa. In view of the fact that Company would otherwise conduct its riskless principal activities in a manner consistent with *Bankers Trust* and *J.P. Morgan*, the Board believes that Company's proposal is consistent with a determination that these activities do not constitute underwriting and dealing in securities for purposes of the Glass–Steagall Act.

8. *PNC Financial Corporation*, 75 *Federal Reserve Bulletin* 396 (1989); *Bank of New England Corporation*, 74 *Federal Reserve Bulletin* 700 (1988). *See also The Sanwa Bank, Limited*, 76 *Federal Reserve Bulletin* 568 (1990).

9. Applicant has committed that Company will not provide investment advice with respect to shares of investment companies that are advised by Applicant or any of its affiliates. Company may broker shares of investment companies that are advised by banking affiliates of Company but, in accordance with the requirements of the Board's order in *Norwest Corporation*, 76 *Federal Reserve Bulletin* 79 (1990), Company may not broker shares of investment companies that are advised by Company or any nonbank affiliates.

10. *See J.P. Morgan & Co. Incorporated*, 73 *Federal Reserve Bulletin* 810 (1987).

the proper incident to banking standard of section 4(c)(8) of the BHC Act.[11]

Accordingly, and for the reasons set forth in the section 20 orders, the Board concludes that Applicant's proposal to engage through Company in the requested activities is consistent with the Glass–Steagall Act and is so closely related to banking as to be a proper incident thereto within the meaning of section 4(c)(8) of the BHC Act, provided Applicant limits Company's activities as provided in the section 20 orders.

The application is hereby approved subject to all the terms and conditions of those orders and this order. The Board's approval of this proposal extends only to activities conducted within the conditions of those orders and this order, including the Board's reservation of authority to establish additional limitations to ensure that Company's activities are consistent with safety and soundness, conflict of interest, and other relevant considerations under the BHC Act. Underwriting and dealing in any manner other than as approved in the section 20 orders is not within the scope of the Board's approval and is not authorized for Company.

Included among these conditions is that Company may not commence the proposed debt or equity securities underwriting and dealing activities until the Board has determined that Applicant and Company have established policies and procedures to ensure compliance with the requirements of this order, including computer, audit and accounting systems, internal risk management controls and the necessary operational and managerial infrastructure. In this regard, the Board has reviewed the report of the Federal Reserve Bank of Philadelphia relating to the operational and managerial infrastructure of Company. On the basis of this review, the Board has determined that Company has in place the managerial and operational infrastructure and other policies and procedures necessary to comply with the requirements of this order, and that Company may commence underwriting and dealing in debt or equity securities as permitted by, and subject to, the conditions of this order.

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 Philadelphia, pursuant to delegated authority.

By order of the Board of Governors, effective June 24, 1991.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

11. Company may also purchase and sell for its own account futures, forwards, options, and options on futures contracts on ineligible securities, as incidents to the proposed ineligible securities underwriting and dealing activities. Any activity conducted as a necessary incident to the ineligible securities underwriting and dealing activities must be treated as part of the ineligible securities activity unless Company has received specific approval under section 4(c)(8) of the BHC Act to conduct the activity independently. Until such approval is obtained, any revenues from the incidental activity must be counted as ineligible revenue subject to the 10 percent gross revenue limitation set forth in the *Modification Order*.

Orders Issued Under Bank Merger Act

Central Fidelity Bank
Richmond, Virginia

Order Approving the Establishment of a Branch

Central Fidelity Bank, Richmond, Virginia ("Central Fidelity"), a state member bank, has applied for the Board's approval, pursuant to section 9 of the Federal Reserve Act (12 U.S.C. § 321), to establish a full-service branch within the Westminster Canterbury retirement community, 501 V.E.S. Road, Lynchburg, Virginia.

Notice of the application, affording interested persons an opportunity to submit comments, has been duly published. The time for filing comments has expired and the Board has considered the application and all comments received in light of the factors contained in section 9 of the Federal Reserve Act.

Central Fidelity is one of two wholly owned banking subsidiaries of Central Fidelity Banks, Inc., Richmond, Virginia, which operates subsidiary banks in Virginia. Central Fidelity has its main office in Richmond, Virginia, and operates its branches throughout the state.

In reviewing an application for a deposit facility, including the establishment of a domestic branch or other facility with the ability to accept deposits, the Board is required, under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*)("CRA"), to consider the institution's record of serving the credit needs of the community, including low- and moderate-income neighborhoods. The CRA requires the federal financial supervisory agencies to encourage financial institutions to help meet the credit needs of the local communities in which they operate, consistent with the safe and sound operation of such institutions. To accomplish this end, the CRA requires the appropriate federal supervisory authority to "assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of such institution."[1]

In this regard, the Board has received comments filed by the Women's Center for Social Change ("Protestant") critical of the CRA performance of Central Fidelity.[2] Protestant contends that Central Fidelity discriminated against minorities and low-income communities in Lynchburg, Virginia, as a participant in the Department of Housing and Urban Development's ("HUD") Enterprise Zone Loan Pool, a community block grant program administered by the City of Lynchburg.[3] Protestant also alleges that Central Fidelity's branch offices do not adequately serve the needs of low- and moderate-income communities of the City of Lynchburg.

The Board has carefully reviewed the CRA performance of Central Fidelity, as well as Protestant's comments and Central Fidelity's response to those comments, in light of the CRA, the Board's regulations and the Statement of the Federal Financial Supervisory Agencies Regarding the Community Reinvestment Act ("Agency CRA Statement").[4] The Agency CRA Statement provides guidance regarding the types of policies and procedures that the supervisory agencies believe financial institutions should have in place in order to fulfill their responsibilities under the CRA on an ongoing basis and the procedures that the supervisory agencies will use during the application process to review an institution's CRA compliance and performance. The Agency CRA Statement also suggests that decisions by agencies to allow financial institutions to expand will be based on the actual record of performance of the institution.[5]

Initially, the Board notes that Central Fidelity has received satisfactory ratings in the most recent report of examination of its CRA performance. The Agency CRA Statement provides that, although CRA examination reports do not provide conclusive evidence of an institution's CRA record, these reports will be given great weight in the applications process. In addition, Central Fidelity has developed and implemented a corporate CRA program that contains the elements of an effective CRA policy as outlined in the Agency CRA Statement. In particular, Central Fidelity has developed a comprehensive program that establishes standards that the bank must meet in ascertaining community credit needs, responding to those needs through the development and delivery of products and services, and monitoring and evaluating the bank's success in meeting those needs and its responsibilities under the CRA.

Protestant contends that Central Fidelity's branch offices do not adequately serve the needs of low- and moderate-income and minority communities of the City of Lynchburg. The bank currently operates eleven branches in the City of Lynchburg. While Protestant has criticized the number of branches in low- and moderate-income and minority neighborhoods, the record reflects that three of Central Fidelity's full-service branches are located in low- and moderate-income census tracts; two of these branches are located in census tracts where the minority population is greater than the percentage of minorities in the Lynchburg Metropolitan Statistical Area.[6] In addition, five of Central Fidelity's other branch offices, while not located in low- and moderate-income census tracts, appear to be reasonably accessible to low- and moderate-income residents. Central Fidelity has in place a formal policy concerning branch closings which is consistent with CRA requirements.[7]

The record does not indicate that the locations of Central Fidelity's branches serve as an impediment to the bank's ability to meet the credit needs of low- and moderate-income and minority persons. As a general matter, Central Fidelity has implemented measures to

1. 12 U.S.C. § 2903.

2. The Board also has considered additional comments filed by the Hamler Development Company, Inc. after the close of the comment period, critical of the CRA performance of Central Fidelity. Under the Board's rules, the Board may in its discretion take into consideration the substance of such comments. 12 C.F.R. 262.3(e).

3. Protestant's Director also alleges that Central Fidelity did not comply with proper procedures when repossessing her automobile in 1975. Protestant's complaint has been investigated by the Federal Reserve Bank of Richmond and no evidence of wrongdoing by the bank has been discovered.

4. 54 *Federal Register* 13,742 (1989).

5. *Id.*

6. In the Lynchburg Metropolitan Statistical Area, minorities represent 21 percent of the population.

7. Pursuant to its branch closing policy, Central Fidelity's Market Research and Cost Accounting Divisions periodically review the bank's branch locations and recommend to senior management any branches that require attention due to changes in the profitability, market share, market trends or other factors affecting those branches. Regional management will review the recommendations and develop strategies to correct the identified deficiencies. Such strategies include rearranging staff assignments to reduce expenses, changing the branch hours to accommodate more of the local population, or reworking the facility's configuration to serve the community. If regional management determines such strategies are insufficient to correct the performance of the branch, Central Fidelity officials will meet with neighborhood representatives to discuss alternatives to keep the branch open, or in the event of a decision to close, to discuss measures to minimize the impact of that closing on the local community.

ensure that the bank adequately serves the needs of residents of low- and moderate-income areas of the City of Lynchburg. For example, Central Fidelity's board of directors has created a Public Policy Committee, which is charged with monitoring the bank's CRA compliance in the low- and moderate-income communities it serves. The bank also has developed a mortgage loan product which offers liberalized loan underwriting standards specifically appropriate for low- and moderate-income borrowers. Central Fidelity's CRA efforts also are enhanced by the activities of its Community Investment Division, which makes housing loans that benefit low- and moderate-income neighborhoods throughout the state of Virginia. Central Fidelity is actively marketing this program throughout the state, including contacting various officials in the Lynchburg community. In addition, Central Fidelity has committed to invest in the Virginia Housing Foundation, Inc., a non-profit foundation which promotes investment in low-income housing throughout Virginia.[8]

On the basis of all of the facts of record in this case, the Board believes that the record of Central Fidelity in meeting the convenience and needs of the communities it serves is consistent with approval of this application. The Board also concludes that the financial condition of Central Fidelity and its future prospects, the general character of its management, and the proposed exercise of corporate powers are consistent with approval and the purposes of section 9 of the Federal Reserve Act.

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

By order of the Board of Governors, effective June 17, 1991.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

8. Protestant's allegation that Central Fidelity misused funds under the HUD Enterprise Zone Loan Pool Program is not supported by the record. The record indicates that the City of Lynchburg awarded the block grant loan funds to Central Fidelity in 1988, and, with the approval of the City, Central Fidelity applied the proceeds of the funding to a loan request from a small business seeking to rehabilitate a building within the eligible zone. The entire amount of the block grant funds was applied to the loan request. In 1990, Protestant filed a complaint with HUD alleging that the City of Lynchburg and several participating financial institutions, including Central Fidelity, engaged in illegal discrimination in administering the HUD-sponsored community block grant program. The evidence available to the Board at this time does not indicate that Central Fidelity discriminated against low- and moderate-income communities in administering the program, and also indicates that Central Fidelity fulfilled all requirements outlined by the City of Lynchburg in its bid proposal and loan agreement. HUD is reviewing the Lynchburg program and the participation of these financial institutions, including Central Fidelity, in the block grant program.

Protestant's Director alleges that she personally attempted to apply for a loan under the program and was misinformed regarding the availability of funds under the program because she is a minority. Central Fidelity has stated that the bank was not participating in the Enterprise Zone Loan Pool Program at the time of the Director's application and that, in any event, this loan request did not qualify for funding under the program because it requested funds to be used at a location outside of the eligible zone.

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

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

Bank Holding Company	Acquired Thrift	Surviving Bank(s)	Approval Date
First Interstate Bancorp, Los Angeles, California	Commonwealth Federal Savings Association, Houston, Texas	First Interstate Bank of Texas, N.A., Houston, Texas	June 21, 1991

APPLICATIONS APPROVED UNDER BANK HOLDING COMPANY ACT

By the Secretary of the Board

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

Section 4

Applicant(s)	Bank(s)	Effective Date
First Interstate Bancorp, Los Angeles, California	First Common Federal Savings Association, Houston, Texas	June 21, 1991

APPLICATIONS APPROVED UNDER BANK MERGER 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.

Bank Merger Act

Applicant(s)	Bank(s)	Effective Date
United Jersey Bank, Hackensack, New Jersey	The Howard Savings Bank, Livingston, New Jersey	June 28, 1991

APPLICATIONS APPROVED UNDER BANK HOLDING COMPANY ACT

By Federal Reserve Banks

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

Section 3

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Absarokee Bancorporation, Inc., Absarokee, Montana	U-Banc, Incorporated, Red Lodge, Montana	Minneapolis	May 31, 1991
Adamsville Bancshares, Inc., Adamsville, Tennessee	Citizens State Bank, Parsons, Tennessee	St. Louis	May 30, 1991

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Agri Bancorporation, Webster City, Iowa	Agri-Bank Corporation, Webster City, Iowa	Chicago	June 7, 1991
Big Sandy Holding Company, Limon, Colorado	The First National Bank of Limon, Limon, Colorado	Kansas City	June 27, 1991
Cedar Valley Bankshares, Ltd., Charles City, Iowa	Nora Springs Investment Company, Nora Springs, Iowa	Chicago	June 26, 1991
Central Arkansas Bancshares, Inc., Malvern, Arkansas	One National Bank of Hot Springs, Hot Springs, Arkansas	St. Louis	June 11, 1991
Chadwick Bancshares, Inc., Chadwick, Illinois	Preston Bancshares, Inc., Preston, Iowa	Chicago	June 11, 1991
Citizens Financial Corporation Employee Stock Ownership Plan, Belzoni, Mississippi	Citizens Financial Corporation, Belzoni, Mississippi	St. Louis	June 7, 1991
CNB Bancshares, Inc., Evansville, Indiana	JSB Bancorp, Jasper, Indiana	St. Louis	June 13, 1991
Colony Bankcorp, Inc., Fitzgerald, Georgia	Worth Federal Savings and Loan Association, Sylvester, Georgia	Atlanta	June 21, 1991
Commercial Bancorporation, Inc., Orlando, Florida	Commercial State Bank of Orlando, Orlando, Florida	Atlanta	June 7, 1991
Community First Bankshares, Inc., Fargo, North Dakota	Adams Investment Company, Fergus Falls, Minnesota	Minneapolis	May 24, 1991
Dakota Company, Inc., Minneapolis, Minnesota South Dakota Bancorp, Inc., Minneapolis, Minnesota	South Dakota Financial Bancorporation, Inc., Minneapolis, Minnesota	Minneapolis	June 12, 1991
Decatur Corporation, Leon, Iowa	Citizens Bank of Princeton, Princeton, Missouri	Chicago	June 6, 1991
Desert Southwest Community Bancorp, Las Vegas, Nevada	Nevada Community Bank, Las Vegas, Nevada	San Francisco	May 23, 1991
DNB Financial Corporation, Mullins, South Carolina	Davis National Bank, Mullins, South Carolina	Richmond	June 4, 1991
Four County Bancshares, Inc., Allentown, Georgia	Peoples State Bank, Jeffersonville, Georgia	Atlanta	June 11, 1991
Great Southern Capital Corporation Employee Stock Ownership Trust, Meridian, Mississippi	Great Southern Capital Corporation, Quitman, Mississippi	Atlanta	June 17, 1991
Mansfield Bancorp, Inc., Mansfield, Illinois	Peoples State Bank of Mansfield, Mansfield, Illinois	Chicago	May 31, 1991

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Meridian Mutual Holding Company, East Boston, Massachusetts	East Boston Savings Bank, East Boston, Massachusetts	Boston	June 7, 1991
Monona Bankshares, Inc., Monona, Wisconsin	Monona State Bank, Monona, Wisconsin	Chicago	May 30, 1991
National Penn Bancshares, Inc., Boyertown, Pennsylvania	Sellersville Savings Bank, Perkasie, Pennsylvania	Philadelphia	May 28, 1991
Northern California Community Bancorporation, Inc., Alameda, California	Mission-Valley Bancorp, Pleasanton, California	San Francisco	May 28, 1991
Otoe County Bancorporation, Inc., Nebraska City, Nebraska	Otoe County Bank & Trust Company, Nebraska City, Nebraska	Kansas City	May 31, 1991
Plato Bancshares, Inc., Plato, Missouri	Bank of Plato, Plato, Missouri	St. Louis	June 7, 1991
Second Mid America Bancorp, Inc., Davenport, Iowa	FINB Holding Company, Savanna, Illinois	Chicago	May 23, 1991
South Dakota Financial Bancorporation, Inc., Minneapolis, Minnesota	Tri-County State Bank, Chamberlain, South Dakota Farmers and Merchants Bank, Huron, South Dakota Dakota State Bank, Milbank, South Dakota Marquette Bank, N.A., Sioux Falls, South Dakota	Minneapolis	June 12, 1991
Southwest Company, Sidney, Iowa Oakland Financial Services, Inc., Oakland, Iowa	Otoe County Bancorporation, Inc., Lincoln, Nebraska	Chicago	May 31, 1991
Star Banc Corporation, Cincinnati, Ohio	Kentucky Bancorporation, Covington, Kentucky	Cleveland	May 31, 1991
Summcorp, Fort Wayne, Indiana	The Parker Banking Company, Parker City, Indiana	Chicago	May 24, 1991
Sun Financial Corporation, Earth City, Missouri	Summit Bank, Holts Summit, Missouri	St. Louis	June 5, 1991

Section 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Empire Banc Corporation, Traverse City, Michigan	Great Lakes Bancorp, Ann Arbor, Michigan	Chicago	May 24, 1991
Indiana United Bancorp, Greensburg, Indiana	Regional Federal Bancorp, Inc., New Albany, Indiana	Chicago	June 20, 1991

Section 4—Continued

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Fayette County Bancshares, Inc., Peachtree City, Georgia	Fayette County Interim Savings and Loan Association, Peachtree City, Georgia	Atlanta	May 24, 1991
FEO Investments, Inc., Hoskins, Nebraska	Hoskins Insurance Agency, Hoskins, Nebraska	Kansas City	May 24, 1991
First Bank System, Inc., Minneapolis, Minnesota	Al Hektner Insurance, Inc., Fargo, North Dakota	Minneapolis	June 21, 1991
First Financial Bancorp, Monroe, Ohio	Home Federal Bank, A Federal Savings Bank, Hamilton, Ohio	Cleveland	May 24, 1991
National City Corporation, Cleveland, Ohio	Consolidated Data-Tech Inc., La Palma, California	Cleveland	June 19, 1991
Northern States Financial Corporation, Waukegan, Illinois	First Federal Bank, FSB, Waukegan, Illinois	Chicago	May 29, 1991
Norwest Corporation, Minneapolis , Minnesota	National Security Insurance Underwriters of Litchfield, Litchfield, Minnesota	Minneapolis	June 4, 1991
The Summit Bancorporation, Chatham, New Jersey	O&T Interim Federal Savings Bank, Chatham, New Jersey	New York	June 26, 1991
Union Bank of Switzerland, Zurich, Switzerland	Chase Investors Management Corporation New York, New York, New York	New York	June 27, 1991

Applications Approved Under Bank Merger Act

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Chemical Bank Michigan, Clare, Michigan	Mutual Savings Bank, F.S.B., Bay City, Michigan	Chicago	June 14, 1991

PENDING CASES INVOLVING THE BOARD OF GOVERNORS

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

Fields v. Board of Governors, No. 3:91CV069 (N.D. Ohio, filed February 5, 1991). Appeal of denial of request for information under the Freedom of Information Act.

State of Illinois v. Board of Governors, No. 90-3824 (7th Circuit, appeal filed December 19, 1990). Appeal of injunction restraining the Board from providing state examination materials in response to a Congressional subpoena. On November 30, 1990, the U.S. District Court for the Northern District of Illinois issued a preliminary injunction preventing the Board and the Chicago Reserve Bank from providing documents relating to the state examination in response to the subpoena. The House Committee on Banking, Finance and Urban Affairs has appealed the injunction. Argument in the case took place May 10, 1991.

Citicorp v. Board of Governors, No. 90-4124 (2d Circuit, filed October 4, 1990). Petition for review of Board order requiring Citicorp to terminate certain insurance activities conducted pursuant to Delaware law by an indirect nonbank subsidiary. On June 10, 1991, the Court of Appeals granted the petition and vacated the Board's order.

Stanley v. Board of Governors, No. 90-3183 (7th Circuit, filed October 3, 1990). Petition for review of Board order imposing civil money penalties on five former bank holding company directors. Oral argument was held May 16, 1991.

Sibille v. Federal Reserve Bank of New York and Board of Governors, No. 90-CIV-5898 (S.D. New York, filed September 12, 1990). Appeal of denial of Freedom of Information Act request. On May 13, 1991, the court heard argument on the plaintiff's motion for a Vaugn index and the Board's motion to dismiss. Awaiting decision.

Kuhns v. Board of Governors, No. 90-1398 (D.C. Cir., filed July 30, 1990). Petition for review of Board order denying request for attorney's fees pursuant to Equal Access to Justice Act. The petition for review was denied on April 12, 1991.

May v. Board of Governors, No. 90-1316 (D.C. Cir., filed July 27, 1990). Appeal of District Court order dismissing plaintiff's action under Freedom of Information and Privacy Acts. The Board's motion for summary affirmance was granted on May 16, 1991.

Burke v. Board of Governors, No. 90-9509 (10th Circuit, filed February 27, 1990). Petition for review of Board orders assessing civil money penalties and issuing orders of prohibition. Oral argument took place May 7, 1991.

Kaimowitz v. Board of Governors, No. 90-3067 (11th Cir., filed January 23, 1990). Petition for review of Board order dated December 22, 1989, approving application by First Union Corporation to acquire Florida National Banks. Petitioner objects to approval on Community Reinvestment Act grounds.

Babcock and Brown Holdings, Inc. v. Board of Governors, No. 89-70518 (9th Cir., filed November 22, 1989). Petition for review of Board determination that a company would control a proposed insured bank for purposes of the Bank Holding Company Act. Oral argument was held on April 9, and on April 17 the Court of Appeals dismissed the case as moot.

Consumers Union of U.S., Inc. v. Board of Governors, No. 90-5186 (D.C. Cir., filed June 29, 1990). Appeal of District Court decision upholding amendments to Regulation Z implementing the Home Equity Loan Consumer Protection Act. Awaiting decision.

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. Awaiting decision.

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 a bank holding company now in bankruptcy. On May 15, 1990, the Fifth Circuit vacated the district court's order enjoining the Board from proceeding with enforcement actions based on section 23A of the Federal Reserve Act, but upheld the district court's order enjoining such actions based on the Board's source-of-strength doctrine. 900 F.2d 852 (5th Cir. 1990). On March 4, 1991, the Supreme Court granted the parties' cross-petitions for *certiorari,* Nos. 90–913, 90–914. The Board's brief was filed on April 18, and MCorp's brief was filed on June 10, 1991.

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,* 900 F.2d 852 (5th Cir. 1990).

White v. Board of Governors, No. CU-S-88–623-RDF (D. Nev., filed July 29, 1988). Age discrimination complaint. Board's motion to dismiss or for summary judgment was denied on January 3, 1991. Awaiting trial date.

WRITTEN AGREEMENTS APPROVED BY FEDERAL RESERVE BANKS

Community Bank & Trust Company
Sterling, Virginia

The Federal Reserve Board announced on June 24, 1991, the execution of a Written Agreement between the Federal Reserve Bank of Richmond, the Commissioner of Financial Institutions of the Commonwealth of Virginia, Richmond, Virginia, and the Community Bank & Trust Company, Sterling, Virginia.

South Texas Bancshares, Inc.
Beeville, Texas

The Federal Reserve Board announced on June 11, 1991, the execution of a Written Agreement between the Federal Reserve Bank of Dallas, the Banking Commissioner of Texas, Austin, Texas, South Texas Bancshares, Inc., Beeville, Texas, and First State Bank of Mathis, Mathis, Texas.

Financial and Business Statistics

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Domestic Financial Statistics

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

Annual rates of change, seasonally adjusted in percent[1]

Monetary and credit aggregates	1990			1991	1991				
	Q2	Q3	Q4	Q1	Jan.	Feb.	Mar.	Apr.[r]	May
Reserves of depository institutions[2]									
1 Total	.2	−.5	3.9	9.2	8.8	3.5	−1.1	−4.1	16.3
2 Required	.9	−.5	1.7	4.7	−3.6	12.8	14.7	−.6	16.7
3 Nonborrowed	.7	3.8	7.8	9.1	3.8	10.5	−.8	−3.9	14.6
4 Monetary base[3]	7.9	9.1	9.9	14.5	21.5	16.9	6.0	−1.5	3.4
Concepts of money, liquid assets, and debt[4]									
5 M1	4.2	3.7	3.4	5.9	1.9	14.1	9.5	−1.1	13.8
6 M2	3.9	3.0	2.0[r]	3.4[r]	1.2[r]	8.4[r]	7.4[r]	2.8	4.7
7 M3	1.3	1.6	.9[r]	4.0[r]	3.8[r]	10.4[r]	2.4[r]	.4	.9
8 L	.9	2.0	1.4[r]	3.5[r]	4.4	7.9[r]	.8[r]	−8.9	n.a.
9 Debt	7.1[r]	7.1	5.5[r]	4.8[r]	3.6[r]	6.7[r]	4.3[r]	1.7	n.a.
Nontransaction components									
10 In M2[5]	3.8	2.7	1.5[r]	2.6[r]	1.0[r]	6.5[r]	6.7[r]	4.2	1.7
11 In M3 only[6]	−9.1	−3.8	−3.5	6.6[r]	14.5[r]	18.8[r]	−18.2[r]	−10.1	−15.6
Time and savings deposits									
Commercial banks									
12 Savings	4.1	5.9	5.2	10.2	12.0	10.7	15.4	18.1	14.9
13 MMDAs	9.6	8.2	3.5	6.1	−2.2	17.5	17.8	14.8	18.9
14 Small-denomination time[7]	12.7	15.5	11.5	8.9	7.0	8.0	4.4	−7.3	−4.6
15 Large-denomination time[8,9]	−2.9	−2.2	−8.5	12.0[r]	24.6[r]	21.6[r]	−3.6	−5.7	.3
Thrift institutions									
16 Savings	2.2	−3.3	−7.3	−.4	−4.5	9.1	14.1	20.7	18.1
17 MMDAs	.4	−7.7	−7.2	−.9	−.9	7.5	18.7	23.9	30.7
18 Small-denomination time[7]	−7.4	−11.0	−8.6	−9.7[r]	−8.1[r]	−10.9[r]	−14.4[r]	−9.4	−15.2
19 Large-denomination time[8]	−28.7	−27.3	−26.3	−31.9	−29.8	−31.5	−34.5	−31.2	−46.4
Money market mutual funds									
20 General purpose and broker-dealer	4.7	10.0	9.8[r]	18.2[r]	29.5[r]	14.6[r]	17.8[r]	2.3	3.0
21 Institution-only	14.8	21.6	30.4	49.9	42.0	84.9	23.3	30.4	4.9
Debt components[4]									
22 Federal	9.7	14.4	11.6[r]	12.2	10.4[r]	15.2[r]	5.1[r]	−4.1	n.a.
23 Nonfederal	6.3[r]	4.8[r]	3.7[r]	2.4[r]	1.5[r]	3.9[r]	4.1[r]	3.6	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 regulatory changes in reserve requirements. (See also table 1.20.)

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

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 depository institutions 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 all depository 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. Data are derived from the Federal Reserve Board's flow of funds accounts. Data on debt of domestic nonfinancial sectors are monthly averages, derived by averaging adjacent month-end levels. Growth rates for debt reflect adjustments for discontinuities over time in the levels of debt presented in other tables.

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

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

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

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

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						
	1991			1991						
	Mar.	Apr.	May	Apr. 17	Apr. 24	May 1	May 8	May 15	May 22	May 29
SUPPLYING RESERVE FUNDS										
1 **Reserve Bank credit**	**285,011**	**285,272**	**286,418**	**284,787**	**284,199**	**286,031**	**284,839**	**287,157**	**285,118**	**286,542**
U.S. government securities[1, 2]										
2 Bought outright-system account	238,299	240,832	243,104	240,092	240,451	241,306	240,929	242,872	243,428	243,829
3 Held under repurchase agreements	1,019	608	298	617	0	180	0	663	0	477
Federal agency obligations[2]										
4 Bought outright	6,342	6,314	6,246	6,342	6,302	6,250	6,250	6,250	6,250	6,240
5 Held under repurchase agreements	87	21	29	0	0	22	0	28	0	76
6 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions[2]										
7 Adjustment credit	143	69	60	124	41	57	46	52	44	107
8 Seasonal credit	53	79	151	69	83	101	138	137	156	174
9 Extended credit	51	85	89	79	90	115	123	132	95	22
10 Float	557	541	492	760	464	1,015	603	278	177	326
11 Other Federal Reserve assets	38,459	36,722	35,949	36,704	36,767	36,984	36,750	36,746	34,967	35,290
12 Gold stock	11,058	11,058	11,058	11,058	11,058	11,058	11,058	11,058	11,058	11,057
13 Special drawing rights certificate account	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018
14 Treasury currency outstanding	20,546	20,599	20,670	20,597	20,607	20,644	20,654	20,664	20,674	20,684
ABSORBING RESERVE FUNDS										
15 Currency in circulation	286,408	287,527	288,789	288,303	287,196	286,435	287,770	288,692	288,623	289,767
16 Treasury cash holdings	616	640	641	640	646	652	656	653	626	628
Deposits, other than reserve balances, with Federal Reserve Banks										
17 Treasury	6,406	4,931	5,275	3,780	5,509	5,746	5,222	4,931	5,583	4,644
18 Foreign	247	246	227	247	251	266	250	206	218	244
19 Service-related balances and adjustments	2,849	3,089	3,504	3,292	3,168	3,174	3,157	3,231	3,397	3,160
20 Other	220	239	222	242	232	267	223	216	223	223
21 Other Federal Reserve liabilities and capital	8,087	6,556	7,415	6,543	6,780	7,189	6,980	7,462	7,463	7,640
22 Reserve balances with Federal Reserve Banks[3]	21,800	23,720	22,091	23,413	22,100	24,022	22,312	23,506	20,734	21,997

Factors	End-of-month figures			Wednesday figures						
	1991			1991						
	Mar.	Apr.	May	Apr. 17	Apr. 24	May 1	May 8	May 15	May 22	May 29
SUPPLYING RESERVE FUNDS										
23 **Reserve Bank credit**	**286,706**	**288,432**	**291,168**	**288,492**	**282,652**	**291,736**	**285,133**	**288,690**	**285,005**	**290,722**
U.S. government securities[1, 2]										
24 Bought outright-system account	240,965	244,493	248,111	242,925	239,000	242,764	240,918	241,778	243,581	244,293
25 Held under repurchase agreements	0	0	0	2,072	0	1,261	0	4,638	0	3,342
Federal agency obligations[2]										
26 Bought outright	6,342	6,250	6,213	6,342	6,250	6,250	6,250	6,250	6,250	6,213
27 Held under repurchase agreements	0	0	0	0	0	155	0	196	0	534
28 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions[2]										
29 Adjustment credit	135	55	20	55	32	70	46	228	141	58
30 Seasonal credit	62	105	163	72	93	118	135	140	158	174
31 Extended credit	48	131	23	75	92	110	135	58	101	24
32 Float	2,582	913	457	377	170	4,429	720	369	−334	618
33 Other Federal Reserve assets	36,573	36,484	36,181	36,574	37,015	36,579	36,930	35,032	35,108	35,466
34 Gold stock	11,058	11,058	11,057	11,058	11,058	11,058	11,058	11,058	11,057	11,057
35 Special drawing rights certificate account	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018
36 Treasury currency outstanding	20,577	20,617	20,694	20,597	20,607	20,644	20,654	20,664	20,674	20,684
ABSORBING RESERVE FUNDS										
37 Currency in circulation	286,685	286,766	290,507	288,087	286,823	287,078	288,444	288,859	288,995	290,666
38 Treasury cash holdings	623	652	629	645	652	656	658	626	628	629
Deposits, other than reserve balances, with Federal Reserve Banks										
39 Treasury	10,922	13,682	6,619	3,384	4,411	8,826	4,725	3,835	5,319	3,945
40 Foreign	228	292	196	196	186	151	290	222	241	266
41 Service-related balances and adjustments	2,827	3,174	3,185	3,292	3,168	3,174	3,157	3,231	3,397	3,160
42 Other	188	276	225	225	208	242	215	240	205	242
43 Other Federal Reserve liabilities and capital	5,670	6,826	8,570	6,512	6,939	6,749	7,079	7,302	7,425	7,575
44 Reserve balances with Federal Reserve Banks[3]	21,214	18,457	23,008	27,823	21,948	25,581	22,296	26,115	20,545	25,998

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. Beginning with the May 1990 *Bulletin*, this table has been revised to correspond with the H.4.1 statistical release.
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[1]

Millions of dollars

Reserve classification	1988	1989	1990	1990		1991				
	Monthly averages[9]									
	Dec.	Dec.	Dec.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
1 Reserve balances with Reserve Banks[2]	37,837	35,436	30,237	33,382	30,237	22,023	19,827	21,734	23,508	22,286
2 Total vault cash[3]	28,204	29,822	31,777	31,086	31,777	33,220	33,477	30,896	30,558	30,724
3 Applied vault cash[4]	25,909	27,374	28,884	28,663	28,884	28,969	28,724	26,853	26,793	26,775
4 Surplus vault cash[5]	2,295	2,448	2,893	2,423	2,893	4,250	4,753	4,043	3,765r	3,949
5 Total reserves[6]	63,746	62,810	59,120	62,045	59,120	50,992	48,551	48,586	50,301	49,061
6 Required reserves	62,699	61,888	57,456	61,099	57,456	48,824	46,743	47,408	49,271r	48,033
7 Excess reserve balances at Reserve Banks[7]	1,047	922	1,665	947	1,665	2,168	1,809	1,179	1,030r	1,028
8 Total borrowings at Reserve Banks	1,716	265	326	230	326	534	252	241	231	303
9 Seasonal borrowings at Reserve Banks	130	84	76	162	76	33	37	55	79	151
10 Extended credit at Reserve Banks[8]	1,244	20	23	24	23	27	34	53	86	88

Reserve classification	Biweekly averages of daily figures for weeks ending									
	1991									
	Feb. 6	Feb. 20	Mar. 6	Mar. 20	Apr. 3	Apr. 17	May 1r	May 15	May 29	June 12
11 Reserve balances with Reserve Banks[2]	18,776	20,049	20,228	22,209	21,949	24,257	23,061	22,907	21,363	24,007
12 Total vault cash[3]	35,759	33,341	32,005	30,286	31,067	30,309	30,709	30,344	31,239	29,791
13 Applied vault cash[4]	30,384	28,638	27,629	26,413	26,989	26,762	26,781	26,532	27,113	26,113
14 Surplus vault cash[5]	5,375	4,703	4,376	3,873	4,078	3,547	3,928	3,813	4,125	3,678
15 Total reserves[6]	49,160	48,687	47,857	48,622	48,938	51,019	49,842	49,438	48,477	50,121
16 Required reserves	46,439	46,934	46,637	47,616	47,564	50,218	48,645	48,469	47,358	49,406
17 Excess reserve balances at Reserve Banks[7]	2,721	1,753	1,221	1,007	1,374	801	1,198	970	1,119	714
18 Total borrowings at Reserve Banks	191	179	426	185	212	224	244	314	299	283
19 Seasonal borrowings at Reserve Banks	35	37	41	51	68	70	92	138	165	176
20 Extended credit at Reserve Banks[8]	30	27	50	47	62	76	103	128	59	9

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 and includes other off-balance sheet "as-of" adjustments.
3. Total "lagged" vault cash held by those depository institutions currently subject to reserve requirements. 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. All vault cash held during the lagged computation period by "bound" institutions (i.e., those whose required reserves exceed their vault cash) plus the amount of vault cash applied during the maintenance period by "nonbound" institutions (i.e., those whose vault cash exceeds their required reserves) to satisfy current reserve requirements.
5. Total vault cash (line 2) less applied vault cash (line 3).
6. Reserve balances with Federal Reserve Banks (line 1) plus applied vault cash (line 3).
7. Total reserves (line 5) less required reserves (line 6).
8. 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.

1.13 SELECTED BORROWINGS IN IMMEDIATELY AVAILABLE FUNDS Large Banks[1]

Averages of daily figures, in millions of dollars

Maturity and source	1990	1991, week ending Monday[2]							
	Dec. 31	Jan. 7	Jan. 14	Jan. 21	Jan. 28	Feb. 4	Feb. 11	Feb. 18	Feb. 25
Federal funds purchased, repurchase agreements, and other selected borrowing in immediately available funds									
From commercial banks in the United States									
1 For one day or under continuing contract	74,416	82,002	78,600	74,840	74,301	81,956	77,369	77,708	74,061
2 For all other maturities	19,020	16,548	16,797	17,810	16,906	16,423	16,373	16,890	15,830
From other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies									
3 For one day or under continuing contract	28,065	29,672	30,986	28,746	32,895	33,366	31,641	32,389	30,568
4 For all other maturities	21,031	20,037	20,563	21,015	21,157	20,974	20,923	20,465	20,124
Repurchase agreements on U.S. government and federal agency securities in immediately available funds									
Brokers and nonbank dealers in securities									
5 For one day or under continuing contract	8,891	8,718	9,219	9,343	9,645	10,466	8,867	9,251	10,175
6 For all other maturities	17,577	18,874	19,605	21,917	20,821	21,622	21,241	18,651	17,298
All other customers									
7 For one day or under continuing contract	27,064	27,549	26,103	24,749	24,779	25,808	25,119	26,218	25,408
8 For all other maturities	13,624	11,629	11,636	11,350	12,119	12,145	11,855	11,635	11,292
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	43,753	49,537	41,777	40,215	44,641	48,386	42,209	42,099	40,092
10 To all other specified customers[3]	15,935	17,786	18,798	20,612	18,073	21,528	19,334	19,820	18,528

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. Beginning with the August Bulletin data appearing are the most current available. To obtain data from May 1, 1989, through April 16, 1990, contact the Division of Applications Development and Statistical Services, Financial Statement Reports Section, (202) 452-3349.
3. 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

Current and previous levels

Federal Reserve Bank	Adjustment credit and Seasonal credit[1]			Extended credit[2]						
				First 30 days of borrowing			After 30 days of borrowing[3]			
	On 6/28/91	Effective date	Previous rate	On 6/28/91	Effective date	Previous rate	On 6/28/91	Effective date	Previous rate	Effective date
Boston	5½	4/30/91	6	5½	4/30/91	6	6.40	6/27/91	6.45	6/13/91
New York		4/30/91			4/30/91			6/27/91		6/13/91
Philadelphia		4/30/91			4/30/91			6/27/91		6/13/91
Cleveland		5/1/91			5/1/91			6/27/91		6/13/91
Richmond		4/30/91			4/30/91			6/27/91		6/13/91
Atlanta		4/30/91			4/30/91			6/27/91		6/13/91
Chicago		4/30/91			4/30/91			6/27/91		6/13/91
St. Louis		5/2/91			5/2/91			6/27/91		6/13/91
Minneapolis		4/30/91			4/30/91			6/27/91		6/13/91
Kansas City		4/30/91			4/30/91			6/27/91		6/13/91
Dallas		4/30/91			4/30/91			6/27/91		6/13/91
San Francisco	5½	4/30/91	6	5½	4/30/91	6	6.40	6/27/91	6.45	6/13/91

Range of rates for adjustment credit in recent years[4]

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1977	6	6
1978—Jan. 9	6–6½	6½
20	6½	6½
May 11	6½–7	7
12	7	7
July 3	7–7¼	7¼
10	7¼	7¼
Aug. 21	7¾	7¾
Sept. 22	8	8
Oct. 16	8–8½	8½
20	8½	8½
Nov. 1	8½–9½	9½
3	9½	9½
1979—July 20	10	10
Aug. 17	10–10½	10½
20	10½	10½
Sept. 19	10½–11	11
21	11	11
Oct. 8	11–12	12
10	12	12
1980—Feb. 15	12–13	13
19	13	13
May 29	12–13	13
30	12	12
June 13	11–12	11
16	11	11
July 28	10–11	10
29	10	10
Sept. 26	11	11
Nov. 17	12	12
Dec. 5	12–13	13

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
1981—May 5	13–14	14
8	14	14
Nov. 2	13–14	13
6	13	13
Dec. 4	12	12
1982—July 20	11½–12	11½
23	11½	11½
Aug. 2	11–11½	11
3	11	11
16	10½	10½
27	10–10½	10
30	10	10
Oct. 12	9½–10	9½
13	9½	9½
Nov. 22	9–9½	9
26	9	9
Dec. 14	8½–9	9
15	8½–9	8½
17	8½	8½
1984—Apr. 9	8½–9	9
13	9	9
Nov. 21	8½–9	8½
26	8½	8½
Dec. 24	8	8

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
1985—May 20	7½–8	7½
24	7½	7½
1986—Mar. 7	7–7½	7
10	7	7
Apr. 21	6½–7	6½
July 11	6	6
Aug. 21	5½–6	5½
22	5½	5½
1987—Sept. 4	5½–6	6
11	6	6
1988—Aug. 9	6–6½	6½
11	6½	6½
1989—Feb. 24	6½–7	7
27	7	7
1990—Dec. 19	6½	6½
1991—Feb. 1	6–6½	6
4	6	6
Apr. 30	5½—6	5½
May 2	5½	5½
In effect June 28, 1991	5½	5½

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[1]

Percent of deposits

Type of deposit, and deposit interval[2]	Depository institution requirements after implementation of the Monetary Control Act	
	Percent of deposits	Effective date
Net transaction accounts[3, 4]		
$0 million–$41.1 million	3	12/18/90
More than $41.1 million	12	12/18/90
Nonpersonal time deposits[5, 6]	0	12/27/90
Eurocurrency liabilities[7]	0	12/27/90

1. Required reserves must be held in the form of deposits with Federal Reserve Banks or vault cash. Nonmember institutions may maintain reserve balances with a Federal Reserve Bank indirectly on a pass-through basis with certain approved institutions. For previous reserve requirements, see earlier editions of the *Annual Report* or the *Federal Reserve Bulletin.* Under provisions of the Monetary Control Act, depository institutions include commercial banks, mutual savings banks, savings and loan associations, credit unions, agencies and branches of foreign banks, and Edge corporations.

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

3. Transaction accounts include all deposits 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).

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. 18, 1990 for institutions reporting quarterly and Dec. 25, 1990 for institutions reporting weekly, the amount was increased from $40.4 million to $41.1 million.

5. The reserve requirements on nonpersonal time deposits with an original maturity of less than 1-1/2 years were reduced from 3 percent to 1-1/2 percent on the maintenance period that began December 13, 1990, and to zero for the maintenance period that began December 27, 1990, for institutions that report weekly. The reserve requirement on nonpersonal time deposits with an original maturity of 1-1/2 years or more has been zero since October 6, 1983.

6. For institutions that report quarterly, the reserves on nonpersonal time deposits with an original maturity of less than 1-1/2 years were reduced from 3 percent to zero on January 17, 1991.

7. The reserve requirements on Eurocurrency liabilities were reduced from 3 percent to zero in the same manner and on the same dates as were the reserves on nonpersonal time deposits with an original maturity of less than 1-1/2 years (see notes 5 and 6).

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS[1]

Millions of dollars

Type of transaction	1988	1989	1990	1990 Oct.	1990 Nov.	1990 Dec.	1991 Jan.	1991 Feb.	1991 Mar.	1991 Apr.
U.S. TREASURY SECURITIES										
Outright transactions (*excluding matched transactions*)										
Treasury bills										
1 Gross purchases	8,223	14,284	24,739	933	6,658	0	0	1,967	313	908
2 Gross sales	587	12,818	7,291	0	0	2,350	120	0	0	0
3 Exchange	241,876	231,211	241,086	19,271	25,981	16,939	19,747	21,381	18,808	21,981
4 Redemptions	2,200	12,730	4,400	0	0	3,000	1,000	0	0	0
Others within 1 year										
5 Gross purchases	2,176	327	425	0	325	0	0	100	700	700
6 Gross sales	0	0	0	0	0	0	0	0	0	0
7 Maturity shift	23,854	28,848	25,638	1,934	3,531	1,991	989	2,292	413	4,324
8 Exchange	−24,588	−25,783	−27,424	0	−4,315	0	−1,326	−3,045	−1,877	−993
9 Redemptions	0	500	0	0	0	0	0	0	0	0
1 to 5 years										
10 Gross purchases	5,485	1,436	250	0	0	0	0	0	2,950	550
11 Gross sales	800	490	200	0	0	200	0	0	0	0
12 Maturity shift	−17,720	−25,534	−21,770	−1,677	−3,258	−1,991	−778	−1,909	−213	−4,214
13 Exchange	22,515	23,250	25,410	0	3,915	0	929	2,545	1,877	777
5 to 10 years										
14 Gross purchases	1,579	287	0	0	0	0	0	350	50	0
15 Gross sales	175	29	100	0	0	100	0	0	0	0
16 Maturity shift	−5,946	−2,231	−2,186	−256	127	0	−212	−23	−200	−110
17 Exchange	1,797	1,934	789	0	0	0	397	400	0	216
Over 10 years										
18 Gross purchases	1,398	284	0	0	0	0	0	0	0	0
19 Gross sales	0	0	0	0	0	0	0	0	0	0
20 Maturity shift	−188	−1,086	−1,681	0	−400	0	0	−361	0	0
21 Exchange	275	600	1,226	0	400	0	0	100	0	0
All maturities										
22 Gross purchases	18,863	16,617	25,414	933	6,983	0	0	2,417	4,013	2,158
23 Gross sales	1,562	13,337	7,591	0	0	2,650	120	0	0	0
24 Redemptions	2,200	13,230	4,400	0	0	3,000	1,000	0	0	0
Matched transactions										
25 Gross sales	1,168,484	1,323,480	1,369,052	127,265	116,601	125,844	130,751	127,589	151,096	185,662
26 Gross purchases	1,168,142	1,326,542	1,363,434	129,722	114,488	123,442	126,141	127,502	151,412	187,032
Repurchase agreements[2]										
27 Gross purchases	152,613	129,518	219,632	19,844	36,457	45,684	36,337	44,688	23,821	16,173
28 Gross sales	151,497	132,688	202,551	19,844	34,105	31,022	38,462	44,809	38,589	16,173
29 Net change in U.S. government securities	15,872	−10,055	24,886	3,390	7,222	6,608	−7,855	2,209	−10,439	3,528
FEDERAL AGENCY OBLIGATIONS										
Outright transactions										
30 Gross purchases	0	0	0	0	0	0	0	0	0	0
31 Gross sales	0	0	0	0	0	0	0	0	0	0
32 Redemptions	587	442	183	34	0	1	0	0	0	91
Repurchase agreements[2]										
33 Gross purchases	57,259	38,835	41,836	5,913	2,774	2,091	4,416	3,546	2,518	640
34 Gross sales	56,471	40,411	40,461	5,913	2,504	1,021	3,571	4,466	3,784	640
35 Net change in federal agency obligations	198	−2,018	1,192	−34	270	1,070	845	−920	−1,266	−91
36 Total net change in System Open Market Account	**16,070**	**−12,073**	**26,078**	**3,356**	**7,492**	**7,678**	**−7,010**	**1,290**	**−11,705**	**3,437**

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.

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements[1]

Millions of dollars

Account	Wednesday					End of month		
	1991					1991		
	May 1	May 8	May 15	May 22	May 29	Mar. 29	Apr. 30	May 31
	Consolidated condition statement							
ASSETS								
1 Gold certificate account	11,058	11,058	11,058	11,057	11,057	11,058	11,058	11,057
2 Special drawing rights certificate account	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018
3 Coin	642	644	629	609	577	659	643	577
Loans								
4 To depository institutions	297	316	426	400	255	244	291	206
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	6,250	6,250	6,250	6,250	6,213	6,342	6,250	6,213
8 Held under repurchase agreements	155	0	196	0	534	0	0	0
U.S. Treasury securities								
Bought outright								
9 Bills	114,795	112,948	113,808	115,611	116,323	114,245	116,523	119,942
10 Notes	96,707	96,707	96,507	96,507	96,507	95,457	96,707	96,707
11 Bonds	31,263	31,263	31,463	31,463	31,463	31,163	31,263	31,463
12 Total bought outright[2]	242,764	240,918	241,778	243,581	244,293	240,965	244,493	248,111
13 Held under repurchase agreements	1,261	0	4,638	0	3,342	0	0	0
14 Total U.S. Treasury securities	244,025	240,918	246,416	243,581	247,635	240,965	244,493	248,111
15 **Total loans and securities**	**250,728**	**247,484**	**253,288**	**250,231**	**254,638**	**247,551**	**251,035**	**254,530**
16 Items in process of collection	10,708	5,543	5,771	4,983	7,625	9,381	9,640	5,531
17 Bank premises	906	905	915	915	915	896	906	915
Other assets								
18 Denominated in foreign currencies[2]	29,817	29,867	29,868	29,975	30,002	30,096	29,816	30,835
19 All other[5]	5,870	6,152	4,005	4,246	4,606	5,647	5,862	4,416
20 **Total assets**	**319,747**	**311,670**	**315,551**	**312,035**	**319,439**	**315,305**	**318,978**	**317,879**
LIABILITIES								
21 Federal Reserve notes	267,732	269,091	269,449	269,557	271,188	267,391	267,445	271,019
Deposits								
22 To depository institutions	29,861	25,322	29,338	24,655	29,704	24,067	22,081	26,223
23 U.S. Treasury—General account	8,826	4,725	3,835	5,319	3,945	10,922	13,682	6,619
24 Foreign—Official accounts	151	290	222	241	266	228	292	196
25 Other	242	215	240	205	242	188	276	225
26 **Total deposits**	**39,079**	**30,551**	**33,634**	**30,420**	**34,156**	**35,405**	**36,330**	**33,263**
27 Deferred credit items	6,186	4,949	5,165	4,633	6,519	6,839	8,377	5,028
28 Other liabilities and accrued dividends[4]	2,270	2,266	2,327	2,295	2,373	2,552	2,277	2,614
29 **Total liabilities**	**315,267**	**306,857**	**310,575**	**306,905**	**314,236**	**312,187**	**314,429**	**311,923**
CAPITAL ACCOUNTS								
30 Capital paid in	2,513	2,522	2,544	2,547	2,548	2,501	2,513	2,545
31 Surplus	1,822	1,984	2,076	2,148	2,198	751	1,808	2,216
32 Other capital accounts	145	307	356	435	457	-133	228	1,195
33 **Total liabilities and capital accounts**	**319,747**	**311,670**	**315,551**	**312,035**	**319,439**	**315,305**	**318,978**	**317,879**
34 MEMO: Marketable U.S. Treasury securities held in custody for foreign and international accounts	239,499	240,203	244,836	244,420	243,789	245,789	241,334	249,523
	Federal Reserve note statement							
35 Federal Reserve notes outstanding issued to bank	312,281	313,136	314,438	315,330	315,767	311,042	312,160	315,843
36 LESS: Held by bank	44,549	44,045	44,989	45,773	44,579	43,651	44,716	44,824
37 Federal Reserve notes, net	267,732	269,091	269,449	269,557	271,188	267,391	267,445	271,019
Collateral held against notes net:								
38 Gold certificate account	11,058	11,058	11,058	11,057	11,057	11,058	11,058	11,057
39 Special drawing rights certificate account	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018
40 Other eligible assets	0	847	0	0	0	0	0	0
41 U.S. Treasury and agency securities	246,656	247,168	248,374	248,482	250,113	246,315	246,369	249,944
42 **Total collateral**	**267,732**	**269,091**	**269,449**	**269,557**	**271,188**	**267,391**	**267,445**	**271,018**

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 Holding

Millions of dollars

Type and maturity groupings	Wednesday 1991 May 1	May 8	May 15	May 22	May 29	End of month 1991 Mar. 29	Apr. 30	May 31
1 Loans—Total	298	316	426	400	255	173	291	206
2 Within 15 days	214	227	333	383	227	166	254	106
3 16 days to 90 days	84	89	93	17	29	6	38	100
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	244,025	240,918	246,416	243,581	247,635	240,965	244,493	248,111
10 Within 15 days[1]	15,297	14,386	11,716	12,327	15,009	6,881	10,648	6,562
11 16 days to 90 days	54,288	55,355	57,163	56,161	57,228	62,204	59,405	65,504
12 91 days to 1 year	74,599	71,334	78,248	75,805	76,110	71,133	74,599	76,293
13 Over 1 year to 5 years	61,376	61,376	61,989	61,989	61,989	62,387	61,376	62,453
14 Over 5 years to 10 years	13,789	13,789	12,584	12,584	12,584	13,684	13,789	12,584
15 Over 10 years	24,676	24,676	24,716	24,716	24,716	24,676	24,676	24,716
16 Federal agency obligations—Total	6,405	6,250	6,250	6,250	6,747	6,342	6,250	6,213
17 Within 15 days[1]	155	0	338	338	836	275	99	302
18 16 days to 90 days	732	842	564	564	748	653	732	748
19 91 days to 1 year	1,862	1,752	1,692	1,692	1,507	1,808	1,763	1,507
20 Over 1 year to 5 years	2,442	2,442	2,442	2,442	2,458	2,393	2,442	2,458
21 Over 5 years to 10 years	1,026	1,026	1,026	1,026	1,010	1,026	1,026	1,010
22 Over 10 years	188	188	188	188	188	188	188	188

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

NOTE: Components may not sum to totals because of rounding.

1.20 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE[1]

Billions of dollars, averages of daily figures

Item	1987 Dec.	1988 Dec.	1989 Dec.	1990 Dec.	1990 Oct.	1990 Nov.	1990 Dec.	1991 Jan.	1991 Feb.	1991 Mar.	1991 Apr.	1991 May
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[2]	Seasonally adjusted											
1 **Total reserves[3]**	**45.81**	**47.60**	**47.73**	**49.10**	**47.94**	**48.24**	**49.10**	**49.47**	**49.61**	**49.57**	**49.39r**	**50.07**
2 Nonborrowed reserves[4]	45.03	45.88	47.46	48.78	47.53	48.01	48.78	48.93	49.36	49.32	49.16	49.76
3 Nonborrowed reserves plus extended credit[5]	45.52	47.12	47.48	48.80	47.55	48.04	48.80	48.96	49.39	49.38	49.25	49.85
4 Required reserves	44.77	46.55	46.81	47.44	47.10	47.30	47.44	47.30	47.80	48.39	48.36	49.04
5 Monetary base[6]	246.28	263.46	274.17	299.79	295.94	297.55	299.79	305.15	309.44	310.98	310.60r	311.48
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[2]	Not seasonally adjusted											
6 **Total reserves[7]**	**47.04**	**49.00**	**49.18**	**50.58**	**47.55**	**48.42**	**50.58**	**50.76**	**48.55**	**48.59**	**50.30**	**49.06**
7 Nonborrowed reserves	46.26	47.29	48.91	50.25	47.14	48.19	50.25	50.22	48.30	48.34	50.07	48.76
8 Nonborrowed reserves plus extended credit[5]	46.75	48.53	48.93	50.28	47.16	48.21	50.28	50.25	48.33	48.40	50.16	48.85
9 Required reserves[8]	46.00	47.96	48.26	48.91	46.71	47.47	48.91	48.59	46.74	47.41	49.27	48.03
10 Monetary base[9]	249.93	267.46	278.30	304.04	294.43	298.44	304.04	306.03	305.74	308.19	310.86	311.02
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[10]												
11 **Total reserves[11]**	**62.14**	**63.75**	**62.81**	**59.12**	**61.05**	**62.05**	**59.12**	**50.99**	**48.55**	**48.59**	**50.30**	**49.06**
12 Nonborrowed reserves	61.36	62.03	62.54	58.79	60.64	61.82	58.79	50.46	48.30	48.35	50.07	48.76
13 Nonborrowed reserves plus extended credit[5]	61.85	63.27	62.56	58.82	60.66	61.84	58.82	50.48	48.33	48.40	50.16	48.85
14 Required reserves	61.09	62.70	61.89	57.46	60.21	61.10	57.46	48.82	46.74	47.41	49.27	48.03
15 Monetary base[12]	266.06	283.00	292.55	313.70	308.85	312.69	313.70	309.30	308.53	311.04	313.95	314.25
16 Excess reserves[13]	1.05	1.05	.92	1.66	.85	.95	1.66	2.17	1.81	1.18	1.03	1.03
17 Borrowings from the Federal Reserve	.78	1.72	.27	.33	.41	.23	.33	.53	.25	.24	.23	.30

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

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

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

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

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

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

8. To adjust required reserves for discontinuities because of regulatory changes in reserve requirements, a multiplicative procedure is used to estimate what required reserves would have been in past periods had current reserve requirements been in effect. Break-adjusted required reserves are equal to break-adjusted required reserves held against transactions deposits.

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

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

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

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

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

1.21 MONEY STOCK, LIQUID ASSETS, AND DEBT MEASURES[1]

Billions of dollars, averages of daily figures

Item[2]	1987 Dec.	1988 Dec.	1989 Dec.	1990 Dec.	1991 Feb.	1991 Mar.	1991 Apr.[r]	1991 May
	Seasonally adjusted							
1 M1	749.7	786.4	793.6	825.4	836.4	843.0	842.2	851.8
2 M2	2,910.1	3,069.9	3,223.1	3,327.6[r]	3,354.3[r]	3,375.0[r]	3,382.9	3,395.8
3 M3	3,677.4	3,919.1	4,055.2	4,111.7[r]	4,160.4[r]	4,169.0[r]	4,170.8	4,173.6
4 L	4,337.0	4,676.0	4,889.9	4,958.8[r]	5,010.0[r]	5,013.5[r]	4,976.7	n.a.
5 Debt	8,345.1	9,107.6	9,790.4	10,436.1[r]	10,525.9[r]	10,563.9[r]	10,578.2	n.a.
M1 components								
6 Currency[3]	196.8	212.0	222.2	246.4	255.1	256.7	256.6	256.8
7 Travelers checks[4]	7.0	7.5	7.4	8.4	8.2	8.1	7.9	8.0
8 Demand deposits[5]	286.5	286.3	278.7	276.9	276.2	277.1	275.8	278.7
9 Other checkable deposits[6]	259.3	280.7	285.2	293.8	296.9	301.0	302.0	308.3
Nontransactions components								
10 In M2[7]	2,160.4	2,283.5	2,429.5	2,502.2[r]	2,517.9[r]	2,531.9[r]	2,540.7	2,544.0
11 In M3 only[8]	767.3	849.3	832.1	784.1	806.0[r]	794.0[r]	787.9	777.8
Time and Savings accounts								
Commercial banks								
12 Savings deposits	178.3	192.1	187.7	199.4	203.2	205.8	208.9	211.5
13 Money market deposit accounts	356.4	350.2	353.0	378.4	383.2	388.9	393.7	399.8
14 Small time deposits[9]	388.0	447.5	531.4	598.1	605.6	607.8	604.1	601.6
15 Large time deposits[10, 11]	326.6	368.0	401.9	386.1	401.1	399.9	398.0	398.2
Thrift institutions								
16 Savings deposits	233.7	232.3	216.4	211.4	212.2	214.7	218.4	221.8
17 Money market deposit accounts	168.5	151.2	133.1	127.6	128.3	130.3	132.9	136.3
18 Small time deposits[9]	529.7	584.3	614.5	566.1	557.2[r]	550.5[r]	546.2	539.4
19 Large time deposits[10]	162.6	174.3	161.6	121.0	114.9	111.6	108.7	104.5
Money market mutual funds								
20 General purpose and broker-dealer	221.7	241.1	313.6	345.4[r]	358.2[r]	363.5[r]	364.2	365.1
21 Institution-only	88.9	86.9	101.9	125.7	139.3	142.0	145.6	146.2
Debt components								
22 Federal debt	1,957.9	2,114.2	2,268.1	2,534.3[r]	2,588.6[r]	2,599.7[r]	2,590.8	n.a.
23 Nonfederal debt	6,387.2	6,993.4	7,522.3	7,901.8[r]	7,937.4[r]	7,964.2[r]	7,987.3	n.a.
	Not seasonally adjusted							
24 M1	766.2	804.2	811.9	844.3	823.4	835.0	852.9	841.7
25 M2	2,923.0	3,083.3	3,236.6	3,341.6[r]	3,345.1[r]	3,374.2[r]	3,396.4	3,375.2
26 M3	3,690.3	3,931.5	4,067.0	4,123.8[r]	4,148.5[r]	4,168.3[r]	4,179.9	4,154.8
27 L	4,352.8	4,691.8	4,907.4	4,977.2[r]	5,000.5[r]	5,011.6[r]	4,988.0	n.a.
28 Debt	8,329.1	9,093.2	9,775.9	10,423.3[r]	10,490.8[r]	10,518.6[r]	10,533.6	n.a.
M1 components								
29 Currency[3]	199.3	214.8	225.3	249.6	252.7	255.6	256.0	257.4
30 Travelers checks[4]	6.5	6.9	6.9	7.8	7.8	7.8	7.5	7.8
31 Demand deposits[5]	298.6	298.9	291.5	289.9	268.1	270.1	277.6	271.5
32 Other checkable deposits[6]	261.8	283.5	288.2	297.0	294.9	301.6	311.8	305.0
Nontransactions components								
33 In M2[7]	2,156.8	2,279.1	2,424.7	2,497.3[r]	2,521.6[r]	2,539.1[r]	2,543.6	2,533.6
34 In M3 only[8]	767.3	848.2	830.4	782.2	803.4[r]	794.1[r]	783.5	779.5
Time and Savings accounts								
Commercial banks								
35 Savings deposits	176.8	190.6	186.4	197.7	201.5	205.8	209.5	212.0
36 Money market deposit accounts	359.0	353.2	356.5	381.6	384.7	391.1	394.0	395.8
37 Small time deposits[9]	387.2	446.0	529.2	596.1	606.1	607.4	604.2	601.4
38 Large time deposits[10, 11]	325.8	366.8	400.4	386.1	399.6	399.4	395.7	397.8
Thrift institutions								
39 Savings deposits	231.4	229.9	214.2	209.6	210.4	214.7	219.0	222.3
40 Money market deposit accounts	168.6	151.6	133.7	128.7	128.8	131.0	133.0	134.9
41 Small time deposits[9]	529.5	583.8	613.8	564.1	557.7[r]	550.1[r]	546.2	539.2
42 Large time deposits[10]	163.3	175.2	162.6	121.1	114.5	111.5	108.1	104.4
Money market mutual funds								
43 General purpose and broker-dealer	221.1	240.7	313.5	345.5[r]	362.3[r]	370.0[r]	368.5	360.5
44 Institution-only	89.6	87.6	102.8	127.0	144.0	143.9	144.1	145.2
Repurchase agreements and Eurodollars								
45 Overnight	83.2	83.4	77.3	74.0[r]	70.1[r]	69.1[r]	69.1	67.6
46 Term	197.1	227.7	179.8	161.5	159.4[r]	154.3[r]	150.7	147.6
Debt components								
47 Federal debt	1,955.6	2,111.8	2,265.9	2,532.1	2,590.7[r]	2,602.8[r]	2,593.0	n.a.
48 Nonfederal debt	6,373.5	6,981.4	7,509.9	7,891.2[r]	7,900.1[r]	7,915.8[r]	7,940.6	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 Money and Reserves Projection Section, Division of Monetary Affairs, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

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

M1: (1) currency outside the Treasury, Federal Reserve Banks, and the vaults of depository institutions; (2) travelers checks of nonbank issuers; (3) demand deposits at all commercial banks other than those due to depository institutions, the U.S. government, and foreign banks and official institutions less cash items in the process of collection and Federal Reserve float; and (4), other checkable deposits (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 depository institutions 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 all depository 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. Data are derived from 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, term Eurodollars of U.S. residents, and money market fund balances (institution-only), less a consolidation adjustment that represents the estimated amount of overnight RPs and Eurodollars held by institution-only money market funds.

9. Small-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.

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

11. 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[1]

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	1988	1989	1990	1990 Oct.	1990 Nov.	1990 Dec.	1991 Jan.	1991 Feb.	1991 Mar.
Debits to	Seasonally adjusted								
Demand deposits[3]									
1 All insured banks	219,795.7	256,150.4	277,916.3	295,490.0	294,468.6	267,479.9	279,437.8	280,494.1r	271,546.1
2 Major New York City banks	115,475.6	129,319.9	131,784.0	136,082.4	140,531.5	130,154.6	138,638.1	138,037.7r	132,697.5
3 Other banks	104,320.2	126,830.5	146,132.3	159,407.6	153,937.1	137,325.3	140,799.7	142,456.4r	138,848.6
4 ATS–NOW accounts[4]	2,478.1	2,910.5	3,349.6	3,449.3	3,479.2	3,368.4	3,559.1	3,533.7r	3,245.9
5 Savings deposits[5]	537.0	547.5	558.8	573.7	565.8	527.2	572.9	551.4r	525.5
Deposit Turnover									
Demand deposits[3]									
6 All insured banks	622.9	735.1	800.6	865.9	857.1	779.5	828.3	817.8r	792.4
7 Major New York City banks	2,897.2	3,421.5	3,804.1	4,280.5	4,320.4	3,949.1	4,259.7	4,125.7r	4,095.8
8 Other banks	333.3	408.3	467.7	515.1	494.9	442.7	461.9	460.2r	447.5
9 ATS–NOW accounts[4]	13.2	15.2	16.5	16.8	16.8	16.2	17.0	16.7r	15.1
10 Savings deposits[5]	2.9	3.0	2.9	2.9	2.9	2.7	2.9	2.7r	2.6
Debits to	Not seasonally adjusted								
Demand deposits[3]									
11 All insured banks	219,790.4	256,133.2	277,400.0	298,947.2	277,536.6	275,664.8	283,545.5	259,372.9	278,280.4
12 Major New York City banks	115,460.7	129,400.1	131,784.7	142,664.0	133,220.6	133,491.9	136,578.8	127,287.3	134,974.7
13 Other banks	104,329.7	126,733.0	145,615.3	156,283.2	144,316.0	142,172.9	146,966.7	132,085.5	143,305.7
14 ATS–NOW accounts[4]	2,477.3	2,910.7	3,342.2	3,462.0	3,259.5	3,430.2	3,923.1	3,237.8	3,310.7
15 MMDA[6]	2,342.7	2,677.1	2,923.8	3,095.5	2,805.0	2,938.6	3,106.8	2,512.7	2,771.6
16 Savings deposits[5]	536.3	546.9	557.9	616.3	505.1	530.1	589.2	494.9	524.5
Deposit Turnover									
Demand deposits[3]									
17 All insured banks	622.8	735.4	799.6	870.9	800.0	765.8	820.3	778.7	835.8
18 Major New York City banks	2,896.7	3,426.2	3,810.0	4,376.5	4,067.4	3,760.0	3,993.4	3,899.0	4,378.5
19 Other banks	333.2	408.0	466.3	503.1	459.3	438.2	471.9	439.7	474.3
20 ATS–NOW accounts[4]	13.2	15.2	16.4	17.1	15.8	16.2	18.4	15.3	15.3
21 MMDA[6]	6.6	7.9	8.0	8.3	7.4	7.8	8.2	6.6	7.1
22 Savings deposits[5]	2.9	2.9	2.9	3.1	2.6	2.7	3.0	2.5	2.6

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

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 MMDA, ATS and NOW accounts.

6. Money market deposit accounts.

1.23 LOANS AND SECURITIES All Commercial Banks

Billions of dollars; averages of Wednesday figures

Category	1990							1991				
	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
	Seasonally adjusted											
1 **Total loans and securities**[1]	**2,670.1**	**2,683.0**	**2,704.9**	**2,708.0**	**2,713.6**	**2,716.6**	**2,723.6**	**2,721.2**	**2,735.1**	**2,750.9**	**2,751.6**	**2,750.0**
2 U.S. government securities	438.4	442.8	445.7	450.1	453.1	454.0	454.2	454.1	458.0	471.4	479.2	484.9
3 Other securities	177.5	177.3	178.8	178.8	177.8	175.9	175.6	177.7	177.6	177.6	175.7	174.0
4 Total loans and leases[1]	2,054.2	2,062.9	2,080.4	2,079.0	2,082.7	2,086.7	2,093.8	2,089.4	2,099.5	2,102.0	2,096.7	2,091.1
5 Commercial and industrial	645.3	644.4	645.1	644.7	643.7	646.5	648.1	644.3	643.9	646.0	640.0	633.2
6 Bankers acceptances held[2]	7.8	7.6	7.4	7.5	7.3	7.4	7.5	7.7	6.9	6.7	6.6	6.7
7 Other commercial and industrial	637.4	636.7	637.7	637.1	636.4	639.1	640.5	636.6	637.1	639.4	633.4	626.5
8 U.S. addressees[3]	633.2	632.5	633.4	632.6	631.7	634.0	635.3	631.1	631.5	633.7	627.9	620.7
9 Non-U.S. addressees[3]	4.3	4.3	4.3	4.5	4.7	5.1	5.3	5.5	5.5	5.7	5.5	5.8
10 Real estate	805.9	814.5	818.0	822.5	827.7	832.0	836.5	837.3	842.6	846.3	850.7	854.7
11 Individual	377.6	376.4	378.2	378.6	379.7	378.7	378.9	375.9	377.7	375.5	374.1	373.5
12 Security	35.0	38.7	44.6	41.3	40.5	39.6	40.6	43.1	43.2	38.8	39.8[r]	39.8
13 Nonbank financial institutions	34.4	34.7	35.0	35.2	34.8	34.6	34.7	34.2	35.3	36.1	35.2[r]	36.1
14 Agricultural	31.1	31.3	31.5	31.8	32.2	32.5	33.0	33.5	33.5	34.0	33.9	33.6
15 State and political subdivisions	37.3	36.4	35.8	35.2	35.1	34.8	34.3	33.2[r]	33.1[r]	32.7[r]	32.2[r]	31.8
16 Foreign banks	7.4	7.0	7.9	8.1	9.0	8.2	7.4	6.5	6.8	7.4[r]	6.9[r]	6.4
17 Foreign official institutions	3.2	3.2	3.2	3.3	3.2	3.2	3.2	3.0	3.1	3.2	3.0	3.0
18 Lease financing receivables	32.4	32.6	32.7	32.8	33.3	32.9	32.7	32.4	32.8	33.0	32.7	32.7
19 All other loans	44.5	43.6	48.2	45.5	43.6	43.6	44.6	46.0[r]	47.5[r]	48.9[r]	48.2	46.4
	Not seasonally adjusted											
20 **Total loans and securities**[1]	**2,670.8**	**2,677.5**	**2,700.1**	**2,707.0**	**2,715.5**	**2,720.1**	**2,730.5**	**2,721.0**	**2,737.3**	**2,748.3**	**2,751.3**	**2,749.2**
21 U.S. government securities	437.1	439.9	444.0	448.2	450.8	454.1	451.5	455.8	463.9	475.8	480.5	485.1
22 Other securities	177.5	176.4	179.1	179.0	178.0	176.6	176.3	177.9	177.3	176.9	175.1	173.8
23 Total loans and leases[1]	2,056.3	2,061.1	2,077.1	2,079.8	2,086.7	2,089.3	2,102.7	2,087.3	2,096.1	2,095.7	2,095.7	2,090.2
24 Commercial and industrial	647.7	644.6	643.5	640.9	641.2	644.5	648.0	641.1	643.0	648.3	644.7	637.1
25 Bankers acceptances held[2]	8.0	7.3	7.2	7.5	7.4	7.6	7.7	7.6	7.0	6.6	6.5	6.6
26 Other commercial and industrial	639.7	637.3	636.3	633.4	633.8	636.9	640.3	633.4	636.1	641.6	638.2	630.5
27 U.S. addressees[3]	635.5	632.9	631.8	628.8	629.1	631.9	635.1	628.2	630.6	636.2	632.3	624.6
28 Non-U.S. addressees[3]	4.3	4.4	4.5	4.6	4.7	5.0	5.2	5.3	5.5	5.4	5.9	5.9
29 Real estate	806.0	814.9	819.9	824.2	830.3	834.0	837.9	837.1	839.5	842.6	848.1	853.8
30 Individual	375.6	374.1	377.4	380.4	380.6	379.8	383.8	380.1	377.1	372.8	371.5	371.8
31 Security	37.1	38.6	43.9	40.3	39.5	38.5	40.0	40.9	44.7	40.1	41.3[r]	39.0
32 Nonbank financial institutions	34.5	34.6	35.0	34.9	34.7	35.0	36.1	34.7	34.9	35.4	34.9	35.7
33 Agricultural	31.4	32.1	32.5	32.9	33.1	32.9	32.9	32.8	32.5	32.6	32.8	33.1
34 State and political subdivisions	37.2	36.2	35.7	35.2	35.1	34.7	34.0	33.8[r]	33.2[r]	32.7[r]	32.1[r]	31.8
35 Foreign banks	7.5	7.1	8.0	8.2	9.3	8.4	7.6	6.5	6.7	7.0[r]	6.7[r]	6.4
36 Foreign official institutions	3.2	3.2	3.2	3.3	3.2	3.2	3.2	3.0	3.1	3.2	3.0	3.0
37 Lease financing receivables	32.2	32.4	32.6	32.8	33.3	33.1	32.8	32.8	32.9	32.9	32.7	32.6
38 All other loans	43.9	43.3	45.4	46.8	46.3	45.3	46.5	44.3[r]	48.3[r]	48.1[r]	47.9[r]	46.1

1. Excludes loans to commercial banks in the United States.
2. Includes nonfinancial commercial paper held.
3. United States includes the 50 states and the District of Columbia.

1.24 MAJOR NONDEPOSIT FUNDS OF COMMERCIAL BANKS[1]

Monthly averages, billions of dollars

Source	1990							1991				
	June	July	Aug.	Sept.	Oct.	Nov.	Dec.[r]	Jan.[r]	Feb.	Mar.[r]	Apr.[r]	May
Seasonally adjusted												
1 Total nondeposit funds[2]	272.3	281.1	283.8	283.0	291.8	292.4	287.9	277.1	265.0[r]	264.0	262.6	258.0
2 Net balances due to related foreign offices[3]	17.2	19.1	19.0	21.5	29.9	30.1	34.6	33.5	24.8	30.1	30.7	26.0
3 Borrowings from other than commercial banks in United States[4]	255.1	262.0	264.8	261.5	261.9[r]	262.2[r]	253.2	243.6	240.2[r]	233.8	231.9	232.0
4 Domestically chartered banks	196.8	201.6	202.2	198.8	196.9	195.0[r]	187.1	182.2	177.1[r]	171.5	170.7	168.8
5 Foreign-related banks	58.3	60.4	62.6	62.7	65.0	67.3	66.2	61.5	63.1	62.3	61.2	63.2
Not seasonally adjusted												
6 Total nondeposit funds[2]	275.1	277.2	282.5	278.6	288.7	293.5[r]	282.3	272.5	268.1[r]	269.2	263.3	265.9
7 Net balances due to related foreign offices[3]	17.4	16.6	18.5	21.5	29.6	30.8	37.2	33.1	24.8[r]	29.6	28.8	28.5
8 Domestically chartered banks	-6.1	-5.8	-3.4	-4.2	-1.0	.6	-4.1	-15.2	-15.2	-6.0	-3.5	-.7
9 Foreign-related banks	23.5	22.4	21.9	25.8	30.6	30.2	41.3	48.4	40.0	35.6	32.4	29.2
10 Borrowings from other than commercial banks in United States[4]	257.7	260.6	264.0	257.0	259.2	262.7[r]	245.1	239.4	243.3[r]	239.6	234.5	237.4
11 Domestically chartered banks	197.7	199.1	201.7	195.6	195.0	197.6	182.8	177.7	179.4[r]	175.9	171.4	173.5
12 Federal funds and security RP borrowings[5]	194.6	196.2	198.1	191.6	191.7	194.7[r]	180.0	174.4	176.6[r]	172.6	168.6	170.7
13 Other[6]	3.2	2.9	3.6	4.0	3.2	2.9	2.8	3.2	2.8	3.2	2.9	2.8
14 Foreign-related banks[6]	60.0	61.5	62.3	61.5	64.2	65.1	62.3	61.7	63.9	63.7	63.0	63.9
MEMO												
Gross large time deposits[7]												
15 Seasonally adjusted	451.5	451.9	449.2	443.6	438.0	435.2	431.8	441.0	450.6	450.9	450.9	452.1
16 Not seasonally adjusted	451.0	450.5	450.1	445.4	440.4	437.8	431.8	439.3	449.1	450.5	448.6	451.7
U.S. Treasury demand balances at commercial banks[8]												
17 Seasonally adjusted	20.6	15.0	32.7	26.0	22.3	25.2	24.4	25.7	33.4	33.8	21.7	15.1
18 Not seasonally adjusted	20.9	15.2	23.5	31.0	20.9	19.2	23.0	29.4	39.3	28.4	20.4	19.8

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.

1.25 ASSETS AND LIABILITIES OF COMMERCIAL BANKING INSTITUTIONS Last-Wednesday-of-Month Series[1]

Billions of dollars

Account	1990						1991				
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
ALL COMMERCIAL BANKING INSTITUTIONS[2]											
1 Loans and securities	2,878.8	2,896.8	2,887.1	2,931.3	2,925.1	2,936.9	2,908.7	2,924.9	2,910.9	2,907.1	2,921.5
2 Investment securities	588.3	597.2	601.7	604.9	603.3	605.6	612.8	614.0	628.3	628.5	634.1
3 U.S. government securities	421.7	429.1	434.5	438.0	437.6	439.6	447.6	449.5	463.3	465.1	471.8
4 Other	166.6	168.0	167.2	166.8	165.7	166.0	165.2	164.5	165.1	163.4	162.2
5 Trading account assets	27.7	29.3	21.4	27.4	25.0	22.0	24.1	26.9	23.5	24.9	24.3
6 Total loans	2,262.8	2,270.4	2,264.0	2,299.0	2,296.9	2,309.3	2,271.8	2,283.9	2,259.1	2,253.6	2,263.2
7 Interbank loans	204.8	200.1	191.0	207.9	207.0	204.0	193.3	185.0	171.8	160.7	172.5
8 Loans excluding interbank	2,057.9	2,070.3	2,073.0	2,091.2	2,089.8	2,105.3	2,078.6	2,099.0	2,087.3	2,092.9	2,090.6
9 Commercial and industrial	641.5	639.7	639.7	643.4	644.4	650.8	637.2	645.1	648.5	643.6	635.1
10 Real estate	816.0	820.1	825.0	831.5	833.7	838.3	836.9	840.1	842.5	849.0	855.2
11 Individual	374.8	379.4	381.2	380.8	380.5	384.7	378.6	376.4	371.5	372.0	370.7
12 All other	225.6	231.1	227.1	235.5	231.2	231.5	225.9	237.4	224.8	228.3	229.6
13 Total cash assets	210.7	207.7	213.7	220.8	216.7	217.9	199.2	204.5	206.1	201.0	224.3
14 Reserves with Federal Reserve Banks	29.8	30.0	33.6	29.7	33.0	23.4	16.5	18.1	25.0	23.1	26.2
15 Cash in vault	28.8	30.3	29.3	29.4	32.8	32.0	30.4	29.8	28.9	29.1	31.1
16 Cash items in process of collection	79.6	77.5	81.1	85.4	78.4	86.0	74.7	79.9	76.9	74.3	87.2
17 Demand balances at U.S. depository institutions	27.3	27.3	27.0	28.5	28.4	29.6	28.1	27.7	27.6	26.4	30.8
18 Other cash assets	45.2	42.5	42.8	47.8	44.2	46.8	49.6	49.0	47.7	48.1	49.0
19 Other assets	205.3	220.8	226.6	230.1	226.6	245.1	249.9	259.6	263.1	260.4	264.4
20 Total assets/total liabilities and capital	**3,294.8**	**3,325.3**	**3,327.4**	**3,382.2**	**3,368.5**	**3,399.9**	**3,357.8**	**3,388.9**	**3,380.1**	**3,368.5**	**3,410.3**
21 Deposits	2,290.9	2,296.5	2,300.1	2,332.0	2,319.9	2,363.4	2,334.6	2,365.0	2,382.5	2,381.9	2,413.3
22 Transaction deposits	590.1	589.1	595.3	612.1	598.1	637.1	587.9	594.1	602.8	601.3	617.6
23 Savings deposits	561.3	565.6	563.5	570.5	573.1	573.3	573.9	583.5	594.1	595.4	606.2
24 Time deposits	1,139.5	1,141.8	1,141.3	1,149.4	1,148.8	1,152.9	1,172.8	1,187.3	1,185.6	1,185.3	1,189.5
25 Borrowings	562.1	579.9	570.9	591.0	570.6	548.7	529.8	515.4	492.3	494.6	499.8
26 Other liabilities	220.5	226.2	233.1	236.0	255.3	264.4	268.8	282.3	278.2	263.9	267.6
27 Residual (assets less liabilities)	221.2	222.8	223.4	223.3	222.7	223.5	224.6	226.2	227.0	228.1	229.6
MEMO											
28 U.S. government securities (including trading account)	440.4	446.3	445.1	454.2	451.9	451.1	459.4	463.7	475.9	479.0	485.0
29 Other securities (including trading account)	175.6	180.2	178.0	178.1	176.4	176.5	177.5	177.2	176.0	174.5	173.4
DOMESTICALLY CHARTERED COMMERCIAL BANKS[3]											
30 Loans and securities	2,614.4	2,631.8	2,620.5	2,658.4	2,645.1	2,654.2	2,628.0	2,642.3	2,635.6	2,628.9	2,637.8
31 Investment securities	557.3	566.1	569.0	571.5	569.8	570.5	575.3	577.4	588.6	592.3	595.7
32 U.S. government securities	406.5	414.1	417.9	420.9	420.8	421.7	426.5	429.3	440.2	445.5	449.2
33 Other	150.8	152.0	151.2	150.6	149.1	148.8	148.7	148.2	148.5	146.8	146.5
34 Trading account assets	27.7	29.3	21.4	27.4	25.0	22.0	24.1	26.9	23.5	24.9	24.3
35 Total loans	2,029.4	2,036.4	2,030.0	2,059.5	2,050.3	2,061.7	2,028.6	2,038.0	2,023.5	2,011.7	2,017.8
36 Interbank loans	153.7	153.7	146.0	164.0	157.4	160.0	151.7	150.9	148.3	134.2	144.5
37 Loans excluding interbank	1,875.7	1,882.6	1,884.0	1,895.5	1,892.9	1,901.7	1,876.9	1,887.0	1,875.2	1,877.5	1,873.3
38 Commercial and industrial	517.3	514.0	513.2	515.4	513.4	512.7	504.2	508.4	506.3	502.4	495.0
39 Real estate	776.7	779.5	784.0	789.8	791.6	796.4	794.0	797.1	799.7	804.7	808.7
40 Individual	374.8	379.4	381.2	380.8	380.5	384.7	378.6	376.4	371.5	372.0	370.7
41 All other	206.9	209.8	205.7	209.5	207.4	207.9	200.2	205.1	197.7	198.4	198.8
42 Total cash assets	184.7	181.7	187.0	189.3	187.7	188.3	166.6	172.7	177.0	171.6	193.6
43 Reserves with Federal Reserve Banks	28.9	28.0	32.1	28.5	31.5	23.0	15.3	17.0	24.0	21.9	25.8
44 Cash in vault	28.8	30.3	29.2	29.4	32.8	32.0	30.3	29.8	28.8	29.1	31.1
45 Cash items in process of collection	78.1	75.9	79.0	83.6	76.4	83.9	72.9	78.2	74.9	72.6	85.5
46 Demand balances at U.S. depository institutions	25.6	25.0	25.1	26.6	26.2	27.6	26.2	25.8	25.8	24.8	28.8
47 Other cash assets	23.4	22.5	21.5	21.2	20.9	21.8	22.0	21.9	23.4	23.2	22.4
48 Other assets	139.1	145.6	152.3	153.6	155.0	167.8	166.9	171.3	167.9	161.9	162.3
49 Total assets/liabilities and capital	**2,938.2**	**2,959.1**	**2,959.7**	**3,001.3**	**2,987.8**	**3,010.3**	**2,961.4**	**2,986.3**	**2,980.4**	**2,962.4**	**2,993.7**
50 Deposits	2,209.2	2,214.9	2,220.1	2,253.8	2,243.3	2,283.5	2,236.2	2,255.2	2,266.2	2,258.8	2,280.8
51 Transaction deposits	580.2	578.8	584.4	601.5	587.7	626.1	577.4	583.8	592.2	591.4	607.5
52 Savings deposits	558.3	562.6	560.4	567.4	569.8	570.0	570.6	580.2	590.6	591.9	602.5
53 Time deposits	1,070.7	1,073.5	1,075.3	1,085.0	1,085.8	1,087.4	1,088.1	1,091.2	1,083.4	1,075.6	1,070.8
54 Borrowings	396.0	404.3	395.8	400.4	394.1	375.6	380.1	371.8	354.9	346.5	355.1
55 Other liabilities	115.3	120.7	124.1	127.5	131.5	131.4	124.2	136.8	136.0	132.6	131.9
56 Residual (assets less liabilities)	217.7	219.2	219.7	219.6	219.0	219.8	220.9	222.6	223.4	224.5	226.0
MEMO											
57 Real estate loans, revolving	56.3	57.7	58.6	60.6	61.1	61.7	62.9	63.3	63.6	64.4	65.7
58 Real estate loans, other	720.4	721.7	725.4	729.2	730.5	734.7	731.1	733.8	736.1	740.3	743.0

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 (510) release.

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.

2. 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.

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

1.26 ASSETS AND LIABILITIES OF LARGE WEEKLY REPORTING COMMERCIAL BANKS

Millions of dollars, Wednesday figures

Account	1991								
	Apr. 3[r]	Apr. 10	Apr. 17[r]	Apr. 24	May 1	May 8	May 15	May 22	May 29
ASSETS									
1 Cash and balances due from depository institutions	106,445	99,294[r]	108,173	97,612[r]	125,621	97,575	113,446	94,631	112,476
2 U.S. Treasury and government securities	195,895	194,450	195,635	191,835	194,691	193,915	196,201	193,597	192,837
3 Trading account	17,101	15,974	16,103	13,906	15,432	14,577	16,810	14,692	13,183
4 Investment account	178,793	178,476	179,532	177,928	179,259	179,338	179,391	178,905	179,655
5 Mortgage-backed securities[1]	84,414	84,359[r]	85,171	83,315[r]	83,309	83,299	82,505	81,747	81,717
All other maturing in									
6 One year or less	19,546	19,359	19,240	19,058	18,929	19,027	18,649	19,464	19,658
7 Over one through five years	41,151	41,001	41,401	41,718	42,517	43,706	45,139	44,426	44,416
8 Over five years	33,682	33,758[r]	33,721	33,837[r]	34,505	33,306	33,098	33,268	33,864
9 Other securities	59,217	58,896	58,516	58,589	58,580	58,547	57,844	57,663	57,683
10 *Trading account*	1,353	1,221	1,132	1,392	1,365	1,241	1,346	1,360	1,372
11 Investment account	57,864	57,674	57,385	57,197	57,215	57,306	56,498	56,303	56,311
12 State and political subdivisions, by maturity	28,009	27,869[r]	27,585	27,418	27,229	27,242	27,187	27,091	27,094
13 One year or less	3,781	3,738	3,685	3,660	3,711	3,703	3,680	3,656	3,662
14 Over one year	24,228	24,131[r]	23,900	23,757	23,518	23,539	23,508	23,435	23,431
15 Other bonds, corporate stocks, and securities	29,855	29,805[r]	29,800	29,779	29,986	30,064	29,310	29,212	29,217
16 *Other trading account assets*	10,997	9,631	9,720	9,717	9,456	9,506	10,225	9,542	9,769
17 Federal funds sold[2]	79,788	79,521	85,332	68,905	86,089	68,178	78,327	63,099	73,512
18 To commercial banks in the U.S.	59,095	53,921	59,427	45,186	57,489	47,446	55,417	43,621	53,098
19 To nonbank brokers and dealers	17,250	21,772	21,895	20,548	25,298	17,906	19,689	17,329	17,608
20 To others[3]	3,443	3,828	4,010	3,172	3,303	2,826	3,221	2,149	2,805
21 Other loans and leases, gross	1,049,326	1,044,567[r]	1,048,747	1,044,641[r]	1,051,794	1,045,695	1,045,722	1,041,095	1,042,653
22 Commercial and industrial	319,905	316,932[r]	318,300	316,372[r]	317,840	315,839	314,425	313,289	312,322
23 Bankers' acceptances and commercial paper	1,697	1,671	1,736	1,601	1,639	1,668	1,621	1,556	1,627
24 All other	318,207	315,262[r]	316,565	314,772[r]	316,201	314,172	312,804	311,733	310,695
25 U.S. addressees	316,820	313,913[r]	315,249	313,329[r]	314,828	312,791	311,384	310,323	309,242
26 Non-U.S. addressees	1,387	1,349	1,316	1,443	1,373	1,381	1,420	1,410	1,453
27 *Real estate loans*	402,852	403,534[r]	404,152	404,240[r]	404,529	404,806	404,480	404,096	404,667
28 Revolving, home equity	36,445	36,516	36,738	36,953	37,036	37,102	37,210	37,204	37,290
29 All other	366,407	367,017[r]	367,414	367,287[r]	367,493	367,703	367,270	366,892	367,378
30 To individuals for personal expenditures	190,292	190,318[r]	190,714	190,623[r]	190,833	190,411	190,456	189,990	188,789
31 To depository and financial institutions	49,144	47,811	46,309	45,489[r]	47,140	47,037	47,776	46,211	46,921
32 Commercial banks in the United States	22,387	21,861[r]	21,401	21,122[r]	21,137	21,622	22,235	21,727	21,568
33 *Banks in foreign countries*	3,500	2,922	2,352	2,435[r]	3,020	2,342	2,454	2,122	2,848
34 Nonbank depository and other financial institutions	23,257	23,028[r]	22,556	21,933	22,983	23,073	23,088	22,362	22,504
35 For purchasing and carrying securities	11,848	11,415[r]	13,001	12,995[r]	14,462	12,613	12,703	12,708	13,768
36 To finance agricultural production	5,754	5,825[r]	5,916	5,876[r]	5,967	5,985	6,055	6,079	6,184
37 To states and political subdivisions	20,115	20,021[r]	19,913	19,912	19,905	19,711	19,713	19,631	19,910
38 To foreign governments and official institutions	1,182	1,182	1,152	1,187	1,146	1,193	1,166	1,120	1,224
39 All other loans[4]	21,000	20,381[r]	22,182	20,862[r]	22,898	21,081	21,970	21,019	21,900
40 Lease financing receivables	27,234	27,149	27,106	27,085[r]	27,075	27,017	26,978	26,953	26,966
41 LESS: Unearned income	4,079	4,086	4,107	4,101[r]	4,039	4,038	4,033	4,038	4,020
42 Loan and lease reserve[3]	37,638	37,856	37,897	37,892[r]	38,294	38,124	37,520	37,349	37,347
43 Other loans and leases, net	1,007,610	1,002,625[r]	1,006,743	1,002,648[r]	1,009,462	1,003,533	1,004,169	999,709	1,001,286
44 Other assets	162,309	159,322[r]	157,864	153,296[r]	156,758	154,538	154,295	151,149	153,351
45 **Total assets**	**1,622,262**	**1,603,738[r]**	**1,621,983**	**1,582,604[r]**	**1,640,659**	**1,585,792**	**1,614,506**	**1,569,389**	**1,600,913**

Footnotes appear on the following page.

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

Millions of dollars, Wednesday figures

Account	1991								
	Apr. 3r	Apr. 10	Apr. 17r	Apr. 24	May 1	May 8	May 15	May 22	May 29
LIABILITIES									
46 Deposits	1,120,375	1,116,136r	1,123,117	1,094,514r	1,129,448	1,098,115	1,121,993	1,089,457	1,104,702
47 Demand deposits	228,523	223,406r	232,125	214,356r	249,036	215,815	238,592	211,392	225,294
48 Individuals, partnerships, and corporations	183,749	181,073r	184,830	170,110r	194,887	175,034	190,794	170,494	178,844
49 Other holders	44,773	42,334	47,295	44,246	54,149	40,781	47,798	40,898	46,451
50 States and political subdivisions	6,620	6,652	6,929	7,121	7,996	6,033	7,114	6,864	6,398
51 U.S. government	1,795	1,975	4,107	3,387	3,660	1,323	3,060	1,249	1,425
52 Depository institutions in the United States	20,396	18,243	20,050	18,299	24,792	17,880	23,712	18,528	22,888
53 Banks in foreign countries	6,336	4,854	5,486	5,118	5,689	4,987	5,086	5,186	5,374
54 Foreign governments and official institutions	582	612	612	686	690	694	621	658	564
55 Certified and officers' checks	9,045	9,998	10,111	9,635	11,323	9,864	8,205	8,414	9,802
56 Transaction balances other than demand deposits[4]	91,982	91,697	94,683	88,294	88,717	88,366	88,108	86,695	86,705
57 Nontransaction balances	799,870	801,033r	796,309	791,863r	791,695	793,934	795,292	791,369	792,703
58 Individuals, partnerships, and corporations	763,178	764,247r	759,500	755,073r	755,230	756,201	757,458	753,467	754,688
59 Other holders	36,693	36,786	36,810	36,790	36,465	37,734	37,834	37,902	38,015
60 States and political subdivisions	30,432	30,818	30,826	30,730	30,376	31,527	31,588	31,738	31,822
61 U.S. government	874	871	899	900	1,037	1,030	1,051	1,065	1,059
62 Depository institutions in the United States	4,911	4,630	4,614	4,669	4,558	4,686	4,688	4,581	4,603
63 Foreign governments, official institutions, and banks	476	467	471	491	494	490	507	518	532
64 Liabilities for borrowed money[5]	282,831	266,262r	279,937	268,168r	293,609	268,006	273,137	261,054	276,948
65 Borrowings from Federal Reserve Banks	80	0	0	0	0	0	200	0	0
66 Treasury tax and loan notes	13,997	3,779r	22,701	27,030r	29,172	16,165	4,430	2,868	16,654
67 Other liabilities for borrowed money[6]	268,754	262,483r	257,236	241,137r	264,436	251,842	268,507	258,185	260,294
68 Other liabilities (including subordinated notes and debentures)	106,740	108,585r	106,352	106,888r	105,492	106,403	105,941	104,969	104,852
69 **Total liabilities**	**1,509,947**	**1,490,983r**	**1,509,406**	**1,469,569r**	**1,528,548**	**1,472,524**	**1,501,071**	**1,455,479**	**1,486,501**
70 Residual (Total assets minus total liabilities)[7]	112,315	112,755r	112,577	113,034r	112,110	113,267	113,435	113,910	114,412
MEMO									
71 Total loans and leases, gross, adjusted, plus securities[8]	1,313,742	1,311,283r	1,317,123	1,307,379r	1,321,986	1,306,773	1,310,667	1,299,649	1,301,787
72 Time deposits in amounts of $100,000 or more	201,439	201,589r	200,394	198,799r	198,020	198,249	197,639	196,960	196,710
73 Loans sold outright to affiliates, total[9]	1,180	1,184	1,197	1,196	1,164	1,152	1,149	1,123	1,032
74 Commercial and industrial	678	682	694	664	657	639	590	554	536
75 Other	502	502	503	532	507	513	559	568	495
76 Foreign branch credit extended to U.S. residents[10]	25,195	25,311	25,242	24,745	24,650	24,324	24,397	24,406	24,115
77 Net due to related institutions abroad	−8,671	−4,196r	−4,431	1,784r	−1,867	−253	−586	2,925	1,570

1. Includes certificates of participation, issued or guaranteed by agencies of the U.S. government, in pools of residential mortgages.
2. Includes securities purchased under agreements to resell.
3. Includes allocated transfer risk reserve.
4. Includes NOW, ATS, and telephone and pre-authorized transfer savings deposits.
5. Includes borrowings only from other than directly related institutions.
6. Includes federal funds purchased and securities sold under agreements to repurchase.
7. This balancing item is not intended as a measure of equity capital for use in capital adequacy analysis.
8. Excludes loans to and federal funds transactions with commercial banks in the United States.
9. Affiliates include a bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company.
10. Credit extended by foreign branches of domestically chartered weekly reporting banks to nonbank U.S. residents. Consists mainly of commercial and industrial loans, but includes an unknown amount of credit extended to other than nonfinancial businesses.

NOTE. Data that formerly appeared on table 1.28 Asset and Liabilities of Large Weekly Reporting Commercial Banks in New York City may be obtained from the Board's H.4.2 (504) statistical release. For address see inside front cover.

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

Millions of dollars, Wednesday figures

Account	1991								
	Apr. 3	Apr. 10	Apr. 17	Apr. 24	May 1	May 8	May 15	May 22	May 29
1 Cash and balances due from depository institutions	15,516	15,741	16,708	15,605	17,553	15,791	16,052	16,409	16,793
2 U.S. Treasury and government agency securities	14,628r	13,795r	12,829r	13,089r	13,656	13,366	14,289	15,338	14,671
3 Other securities	7,490r	7,453r	7,260r	7,278r	7,279	7,260	7,213	7,185	7,227
4 Federal funds sold[1]	9,449	8,320	9,844	8,484	9,624	7,479	8,563	7,393	10,206
5 To commercial banks in the United States	5,290	3,976	4,903	3,307	5,128	3,316	3,789	2,814	5,207
6 To others[2]	4,159	4,345	4,941	5,177	4,496	4,163	4,774	4,578	4,999
7 Other loans and leases, gross	136,154	135,057	135,622	135,671	135,469	134,192	135,361	134,330	135,905
8 Commercial and industrial	82,614r	81,800r	82,194r	82,163r	82,028	81,552	82,074	82,090	82,480
9 Bankers acceptances and commercial paper	2,266	2,085	1,871	1,763	1,919	2,031	2,165	2,049	2,025
10 All other	80,348r	79,716r	80,323r	80,400r	80,109	79,521	79,909	80,042	80,455
11 U.S. addressees	77,913r	77,348r	77,937r	78,168r	77,981	77,317	77,729	77,848	78,247
12 Non-U.S. addressees	2,435	2,367	2,386	2,231	2,128	2,204	2,180	2,194	2,209
13 Loans secured by real estate	30,281r	30,606r	30,566r	30,314r	30,742	30,971	31,014	30,911	31,110
14 To financial institutions	18,940	18,421	18,368	18,683	18,212	17,627	18,094	17,093	17,556
15 Commercial banks in the United States	11,350	11,013	10,789	11,213	10,771	10,222	10,212	9,519	9,588
16 Banks in foreign countries	1,784	1,496	1,890	1,889	1,594	1,648	1,633	1,662	1,630
17 Nonbank financial institutions	5,806	5,912	5,689	5,581	5,847	5,756	6,250	5,912	6,338
18 For purchasing and carrying securities	1,771r	1,773r	1,915r	1,895r	2,105	2,029	2,178	2,208	2,684
19 To foreign governments and official institutions	188	214	220	225	222	228	235	206	250
20 All other	2,360r	2,243r	2,358r	2,391r	2,159	1,786	1,767	1,820	1,826
21 Other assets (claims on nonrelated parties)	29,333	29,474	29,093	29,321	28,776	28,723	28,663	28,214	27,830
22 **Total assets**[3]	**246,216**	**240,704**	**244,478**	**240,669**	**244,776**	**244,063**	**250,730**	**244,469**	**247,282**
23 Deposits or credit balances due to other than directly related institutions	77,392	78,356	80,698	82,268	82,701	83,042	84,621	86,873	88,376
24 Demand deposits[4]	4,051	4,173	4,166	4,137	4,214	3,947	3,849	4,172	3,809
25 Individuals, partnerships, and corporations	2,590	2,495	2,647	2,649	2,789	2,325	2,540	2,464	2,428
26 Other	1,460	1,678	1,519	1,488	1,426	1,622	1,309	1,708	1,381
27 Nontransaction accounts	73,341	74,183	76,532	78,131	78,487	79,095	80,771	82,701	84,567
28 Individuals, partnerships, and corporations	54,394	54,804	55,684	56,812	58,983	59,377	60,666	61,805	63,004
29 Other	18,947	19,380	20,848	21,319	19,504	19,718	20,105	20,896	21,563
30 Borrowings from other than directly related institutions	97,663	95,427	93,253	90,610	91,350	91,916	94,896	89,514	88,404
31 Federal funds purchased[5]	48,371	44,888	46,813	41,999	44,880	44,109	47,925	42,552	44,305
32 From commercial banks in the United States	24,516	20,018	25,507	14,221	21,537	17,988	22,660	15,391	21,508
33 *From others*	23,855	24,870	21,306	27,778	23,343	26,121	25,265	27,161	22,797
34 Other liabilities for borrowed money	49,292	50,539	46,439	48,611	46,470	47,807	46,971	46,962	44,099
35 To commercial banks in the United States	20,058	19,372	18,570	19,091	18,278	18,151	17,902	16,650	15,815
36 To others	29,234	31,166	27,869	29,520	28,193	29,656	29,070	30,312	28,284
37 Other liabilities to nonrelated parties	28,374	28,133	28,134	28,452	28,076	28,309	28,247	27,876	28,178
38 **Total liabilities**[6]	**246,216**	**240,704**	**244,478**	**240,669**	**244,776**	**244,063**	**250,730**	**244,469**	**247,282**
MEMO									
39 Total loans (gross) and securities adjusted[7]	151,082	149,636	149,863	150,002	150,129	148,760	151,425	151,912	153,214
40 Net due to related institutions abroad	9,141	7,925	9,270	8,119	10,227	3,545	2,376	4,606	7,674

1. Includes securities purchased under agreements to resell.
2. Includes transactions with nonbank brokers and dealers in securities.
3. Includes net due from related institutions abroad for U.S. branches and agencies of foreign banks having a net due from position.
4. Includes other transaction deposits.
5. Includes securities sold under agreements to repurchase.
6. Includes net due to related institutions abroad for U.S. branches and agencies of foreign banks having a net due to position.
7. Excludes loans to and federal funds transactions with commercial banks in the U.S.

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Instrument	1986 Dec.	1987 Dec.	1988 Dec.	1989 Dec.	1990 Dec.	1990 Nov.	1990 Dec.	1991 Jan.	1991 Feb.	1991 Mar.	1991 Apr.
	Commercial paper (seasonally adjusted unless noted otherwise)										
1 **All issuers**	**331,316**	**358,997**	**458,464**	**530,123**	**566,688**	**564,482**	**566,688**	**569,378**	**561,597**	**566,069**	**541,648**
Financial companies[1]											
Dealer-placed paper[2]											
2 Total	101,707	102,742	159,777	186,343	218,953	211,986	218,953	216,148	217,812	224,865	212,337
3 Bank-related (not seasonally adjusted)[3]	2,265	1,428	1,248	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Directly placed paper[4]											
4 Total	151,897	174,332	194,931	212,640	201,862	204,191	201,862	202,997	197,990	190,620	184,703
5 Bank-related (not seasonally adjusted)[3]	40,860	43,173	43,155	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
6 Nonfinancial companies[5]	77,712	81,923	103,756	131,140	145,873	148,305	145,873	150,233	145,795	150,584	144,608
	Bankers dollar acceptances (not seasonally adjusted)[6]										
7 **Total**	**64,974**	**70,565**	**66,631**	**62,972**	**54,771**	**53,968**	**54,771**	**56,498**	**52,831**	**48,795**	**47,086**
Holder											
8 Accepting banks	13,423	10,943	9,086	9,433	9,017	8,751	9,017	10,029	10,240	9,237	8,593
9 Own bills	11,707	9,464	8,022	8,510	7,930	7,535	7,930	8,539	8,391	7,569	7,599
10 Bills bought	1,716	1,479	1,064	924	1,087	1,217	1,087	1,490	1,849	1,668	994
Federal Reserve Banks											
11 Own account	0	0	0	0	0	0	0	0	0	0	0
12 Foreign correspondents	1,317	965	1,493	1,066	918	880	918	927	892	872	934
13 Others	50,234	58,658	56,052	52,473	44,836	44,337	44,836	45,542	41,699	38,686	37,559
Basis											
14 Imports into United States	14,670	16,483	14,984	15,651	13,096	12,758	13,096	14,284	13,799	12,509	12,511
15 Exports from United States	12,960	15,227	14,410	13,683	12,703	13,865	12,703	12,870	12,082	11,500	11,219
16 All other	37,344	38,855	37,237	33,638	28,973	27,345	28,973	29,344	26,950	24,786	23,356

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 panel is revised every January and currently has about 100 respondents. The current 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
1988— Jan. 1	8.75	1988	9.32	1989— Jan.	10.50	1990— Jan.	10.11
Feb. 2	8.50	1989	10.87	Feb.	10.93	Feb.	10.00
May 11	9.00	1990	10.01	Mar.	11.50	Mar.	10.00
July 14	9.50			Apr.	11.50	Apr.	10.00
Aug. 11	10.00	1988— Jan.	8.75	May	11.50	May	10.00
Nov. 28	10.50	Feb.	8.51	June	11.07	June	10.00
		Mar.	8.50	July	10.98	July	10.00
1989— Feb. 10	11.00	Apr.	8.50	Aug.	10.50	Aug.	10.00
24	11.50	May	8.84	Sept.	10.50	Sept.	10.00
June 5	11.00	June	9.00	Oct.	10.50	Oct.	10.00
July 31	10.50	July	9.29	Nov.	10.50	Nov.	10.00
		Aug.	9.84	Dec.	10.50	Dec.	10.00
1990— Jan. 8	10.00	Sept.	10.00				
		Oct.	10.00			1991— Jan.	9.52
1991— Jan. 2	9.50	Nov.	10.05			Feb.	9.05
Feb. 4	9.00	Dec.	10.50			Mar.	9.00
May 1	8.50					Apr.	9.00
						May	8.50
						June	8.50

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

1.35 INTEREST RATES Money and Capital Markets

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

Instrument	1988	1989	1990	1991				1991, week ending				
				Feb.	Mar.	Apr.	May	May 3	May 10	May 17	May 24	May 31
MONEY MARKET RATES												
1 Federal funds[1,2,3]	7.57	9.21	8.10	6.25	6.12	5.91	5.78	5.92	5.79	5.78	5.79	5.72
2 Discount window borrowing[2,4]	6.20	6.93	6.98	6.00	6.00	5.98	5.50	5.86	5.50	5.50	5.50	5.50
Commercial paper[3,5,6]												
3 1-month	7.58	9.11	8.15	6.53	6.48	6.08	5.91	5.93	5.92	5.93	5.91	5.91
4 3-month	7.66	8.99	8.06	6.49	6.41	6.07	5.92	5.93	5.92	5.94	5.93	5.94
5 6-month	7.68	8.80	7.95	6.41	6.36	6.07	5.94	5.94	5.93	5.95	5.94	5.95
Finance paper, directly placed[3,5,7]												
6 1-month	7.44	8.99	8.00	6.31	6.31	5.95	5.76	5.80	5.79	5.80	5.76	5.69
7 3-month	7.38	8.72	7.87	6.38	6.28	5.94	5.81	5.82	5.81	5.84	5.81	5.80
8 6-month	7.14	8.16	7.53	6.14	6.20	5.91	5.72	5.75	5.72	5.72	5.73	5.72
Bankers acceptances[3,5,8]												
9 3-month	7.56	8.87	7.93	6.36	6.24	5.92	5.75	5.75	5.75	5.76	5.76	5.76
10 6-month	7.60	8.67	7.80	6.22	6.21	5.92	5.77	5.75	5.75	5.77	5.78	5.80
Certificates of deposit, secondary market[3,9]												
11 1-month	7.59	9.11	8.15	6.45	6.47	6.03	5.86	5.87	5.87	5.88	5.86	5.85
12 3-month	7.73	9.09	8.15	6.52	6.45	6.06	5.91	5.91	5.91	5.93	5.91	5.90
13 6-month	7.91	9.08	8.17	6.51	6.50	6.16	6.03	6.01	6.01	6.06	6.04	6.04
14 Eurodollar deposits, 3-month[3,10]	7.85	9.16	8.16	6.60	6.44	6.11	5.94	6.04	5.93	5.94	5.94	5.94
U.S. Treasury bills												
Secondary market[3,5]												
15 3-month	6.67	8.11	7.50	5.94	5.91	5.65	5.46	5.51	5.48	5.44	5.44	5.46
16 6-month	6.91	8.03	7.46	5.93	5.92	5.71	5.61	5.60	5.63	5.59	5.63	5.63
17 1-year	7.13	7.92	7.35	5.91	6.00	5.85	5.76	5.73	5.76	5.76	5.77	5.76
Auction average[3,4,11]												
18 3-month	6.68	8.12	7.51	5.95	5.91	5.67	5.51	5.60	5.50	5.50	5.50	5.46
19 6-month	6.92	8.04	7.47	5.93	5.91	5.73	5.65	5.68	5.61	5.63	5.66	5.65
20 1-year	7.17	7.91	7.36	5.85	6.06	5.88	5.71	n.a.	5.71	n.a.	n.a.	n.a.
CAPITAL MARKET RATES												
U.S. Treasury notes and bonds												
Constant maturities[12]												
21 1-year	7.65	8.53	7.89	6.27	6.40	6.24	6.13	6.11	6.13	6.13	6.15	6.13
22 2-year	8.10	8.57	8.16	6.87	7.10	6.95	6.78	6.81	6.84	6.85	6.78	6.64
23 3-year	8.26	8.55	8.26	7.08	7.35	7.23	7.12	7.16	7.13	7.13	7.12	7.07
24 5-year	8.47	8.50	8.37	7.47	7.77	7.70	7.70	7.64	7.69	7.76	7.73	7.66
25 7-year	8.71	8.52	8.52	7.73	8.00	7.92	7.94	7.89	7.93	7.99	7.96	7.92
26 10-year	8.85	8.49	8.55	7.85	8.11	8.04	8.07	8.02	8.06	8.11	8.08	8.06
27 30-year	8.96	8.45	8.61	8.03	8.29	8.21	8.27	8.19	8.25	8.32	8.29	8.26
Composite[13]												
28 Over 10 years (long-term)	8.98	8.58	8.74	8.12	8.38	8.29	8.33	8.26	8.31	8.39	8.36	8.33
State and local notes and bonds												
Moody's series[14]												
29 Aaa	7.36	7.00	6.96	6.41	6.76	6.70	6.70	6.63	6.68	6.66	6.75	6.77
30 Baa	7.83	7.40	7.29	7.03	7.29	7.18	7.10	7.11	7.10	7.05	7.11	7.14
31 *Bond Buyer* series[15]	7.68	7.23	7.27	6.91	7.10	7.02	6.95	6.95	6.93	6.94	6.98	6.97
Corporate bonds												
Seasoned issues[16]												
32 All industries	10.18	9.66	9.77	9.36	9.43	9.33	9.32	9.28	9.29	9.35	9.34	9.33
33 Aaa	9.71	9.26	9.32	8.83	8.93	8.86	8.86	8.83	8.83	8.89	8.86	8.87
34 Aa	9.94	9.46	9.56	9.16	9.21	9.12	9.15	9.08	9.12	9.17	9.18	9.17
35 A	10.24	9.74	9.82	9.38	9.50	9.39	9.41	9.36	9.38	9.44	9.42	9.42
36 Baa	10.83	10.18	10.36	10.07	10.09	9.94	9.86	9.83	9.83	9.91	9.89	9.85
37 A-rated, recently offered utility bonds[17]	10.20	9.79	10.01	9.54	9.58	9.46	9.45	9.42	9.51	9.43	9.47	9.39
MEMO: Dividend/price ratio[18]												
38 Preferred stocks	9.23	9.05	n.a.	8.46	8.56	8.43	8.21	8.31	8.15	8.25	8.22	8.12
39 Common stocks	3.64	3.45	n.a.	3.35	3.26	3.19	3.23	3.20	3.22	3.31	3.24	3.19

1. The daily effective federal funds rate is a weighted average of rates on trades through N.Y. brokers.
2. Weekly figures are averages of 7 calendar days ending on Wednesday of the current week; monthly figures include each calendar day in the month.
3. Annualized using a 360-day year or bank interest.
4. Rate for the Federal Reserve Bank of New York.
5. Quoted on a discount basis.
6. An average of offering rates on commercial paper placed by several leading dealers for firms whose bond rating is AA or the equivalent.
7. An average of offering rates on paper directly placed by finance companies.
8. Representative closing yields for acceptances of the highest rated money center banks.
9. An average of dealer offering rates on nationally traded certificates of deposit.
10. Bid rates for Eurodollar deposits at 11 a.m. London time.
11. Auction date for daily data; weekly and monthly averages computed on an issue-date basis.
12. Yields on actively traded issues adjusted to constant maturities. Source: U.S. Treasury.
13. Unweighted average of rates on all outstanding bonds neither due nor callable in less than 10 years, including one very low yielding "flower" bond.
14. General obligation 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	1988	1989	1990	1990				1991				
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
	Prices and trading (averages of daily figures)											
Common stock prices												
1 New York Stock Exchange (Dec. 31, 1965 = 50)	149.96	180.13	183.48	173.22	168.05	172.21	179.57	177.95	197.75	203.56	207.71	206.93
2 Industrial	180.83	228.04	225.81	216.81	208.58	212.81	221.86	220.69	246.74	255.36	260.16	260.13
3 Transportation	134.07	174.90	158.64	136.95	131.99	132.96	141.31	145.89	166.06	166.26	166.90	170.77
4 Utility	72.22	94.33	90.61	83.30	87.27	89.69	91.56	88.59	92.08	92.29	92.92	90.73
5 Finance	127.41	162.01	133.23	118.59	108.01	113.76	122.18	121.39	141.03	145.41	152.64	151.32
6 Standard & Poor's Corporation (1941–43 = 10)[1]	265.86	323.05	334.63	315.41	307.12	315.29	328.75	325.49	362.26	372.28	379.68	377.99
7 American Stock Exchange (Aug. 31, 1973 = 50)[2]	295.06	356.67	338.36	318.53	296.67	294.88	305.54	304.08	338.11	353.98	365.02	362.67
Volume of trading (thousands of shares)												
8 New York Stock Exchange	161,509	165,568	156,842	142,054	159,590	149,916	155,836	166,323	226,635	196,343	182,510	170,337
9 American Stock Exchange	9,955	13,124	13,155	11,668	11,294	10,368	11,620	10,870	16,649	15,326	13,140	10,995
	Customer financing (end-of-period balances, in millions of dollars)											
10 **Margin credit at broker-dealers**[3]	**32,740**	**34,320**	**28,210**	**29,640**	**28,650**	**27,820**	**28,210**	**27,390**	**28,860**	**29,660**	**30,020**	n.a.
Free credit balances at brokers[4]												
11 Margin-account[5]	5,660	7,040	8,050	7,285	7,245	7,300	8,050	7,435	7,190	7,320	6,975	n.a.
12 Cash-account	16,595	18,505	19,285	16,185	15,820	17,025	19,285	18,825	19,435	19,555	17,830	n.a.

Indicator	Margin requirements (percent of market value and effective date)[6]					
	Mar. 11, 1968	June 8, 1968	May 6, 1970	Dec. 6, 1971	Nov. 24, 1972	Jan. 3, 1974
13 Margin stocks	70	80	65	55	65	50
14 Convertible bonds	50	60	50	50	50	50
15 Short sales	70	80	65	55	65	50

1. Effective July 1976, includes a new financial group, banks and insurance companies. With this change the index includes 400 industrial stocks (formerly 425), 20 transportation (formerly 15 rail), 40 public utility (formerly 60), and 40 financial.
2. 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.

1.37 SELECTED FINANCIAL INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1988	1989	1990							1991		
			June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
	SAIF-insured institutions											
1 **Assets**	**1,350,500**	**1,249,055**	**1,174,615**	**1,162,297r**	**1,156,789r**	**1,125,653r**	**1,116,641r**	**1,109,032r**	**1,084,900r**	**1,066,116r**	**1,054,897r**	**1,042,169**
2 Mortgages	764,513	733,729	691,239	689,079	684,936r	665,655r	662,309r	653,472r	633,567r	624,783r	619,725r	610,674
3 Mortgage-backed securities	214,587	170,532	159,173	158,146	156,398	154,197	153,469	155,616	155,320r	151,522r	149,433	147,479
4 Contra-assets to mortgage assets[1]	37,950	25,457	20,337	19,552	19,453r	18,550r	17,139r	17,038	16,918r	15,169r	14,636r	14,495
5 Commercial loans	33,889	32,150	28,753	28,483	27,868	26,762r	26,052	25,262	24,139r	23,668r	23,194r	22,305
6 Consumer loans	61,922	58,685	55,171	54,666r	53,387	51,874	50,746r	50,177r	48,756r	48,137r	47,707r	47,636
7 Contra-assets to nonmortgage loans[2]	3,056	3,592	1,980	1,989r	2,034r	1,982r	1,769r	1,692r	1,936r	1,699r	1,846r	1,797
8 Cash and investment securities	186,986	166,053	155,674	150,399	153,061	148,058r	145,286	145,998r	146,534r	140,451r	138,819r	139,059
9 Other[3]	129,610	116,955	106,922	103,226r	102,627r	99,640r	97,686r	97,237r	95,439r	94,417r	92,501r	91,309
10 **Liabilities and net worth**	**1,350,500**	**1,249,055**	**1,174,615**	**1,162,297r**	**1,156,789r**	**1,125,653r**	**1,116,641r**	**1,109,032r**	**1,084,900r**	**1,066,116r**	**1,054,897r**	**1,042,169**
11 Savings capital	971,700	945,656	890,497	885,286	878,736	857,688	851,810r	846,822r	835,496r	823,499r	816,500r	817,010
12 Borrowed money	299,400	252,230	230,169	222,439r	221,872	213,563r	208,105r	203,855r	197,353r	188,937r	183,672r	169,428
13 FHLBB	134,168	124,577	109,733	106,127	105,882	101,731	100,574	100,493	100,391	95,842r	94,658	90,555
14 *Other*	*165,232*	*127,653*	*120,436*	*116,312r*	*115,990*	*111,832r*	*107,531r*	*103,362r*	*96,962r*	*93,095r*	*89,014r*	78,873
15 Other	24,216	27,556	25,151	26,798r	28,293r	23,874r	25,559r	26,127r	21,305r	22,154r	23,319r	20,286
16 Net worth	n.a.	23,612	28,803r	27,775r	27,889r	30,526r	31,188r	32,228r	30,747r	31,526r	31,407r	35,446
	SAIF-insured federal savings banks											
17 **Assets**	**425,966**	**498,522**	**583,392**	**580,847**	**584,632**	**591,136**	**588,880**	**585,847**	**576,531**	**567,373**	**556,708**	**552,520**
18 Mortgages	230,734	283,844	323,516	328,236	328,895	332,927	332,431	328,122	320,233	316,889	313,880	309,618
19 Mortgage-backed securities	64,957	70,499	78,001	80,474	80,994	82,418	82,219	84,190	81,205	79,451	78,290	77,684
20 Contra-assets to mortgage assets[1]	13,140	13,548	10,200	9,227	9,339	9,964	9,578	9,305	9,591	8,222	7,777	7,975
21 Commercial loans	16,731	18,143	19,683	18,810	18,662	18,767	18,458	18,197	17,674	17,299	17,008	16,556
22 Consumer loans	24,222	28,212	32,745	31,003	31,183	30,750	30,682	30,421	29,933	31,179	29,292	30,586
23 Contra-assets to nonmortgage loans[2]	889	1,193	970	870	813	980	572	809	990	770	895	966
24 Finance leases plus interest	880	1,101	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
25 Cash and investment	61,029	64,538	75,081	71,354	73,756	73,602	75,117	72,454	75,940	71,066	67,721	68,157
26 Other	35,412	39,981	47,723	44,150	44,129	46,043	45,287	45,319	45,008	44,768	44,210	43,714
27 **Liabilities and net worth**	***425,966***	***498,522***	***583,392***	***580,847***	***584,632***	***591,136***	***588,880***	***585,847***	***576,531***	***567,373***	***556,708***	***552,520***
28 Savings capital	298,197	360,547	427,379	423,472	424,260	434,705	436,080	436,903	434,297	428,822	422,745	425,720
29 Borrowed money	99,286	108,448	121,721	118,393	120,592	119,991	115,472	111,270	107,270	102,313	97,089	90,692
30 FHLBB	46,265	57,032	60,666	61,287	62,209	61,605	60,256	60,265	59,949	57,703	56,078	53,134
31 Other	53,021	51,416	61,055	57,106	58,383	58,386	55,216	51,005	47,321	44,610	41,011	37,558
32 Other	8,075	9,041	8,889	9,245	10,128	8,253	9,063	9,824	8,193	8,356	8,721	7,700
33 Net worth	20,218	22,716	21,944	26,424	26,420	24,859	24,837	24,931	24,172	25,285	25,432	25,494

1.37—Continued

Account	1988	1989	1990 June	1990 July	1990 Aug.	1990 Sept.	1990 Oct.	1990 Nov.	1990 Dec.	1991 Jan.	1991 Feb.	1991 Mar.
	Credit unions[4]											
34 **Total assets/liabilities and capital**	**174,593**	**183,688**	**195,302**	**194,523**	**196,625**	**197,272**						
35 Federal	114,566	120,666	128,142	127,564	128,715	129,086						
36 State	60,027	63,022	67,160	66,959	67,910	68,186						
37 Loans outstanding	113,191	122,608	123,968	124,343	126,156	127,341	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
38 Federal	73,766	80,272	81,063	81,063	82,040	82,823						
39 State	39,425	42,336	42,905	43,280	44,116	44,518						
40 Savings	159,010	167,371	178,127	176,360	178,081	177,532						
41 Federal	104,431	109,653	116,717	115,305	116,411	115,469						
42 State	54,579	57,718	61,408	61,056	61,670	62,063						
	Life insurance companies[5]											
43 **Assets**		**1,299,756**	**1,376,660**			**1,387,463**			**1,411,881**			
Securities												
44 Government		178,141	195,287			202,962			208,782			
45 United States[6]		153,361				175,156			180,200			
46 State and local		9,028	10,963			11,818			12,038			
47 Foreign[7]		15,752	16,589			15,988			16,544			
48 Business	n.a.	663,677	705,070	n.a.	n.a.	709,470	n.a.	n.a.	724,603	n.a.	n.a.	n.a.
49 Bonds		538,063	570,245			588,251			596,053			
50 Stocks		125,614	134,825			121,219			128,550			
51 Mortgages		254,215	264,865			266,063			267,922			
52 Real estate		39,908	44,188			44,544			44,718			
53 Policy loans		57,439	63,144			60,641			61,562			
54 Other assets		106,376	104,106			103,783			104,294			

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

5. Data are no longer available on a monthly basis for life insurance companies.

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. *SAIF-insured institutions:* Estimates by the OTS for all institutions insured by the SAIF and based on the OTS thrift Financial Report.

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

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."

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year 1988	Fiscal year 1989	Fiscal year 1990	Calendar year 1990 Dec.	1991 Jan.	Feb.	Mar.	Apr.	May
U.S. budget[1]									
1 Receipts, total	908,166	990,701	1,031,308	101,900	100,713	67,657	64,805	140,380	63,560
2 On-budget	666,675	727,035	749,654	82,059	70,023	45,594	39,011	108,746	41,958
3 Off-budget	241,491	263,666	281,654	19,841	30,690	22,063	25,794	31,634	21,602
4 Outlays, total	1,063,318	1,144,020	1,251,766	109,212	99,023	93,834	105,876	110,249	116,906
5 On-budget	860,627	933,107	1,026,701	94,679	79,105	72,667	83,340	90,362	95,903
6 Off-budget	202,691	210,911	225,065	14,532	19,918	21,167	22,536	19,887	21,003
7 Surplus, or deficit (−), total	−155,151	−153,319	−220,458	−7,311	1,690	−26,177	−41,071	30,131	−53,346
8 On-budget	−193,952	−206,072	−277,047	−12,620	−9,082	−27,073	−44,329	18,384	−53,945
9 Off-budget	38,800	52,753	56,590	5,309	10,772	896	3,258	11,747	599
Source of financing (total)									
10 Borrowing from the public	166,139	141,806	264,453	19,700	31,764	34,611	−9,913	−9,399	41,742
11 Operating cash (decrease, or increase (−))	−7,962	3,425	818	−9,286	−30,627	2,341	28,473	−16,214	20,362
12 Other[2]	−3,026	8,088	−44,813	−3,103	−2,827	−10,775	22,511	−4,518	−8,758
MEMO									
13 Treasury operating balance (level, end of period)	44,398	40,973	40,155	32,188	62,815	60,474	32,001	48,215	27,853
14 Federal Reserve Banks	13,023	13,452	7,638	8,960	27,810	23,898	10,922	13,682	6,619
15 Tax and loan accounts	31,375	27,521	32,517	23,228	35,006	36,577	21,078	34,533	21,234

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[1]

Millions of dollars

Source or type	Fiscal year 1989	Fiscal year 1990	Calendar year						
			1989		1990		1991		
			H1	H2	H1	H2	Mar.	Apr.	May
RECEIPTS									
1 **All sources**	**990,701**	**1,031,308**	**527,574**	**470,276**	**548,861**	**503,123**	**64,805**	**140,380**	**63,560**
2 Individual income taxes, net	445,690	466,884	233,572	218,706	243,087	230,745	11,288	77,768	20,005
3 Withheld	361,386	390,480	174,230	193,296	190,219	207,469	30,478	36,428	36,958
4 Presidential Election Campaign Fund	32	32	28	3	30	3	9	6	6
5 Nonwithheld	154,839	149,189	121,563	33,303	117,675	31,728	4,426	60,246	3,067
6 Refunds	70,567	72,817	62,251	7,898	64,838	8,455	23,625	18,912	20,026
Corporation income taxes									
7 Gross receipts	117,015	110,017	61,585	52,269	58,830	54,044	14,338	15,526	2,931
8 Refunds	13,723	16,510	7,259	6,842	8,326	7,603	1,531	2,229	899
9 Social insurance taxes and contributions, net	359,416	380,047	200,127	162,574	210,476	178,468	33,045	42,478	34,546
10 Employment taxes and contributions[2]	332,859	353,891	184,569	152,407	195,269	167,224	32,416	39,671	27,192
11 Self-employment taxes and contributions[3]	18,504	21,795	16,371	1,947	19,017	2,638	1,463	12,707	1,604
12 Unemployment insurance	22,011	21,635	13,279	7,909	12,929	8,996	226	2,435	6,928
13 Other net receipts[4]	4,546	4,522	2,277	2,260	2,278	2,249	402	372	426
14 Excise taxes	34,386	35,345	16,814	16,799	18,153	17,535	4,149	3,842	3,653
15 Customs deposits	16,334	16,707	7,918	8,667	8,096	8,568	1,271	1,219	1,244
16 Estate and gift taxes	8,745	11,500	4,583	4,451	6,442	5,333	864	1,546	835
17 Miscellaneous receipts[5]	22,839	27,316	10,235	13,651	12,106	16,032	1,381	231	1,245
OUTLAYS									
18 **All types**	**1,144,020**	**1,251,766**	**565,425**	**587,394**	**640,867**	**647,218**	**105,876**	**110,249**	**116,906**
19 National defense	303,559	299,335	148,098	149,613	152,733	149,497	15,743	21,651	25,069
20 International affairs	9,574	13,760	6,567	5,971	6,770	8,943	2,001	1,513	1,862
21 General science, space, and technology	12,838	14,420	6,238	7,091	6,974	8,081	1,317	1,369	1,410
22 Energy	3,702	2,470	2,221	1,449	1,216	979	61	−40	513
23 Natural resources and environment	16,182	17,009	7,022	9,183	7,343	9,933	1,283	1,385	1,557
24 Agriculture	16,948	11,998	9,619	4,132	7,450	6,878	1,240	2,115	1,638
25 Commerce and housing credit	29,091	67,495	4,129	22,295	38,672	37,491	6,154	4,700	3,115
26 Transportation	27,608	29,495	12,953	14,982	13,754	16,218	2,139	2,624	2,631
27 Community and regional development	5,361	8,466	1,833	4,879	3,987	3,939	497	697	698
28 Education, training, employment, and social services	36,694	37,479	18,083	18,663	19,537	18,988	3,782	3,319	3,404
29 Health	48,390	58,101	24,078	25,339	29,488	31,424	5,623	5,882	6,059
30 Social security and medicare	317,506	346,383	162,195	162,322	175,997	176,353	30,643	31,975	32,620
31 Income security	136,031	148,299	70,937	67,950	78,475	75,948	16,836	16,034	16,307
32 Veterans benefits and services	30,066	29,112	14,891	14,864	15,217	15,479	2,731	3,200	3,674
33 Administration of justice	9,422	10,076	4,801	4,909	4,868	5,265	941	1,136	1,219
34 General government	9,124	10,822	3,858	4,760	4,916	6,976	717	419	1,266
35 Net interest[6]	169,317	183,790	86,009	87,927	91,155	94,650	17,120	15,802	17,042
36 Undistributed offsetting receipts[7]	−37,212	−36,615	−18,131	−18,935	−17,688	−19,829	−2,952	−3,531	−3,180

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, 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*.

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars

Item	1989				1990				1991
	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31
1 **Federal debt outstanding**	**2,763.6**	**2,824.0**	**2,881.1**	**2,975.5**	**3,081.9**	**3,175.5**	**3,266.1**	**3,397.3**	**3,491.7**
2 Public debt securities	2,740.9	2,799.9	2,857.4	2,953.0	3,052.0	3,143.8	3,233.3	3,364.8	3,465.2
3 Held by public	2,133.4	2,142.1	2,180.7	2,245.2	2,329.3	2,368.8	2,437.6	2,536.6	n.a.
4 Held by agencies	607.5	657.8	676.7	707.8	722.7	775.0	795.8	828.3	n.a.
5 Agency securities	22.7	24.0	23.7	22.5	29.9	31.7	32.8	32.5	n.a.
6 Held by public	22.3	23.6	23.5	22.4	29.8	31.6	32.6	32.4	n.a.
7 Held by agencies	.4	.5	.1	.1	.2	.2	.2	.1	n.a.
8 **Debt subject to statutory limit**	**2,725.6**	**2,784.6**	**2,829.8**	**2,921.7**	**2,988.9**	**3,077.0**	**3,161.2**	**3,281.7**	**3,377.1**
9 Public debt securities	2,725.5	2,784.3	2,829.5	2,921.4	2,988.6	3,076.6	3,160.9	3,281.3	3,376.7
10 Other debt[1]	.2	.2	.3	.3	.3	.4	.4	.4	.4
11 MEMO: Statutory debt limit	2,800.0	2,800.0	2,870.0	3,122.7	3,122.7	3,122.7	3,195.0	4,145.0	4,145.0

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	1987	1988	1989	1990	1990			1991
					Q2	Q3	Q4	Q1
1 **Total gross public debt**	**2,431.7**	**2,684.4**	**2,953.0**	**3,364.8**	**3,143.8**	**3,233.3**	**3,364.8**	**3,465.2**
By type								
2 Interest-bearing debt	2,428.9	2,663.1	2,931.8	3,362.0	3,121.5	3,210.9	3,362.0	3,441.4
3 Marketable	1,724.7	1,821.3	1,945.4	2,195.8	2,028.0	2,092.8	2,195.8	2,227.9
4 Bills	389.5	414.0	430.6	527.4	453.5	482.5	527.4	533.3
5 Notes	1,037.9	1,083.6	1,151.5	1,265.2	1,192.7	1,218.1	1,265.2	1,280.4
6 Bonds	282.5	308.9	348.2	388.2	366.8	377.2	388.2	399.3
7 Nonmarketable[1]	704.2	841.8	986.4	1,166.2	1,093.5	1,118.2	1,166.2	1,213.5
8 State and local government series	139.3	151.5	163.3	160.8	164.3	161.3	160.8	159.4
9 Foreign issues[2]	4.0	6.6	6.8	43.5	36.4	36.0	43.5	42.8
10 Government	4.0	6.6	6.8	43.5	36.4	36.0	43.5	42.8
11 Public	.0	.0	.0	.0	.0	.0	.0	.0
12 Savings bonds and notes	99.2	107.6	115.7	124.1	120.1	122.2	124.1	127.7
13 Government account series[3]	461.3	575.6	695.6	813.8	758.7	779.4	813.8	853.1
14 Non-interest-bearing debt	2.8	21.3	21.2	2.8	22.3	22.4	2.8	23.8
By holder[4]								
15 U.S. government agencies and trust funds	477.6	589.2	707.8	828.3	775.0	795.8	828.3	
16 Federal Reserve Banks	222.6	238.4	228.4	259.8	231.4	232.5	259.8	
17 Private investors	1,731.4	1,858.5	2,015.8	2,288.3	2,141.8	2,207.3	2,288.3	
18 Commercial banks	201.5	193.8	174.8	n.a.	189.2	188.0	n.a.	
19 Money market funds	14.6	11.8	14.9	n.a.	28.1	33.6	n.a.	
20 Insurance companies	104.9	107.3	130.1	n.a.	137.0	138.9	n.a.	
21 Other companies	84.6	87.1	98.8	n.a.	112.1	114.6	n.a.	n.a.
22 State and local Treasurys	284.6	313.6	338.7	n.a.	345.7	344.0	n.a.	
Individuals								
23 Savings bonds	101.1	109.6	117.7	126.2	121.9	123.9	126.2	
24 Other securities	71.3	79.2	98.8	n.a.	112.1	114.6	n.a.	
25 Foreign and international[5]	299.7	362.2	392.9	n.a.	392.3	404.9	n.a.	
26 Other miscellaneous investors[6]	569.1	593.4	672.5	n.a.	n.a.	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 and the *Treasury Bulletin.*

1.42 U.S. GOVERNMENT SECURITIES DEALERS Transactions[1]

Millions of dollars, daily averages

	Item	1991			1991, week ending								
		Feb.	Mar.	Apr.	Apr. 3	Apr. 10	Apr. 17	Apr. 24	May 1	May 8	May 15	May 22	May 29
	IMMEDIATE TRANSACTIONS[2]												
	By type of security												
	U.S. government securities												
1	Bills	32,223	32,648	30,498	30,129	32,920	31,788	27,703	29,628	33,033	27,090	30,818	30,112
	Coupon securities												
2	Maturing in less than 3.5 years	42,249	35,168	37,426r	29,982	29,643	39,424	42,368	44,061	47,402	41,385	43,357	43,520
3	Maturing in 3.5 to 7.5 years	30,587	26,889	30,113r	25,469	28,912	33,169	30,168	31,206	22,015	25,722	24,757	24,873
4	Maturing in 7.5 to 15 years	16,109	12,169	11,243r	9,784	10,712	11,890	10,703	12,868	19,081	19,922	10,290	9,789
5	Maturing in 15 years or more	17,860	14,127	12,905r	9,297	12,696	14,435	13,979	12,617	12,324	22,559	11,621	8,161
	Federal agency securities												
	Debt												
6	Maturing in less than 3.5 years	3,946	4,375	4,171	4,412	3,854	4,074	3,883	4,865	3,609	3,661	4,444	4,834
7	Maturing in 3.5 to 7.5 years	607	601	566	683	580	567	648	357	698	668	409	664
8	Maturing in 7.5 years or more	677	644	654	790	504	737	687	594	570	1,084	483	509
	Mortgage-backed												
9	Pass-throughs	10,070	9,712	10,588	8,218	10,189	13,197	10,959	9,137	11,514	10,716	7,655	8,620
10	All others[3]	1,416	1,303	1,469	1,763	1,269	1,601	1,276	1,578	1,481	1,611	1,355	1,436
	By type of counterparty												
	Primary dealers and brokers												
11	U.S. government securities	85,703	76,452	74,699r	63,350	70,667	79,505	78,334	77,699	80,762	83,695	73,008	70,085
	Federal agency												
12	Debt securities	1,439	1,559	1,601	1,758	1,412	1,777	1,354	1,807	1,434	1,553	1,450	1,825
13	Mortgage backed securities	5,627	5,650	5,762	4,623	5,091	7,497	6,058	4,915	6,216	5,690	3,932	4,220
	Customers												
14	U.S. government securities	53,326	44,549	47,486r	41,311	44,217	51,201	46,587	52,681	53,092	52,984	47,834	46,369
	Federal agency												
15	Debt securities	3,792	4,062	3,790	4,128	3,526	3,601	3,864	4,010	3,444	3,860	3,886	4,182
16	Mortgage-backed securities	5,858	5,365	6,295	5,358	6,368	7,301	6,176	5,799	6,779	6,637	5,078	5,837
	FUTURE AND FORWARD TRANSACTIONS[4]												
	By type of deliverable security												
	U.S. government securities												
17	Bills	4,669	4,607	3,775	4,010	3,159	2,805	3,679	5,700	3,693	4,370	4,971	3,061
	Coupon securities												
18	Maturing in less than 3.5 years	2,258	1,351	1,065	999	874	1,140	1,149	1,152	1,644	1,557	1,066	910
19	Maturing in 3.5 to 7.5 years	867	847	740	1,092	395	691	677	1,047	495	504	696	475
20	Maturing in 7.5 to 15 years	1,419	1,059	810	674	792	683	883	1,002	851	1,079	895	619
21	Maturing in 15 years or more	9,507	9,023	7,735	5,006	7,164	8,040	9,080	8,434	6,845	11,873	6,943	5,449
	Federal agency securities												
	Debt												
22	Maturing in less than 3.5 years	137	100	54	41	4	167	31	12	37	15	69	101
23	Maturing in 3.5 to 7.5 years	23	34	27	15	72	27	8	4	6	2	21	16
24	Maturing in 7.5 years or more	52	36	41	58	6	14	29	120	70	7	11	5
	Mortgage-backed												
25	Pass-throughs	9,662	8,313	9,316	7,502	10,218	8,608	10,624	8,799	8,798	11,677	11,096	6,830
26	All others[3]	1,059	1,285	1,472	1,617	1,353	995	1,932	1,532	1,597	1,680	1,336	2,119
	OPTION TRANSACTIONS[5]												
	By type of underlying securities												
	U.S. government securities												
27	Bills	102	2	8	0	0	30	0	5	158	33	151	0
	Coupon securities												
28	Maturing in less than 3.5 years	1,596	1,014	874	1,528	713	614	794	1,010	1,276	598	956	921
29	Maturing in 3.5 to 7.5 years	300	287	196	116	112	363	184	165	117	125	95	200
30	Maturing in 7.5 to 15 years	226	308	226	288	261	290	171	127	165	277	289	226
31	Maturing in 15 years or more	2,659	1,786	2,249	1,829	1,737	2,520	2,492	2,563	1,854	3,130	2,903	1,116
	Federal agency securities												
	Debt												
32	Maturing in less than 3.5 years	2	1	3	1	0	4	4	8	0	4	0	0
33	Maturing in 3.5 to 7.5 years	0	0	0	0	0	0	0	0	0	0	0	0
34	Maturing in 7.5 years or more	1	0	0	1	0	0	0	0	0	2	0	1
	Mortgage-backed												
35	Pass-throughs	365	297	333	274	588	359	196	195	240	224	212	113
36	All others[3]	1	0	9	0	0	29	10	0	0	0	0	0

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

Dealers report cumulative transactions for each week ending Wednesday.

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

3. Includes securities such as CMOs, REMICs; IOs, and POs.

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

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

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing[1]

Millions of dollars

Item	1991 Feb.	Mar.	Apr.	Mar. 27	Apr. 3	Apr. 10	Apr. 17	Apr. 24	May 1	May 8	May 15	May 22
	Positions[2]											
NET IMMEDIATE[3]												
By type of security												
U.S. government securities												
1 Bills	12,610	12,824	8,014	6,796	16,015	14,827	9,146	3,347	188	2,692	−2,075	3,381
Coupon securities												
2 Maturing in less than 3.5 years	7,542	1,564	3,892	3,231	3,090	4,031	4,246	3,770	3,859	559	−5,655	−2,858
3 Maturing in 3.5 to 7.5 years	−3,914	882	3,735	2,940	3,191	5,765	3,869	2,574	2,835	2,606	811	681
4 Maturing in 7.5 to 15 years	−5,149	−4,928	−6,301	−5,640	−5,437	−6,691	−5,799	−5,925	−7,303	−4,544	−4,085	−4,438
5 Maturing in 15 years or more	−12,599	−16,065	−12,982	−16,007	−15,326	−13,437	−12,880	−11,700	−12,892	−13,745	−12,787	−12,801
Federal agency securities												
Debt												
6 Maturing in less than 3.5 years	5,128	4,743	3,547	4,022	3,512	3,035	4,044	4,048	2,995	5,146	4,377	5,562
7 Maturing in 3.5 to 7.5 years	2,212	2,620	2,466	2,509	2,763	2,584	2,267	2,354	2,543	2,916	2,441	2,293
8 Maturing in 7.5 years or more	7,153	6,267	5,324	5,936	5,946	5,593	5,441	4,908	5,047	5,193	4,699	4,748
Mortgage-backed												
9 Pass-throughs	24,668	23,988	24,655	23,211	21,600	24,628	25,288	26,922	22,831	28,555	28,850	29,391
10 All others[4]	10,599	9,000	9,373	8,281	8,865	9,150	9,433	8,465	10,876	10,545	10,304	9,759
Other money market instruments												
11 Certificates of deposit	2,821	2,404	2,336	2,256	2,364	2,170	2,027	2,390	2,813	2,240	2,820	2,188
12 Commercial paper	6,020	5,769	6,315	5,174	6,166	5,811	6,746	4,397	8,711	5,630	6,507	4,907
13 Bankers' acceptances	1,020	908	1,509	739	1,155	744	1,412	1,844	2,302	1,424	1,928	1,104
FUTURE AND FORWARD[5]												
By type of deliverable security												
U.S. government securities												
14 Bills	−15,684	−9,921	−12,209	−9,479	−10,507	−11,485	−11,739	−11,441	−15,348	−16,786	−19,543	−19,811
Coupon securities												
15 Maturing in less than 3.5 years	−1,684	−1,137	−1,044	−1,261	−799	−1,315	−1,476	−898	−515	743	1,076	607
16 Maturing in 3.5 to 7.5 years	−2,095	−1,194	−1,688	−1,590	−1,746	−2,467	−1,986	−1,384	−759	−835	−1,053	−1,557
17 Maturing in 7.5 to 15 years	−495	−181	−200	−199	−559	227	−479	−398	39	−241	−304	−538
18 Maturing in 15 years or more	−4,531	−3,726	−6,577	−5,126	−4,731	−5,631	−8,393	−7,020	−5,967	−6,926	−3,483	−3,224
Federal agency securities												
Debt												
19 Maturing in less than 3.5 years	218	80	42	214	15	−31	−235	191	292	344	281	7
20 Maturing in 3.5 to 7.5 years	120	123	158	54	11	189	297	97	104	19	0	8
21 Maturing in 7.5 years or more	−38	−29	−20	−62	−26	−48	−22	−86	95	−128	14	62
Mortgage-backed												
22 Pass-throughs	−14,009	−9,464	−11,134	−7,738	−7,401	−11,506	−11,270	−14,180	−8,853	−13,080	−18,049	−16,435
23 All others[4]	−674	502	1,588	1,080	1,696	1,833	1,120	2,323	939	781	1,092	857
Other money market instruments												
24 Certificates of deposit	17,877	5,000	3,267	6,653	1,673	−3,127	1,315	16,821	−2,014	2,722	−11,121	−23,940
25 Commercial paper	0	−19	64	−50	29	0	0	121	166	100	215	149
26 Bankers' acceptances	0	0	0	0	0	0	0	0	0	0	0	0
	Financing[6]											
Reverse repurchase agreements												
27 Overnight and continuing	166,419	179,145	184,273	176,475	172,254	181,215	188,286	175,030	199,952	186,945	213,524	183,406
28 Term	238,768	224,668	230,965	206,381	221,417	232,991	231,902	236,166	226,216	238,628	218,712	232,609
Repurchase agreements												
29 Overnight and continuing	273,462	280,236	280,196	272,972	274,768	279,230	286,232	277,160	280,539	257,643	285,047	272,492
30 Term	206,983	195,158	201,866	183,270	182,319	199,820	209,260	205,428	201,243	219,019	205,488	220,630
Securities borrowed												
31 Overnight and continuing	50,385	52,701	51,440	57,827	54,215	52,139	49,855	49,416	53,447	53,893	53,279	66,698
32 Term	23,369	23,796	20,621	23,426	21,236	20,588	20,600	21,075	19,848	19,441	18,777	18,817
Securities lent												
33 Overnight and continuing	6,497	6,833	6,538	7,734	6,660	6,348	6,442	6,504	6,851	7,038	6,979	7,516
34 Term	931	982	874	1,335	780	645	860	1,477	499	699	815	736
Collateralized loans												
35 Overnight and continuing	5,109	4,198	4,122	3,919	3,965	3,939	4,293	3,974	4,386	3,903	4,515	4,227
36 Term	1,599	1,605	1,967	1,600	1,619	1,976	2,002	2,014	2,036	2,080	1,781	2,160
MEMO: Matched book[7]												
Reverse repurchases												
37 Overnight and continuing	109,746	116,036	116,928	119,242	110,214	115,048	118,169	109,659	129,509	119,133	134,482	122,271
38 Term	195,243	180,364	192,791	168,109	174,141	194,190	196,699	198,773	188,946	198,005	177,319	186,329
Repurchases												
39 Overnight and continuing	144,722	148,269	154,692	140,818	146,813	152,413	155,338	149,403	166,706	145,283	155,959	148,311
40 Term	158,034	144,928	153,202	136,535	133,349	147,247	161,308	157,590	155,498	170,691	158,560	167,094

1. Data for positions and financing are obtained from reports submitted to the Federal Reserve Bank of New York by the U.S. government securities dealers on its published list of primary dealers. Weekly figures are close-of-business Wednesday data; monthly figures are averages of weekly data. Data for positions and financing are averages of close-of-business Wednesday data.
2. Securities positions are reported at market value.
3. Net immediate positions include securities purchased or sold (other than mortgage-backed agency securities) that have been delivered or are scheduled to be delivered in five business days or less and "when-issued" securities settle on the issue date of offering. Net immediate positions of mortgage-backed securities include securities purchased or sold that have been delivered or are scheduled to be delivered in thirty days or less.
4. Includes securities such as CMOs, REMICs, IOs, and POs.
5. Futures positions are standardized contracts arranged on an exchange. Forward positions reflect agreements made in the over-the-counter market that specify delayed delivery. All futures positions are included regardless of time to delivery. Forward contracts for U.S. government securities and for federal agency debt securities are included when the time to delivery is more than five business days. Forward contracts for mortgage-backed securities are included when the time to delivery is more than thirty days.
6. Overnight financing refers to agreements made on one business day that mature on the next business day; continuing contracts are agreements that remain in effect for more than one business day but have no specific maturity and can be terminated without a requirement for advance notice by either party; term agreements have a fixed maturity of more than one business day.
7. Matched-book data reflect financial intermediation activity in which the borrowing and lending transactions are matched. Matched-book data are included in the financing breakdowns listed above. The reverse repurchase and repurchase numbers are not always equal due to the "matching" of securities of different values or types of collateralization.

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1987	1988	1989	1990	1990 Nov.	1990 Dec.	1991 Jan.	1991 Feb.	1991 Mar.
1 **Federal and federally sponsored agencies**	**341,386**	**381,498**	**411,805**	**434,668**	**430,842**	**434,668**	**445,430**	**441,440**	**437,847**
2 Federal agencies	37,981	35,668	35,664	42,159	42,191	42,159	42,141	42,191	41,149
3 Defense Department[1]	13	8	7	7	7	7	7	7	7
4 Export-Import Bank[2,3]	11,978	11,033	10,985	11,376	11,346	11,376	11,376	11,376	11,186
5 Federal Housing Administration[4]	183	150	328	393	387	393	329	361	370
6 Government National Mortgage Association participation certificates[5]	1,615	0	0	0	0	0	0	0	0
7 Postal Service[6]	6,103	6,142	6,445	6,948	6,948	6,948	6,948	6,948	6,948
8 Tennessee Valley Authority	18,089	18,335	17,899	23,435	23,510	23,435	23,481	23,499	22,638
9 United States Railway Association[6]	0	0	0	0	0	0	0	0	0
10 Federally sponsored agencies[7]	303,405	345,830	375,407	392,509	388,651	392,509	403,289	399,249	396,698
11 Federal Home Loan Banks	115,727	135,836	136,108	117,895	116,627	117,895	115,402	112,874	113,311
12 Federal Home Loan Mortgage Corporation	17,645	22,797	26,148	30,941	30,035	30,941	33,157	32,640	31,425
13 Federal National Mortgage Association	97,057	105,459	116,064	123,403	122,257	123,403	125,849	125,974	124,885
14 Farm Credit Banks[8]	55,275	53,127	54,864	53,590	53,469	53,590	53,717	52,480	51,890
15 Student Loan Marketing Association[9]	16,503	22,073	28,705	34,194	33,777	34,194	35,736	35,854	35,761
16 Financing Corporation[10]	1,200	5,850	8,170	8,170	8,170	8,170	8,170	8,170	8,170
17 Farm Credit Financial Assistance Corporation[11]	0	690	847	1,261	1,261	1,261	1,261	1,261	1,261
18 Resolution Funding Corporation[12]	0	0	4,522	23,055	23,055	23,055	29,996	29,996	29,996
MEMO									
19 **Federal Financing Bank debt[13]**	**152,417**	**142,850**	**134,873**	**179,083**	**177,620**	**179,083**	**181,062**	**181,714**	**181,907**
Lending to federal and federally sponsored agencies									
20 Export-Import Bank[3]	11,972	11,027	10,979	11,370	11,340	11,370	11,370	11,370	11,180
21 Postal Service[6]	5,853	5,892	6,195	6,698	6,698	6,698	6,698	6,698	6,698
22 Student Loan Marketing Association	4,940	4,910	4,880	4,850	4,850	4,850	4,850	4,850	4,850
23 Tennessee Valley Authority	16,709	16,955	16,519	14,055	14,130	14,055	14,101	14,119	13,258
24 United States Railway Association[6]	0	0	0	0	0	0	0	0	0
Other Lending[14]									
25 Farmers Home Administration	59,674	58,496	53,311	52,324	52,324	52,324	52,169	52,544	52,669
26 Rural Electrification Administration	21,191	19,246	19,265	18,890	18,968	18,890	18,906	18,906	18,904
27 Other	32,078	26,324	23,724	70,896	69,310	70,896	72,968	73,227	74,348

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 22.
10. The Financing Corporation, established in August 1987 to recapitalize the Federal Savings and Loan Insurance Corporation, undertook its first borrowing in October 1987.
11. The Farm Credit Financial Assistance Corporation (established in January 1988 to provide assistance to the Farm Credit System) undertook its first borrowing in July 1988.
12. The Resolution Funding Corporation, established by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, undertook its first borrowing in October 1989.
13. The FFB, which began operations in 1974, is authorized to purchase or sell obligations issued, sold, or guaranteed by other federal agencies. Since FFB incurs debt solely for the purpose of lending to other agencies, its debt is not included in the main portion of the table in order to avoid double counting.
14. Includes FFB purchases of agency assets and guaranteed loans; the latter contain loans guaranteed by numerous agencies with the guarantees of any particular agency being generally small. The Farmers Home Administration item consists exclusively of agency assets, while the Rural Electrification Administration entry contains both agency assets and guaranteed loans.

1.45 NEW SECURITY ISSUES Tax-Exempt State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1988	1989	1990	1990 Oct.	1990 Nov.	1990 Dec.	1991 Jan.	1991 Feb.	1991 Mar.	1991 Apr.	1991 May
1 **All issues, new and refunding**[1]	**114,522**	**113,646**	**120,339**	**8,512**	**9,961**	**12,250**	**7,230**	**11,335**	**10,864**	**10,916**	**13,383**
Type of issue											
2 General obligation	30,312	35,774	39,610	3,530	3,024	3,536	2,343	4,838	4,219	3,771	4,541
3 Revenue	84,210	77,873	81,295	4,982	6,937	8,714	4,887	6,497	6,645	7,145	8,735
Type of issuer											
4 State	8,830	11,819	15,149	1,470	1,337	1,396	713	2,027	1,195	1,199	1,856
5 Special district and statutory authority[2]	74,409	71,022	72,661	4,512	5,879	7,032	4,563	4,903	6,599	6,604	8,899
6 Municipalities, counties, and townships	31,193	30,805	32,510	2,530	2,745	3,822	1,954	4,405	3,070	3,113	2,628
7 **Issues for new capital, total**	**79,665**	**84,062**	**103,235**	**7,936**	**9,058**	**10,707**	**6,977**	**10,403**	**9,675**	**10,156**	**12,842**
Use of proceeds											
8 Education	15,021	15,133	17,042	1,743	1,009	1,418	1,079	1,579	2,583	2,001	2,082
9 Transportation	6,825	6,870	11,650	1,069	727	2,008	711	146	421	1,305	1,496
10 Utilities and conservation	8,496	11,427	11,739	806	1,301	776	1,196	2,046	1,886	2,171	1,566
11 Social welfare	19,027	16,703	23,099	1,153	1,992	2,001	891	698[r]	2,140	921	3,100
12 Industrial aid	5,624	5,036	6,117	497	540	933	607	768	554	319	667
13 Other purposes	24,672	28,894	34,607	2,668	4,392	3,571	2,493	4,775	2,091	3,439	3,931

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

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

1.46 NEW SECURITY ISSUES U.S. Corporations

Millions of dollars

Type of issue or issuer, or use	1988	1989	1990	1990 Sept.	1990 Oct.	1990 Nov.	1990 Dec.	1991 Jan.	1991 Feb.	1991 Mar.[r]	1991 Apr.
1 **All issues**[1]	**410,894[r]**	**376,744[r]**	**235,461[r]**	**14,987**	**20,535[r]**	**25,058**	**21,044[r]**	**17,303[r]**	**30,373[r]**	**35,523**	**30,813**
2 **Bonds**[2]	**353,093[r]**	**318,873[r]**	**235,461[r]**	**14,561**	**19,573[r]**	**23,823**	**19,255[r]**	**16,407[r]**	**28,571[r]**	**31,574**	**25,500**
Type of offering											
3 Public, domestic	202,215[r]	181,393[r]	188,969[r]	12,652	17,708[r]	22,117	18,579[r]	15,753[r]	25,510[r]	29,274	23,000
4 Private placement, domestic[3]	127,700	114,629	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5. Sold abroad	23,178	22,851	23,054	1,909	1,865	1,706	676	654	3,061	2,300	2,500
Industry group											
6 Manufacturing	70,306	76,345	38,248[r]	2,598	3,531	6,593	2,831[r]	3,375[r]	7,960[r]	6,711	6,500
7 Commercial and miscellaneous	62,790	49,726	11,098	138	548	821	1,061	1,408	1,876[r]	1,775	2,200
8 Transportation	10,275	10,105	4,926	533	230	457	351	711	563	985	453
9 Public utility	19,579	17,130	13,893	928	796	2,209	2,032	689[r]	1,399[r]	506	2,050
10 Communication	5,593	8,461	4,876[r]	250	378	693	1,380[r]	97	669[r]	988	1,000
11 Real estate and financial	184,548[r]	157,107[r]	138,987[r]	10,113	14,090[r]	13,050	11,601	10,127[r]	16,105[r]	20,609	13,297
12 **Stocks**[2]	**57,802**	**57,870**	n.a.	**426**	**962**	**1,235**	**1,789**	**896**	**1,802**	**3,949**	**5,313**
Type											
13 Preferred	6,544	6,194	3,998	100	550	265	175	0	150	1,233	543
14 Common	35,911	26,030	19,443	327	412	970	1,614	896	1,652	2,716	4,771
15 Private placement[3]	15,346	25,647	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Industry group											
16 Manufacturing	7,608	9,308	n.a.	0	60	154	46	60	183	564	1,796
17 Commercial and miscellaneous	8,449	7,446	5,026	172	194	42	110	18	546	1,096	1,521
18 Transportation	1,535	1,929	126	0	7	0	5	242	0	249	416
19 Public utility	1,898	3,090	4,229	39	297	462	288	218	335	354	71
20 Communication	515	1,904	416	0	0	0	6	n.a.[r]	0	0	0
21 Real estate and financial	37,798	34,028	11,055	215	400	574	1,327	359	737	1,686	1,510

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	1989	1990	1990				1991			
			Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.[r]	Apr.
INVESTMENT COMPANIES[1]										
1 **Sales of own shares[2]**	**306,445**	**345,780**	**23,387**	**27,511**	**25,583**	**34,553**	**38,012**	**30,605**	**31,597**	**40,329**
2 Redemptions of own shares[3]	272,165	289,573	21,053	23,112	22,085	29,484	27,648	23,390	25,372	32,875
3 Net sales	34,280	56,207	2,334	4,399	3,498	5,069	10,364	7,215	6,226	7,454
4 **Assets[4]**	**553,871**	**570,744**	**535,787**	**538,306**	**557,676**	**570,744**	**590,296**	**616,472**	**632,052**	**646,703**
5 Cash position[5]	44,780	48,638	51,128	51,847	52,829	48,638	53,549	53,899	52,895	53,103
6 Other	509,091	522,106	484,659	486,459	504,847	522,106	536,747	562,573	579,154	593,600

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.

1.48 CORPORATE PROFITS AND THEIR DISTRIBUTION

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

Account	1988	1989	1990	1989			1990				1991
				Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1 Corporate profits with inventory valuation and capital consumption adjustment	337.6	311.6	298.3	321.4	306.7	290.9	296.8	306.6	300.7	288.9	288.0
2 Profits before tax	316.7	307.7	304.7	314.6	291.4	289.8	296.9	299.3	318.5	304.1	282.7
3 Profits tax liability	136.2	135.1	132.1	140.8	127.8	123.5	129.9	133.1	139.1	126.5	115.1
4 Profits after tax	180.5	172.6	172.5	173.8	163.6	166.3	167.1	166.1	179.4	177.6	167.6
5 Dividends	110.0	123.5	133.9	122.1	125.0	127.7	130.3	133.0	135.1	137.2	137.5
6 Undistributed profits	70.5	49.1	38.7	51.7	38.6	38.6	36.8	33.2	44.3	40.4	30.2
7 Inventory valuation	-27.0	-21.7	-11.4	-23.1	-6.1	-14.5	-11.4	-.5	-19.8	-13.8	8.3
8 Capital consumption adjustment	47.8	25.5	4.9	29.9	21.4	15.6	11.3	7.7	2.0	-1.4	-3.0

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

1.50 TOTAL NONFARM BUSINESS EXPENDITURES on New Plant and Equipment ▲

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

Industry	1989	1990	1991	1989	1990				1991		
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1 **Total nonfarm business**	**507.40**	**532.96**	**547.23[r]**	**519.58**	**532.45**	**535.49**	**534.86**	**529.02**	**535.32**	**544.16**	**553.52**
Manufacturing											
2 Durable goods industries	82.56	82.99	80.06[r]	83.41	86.35	84.34	82.67	78.62	81.53	81.53	79.71
3 Nondurable goods industries	101.24	109.79	110.11[r]	108.47	105.02	110.82	111.81	111.52	108.58	109.58	111.74
Nonmanufacturing											
4 Mining	9.21	9.87	9.88[r]	9.38	9.58	9.84	9.98	10.09	9.85	10.05	9.96
Transportation											
5 Railroad	6.26	6.41	5.44[r]	6.80	6.45	6.66	5.60	6.90	5.60	5.15	5.81
6 Air	6.73	8.98	11.43[r]	5.75	9.35	9.36	10.05	7.17	11.27	12.60	12.14
7 Other	5.85	6.20	7.47[r]	5.69	6.33	5.84	5.76	6.88	6.71	7.50	7.45
Public utilities											
8 Electric	44.81	43.98	45.92[r]	44.66	43.37	42.62	43.63	46.31	43.21	47.10	46.16
9 Gas and other	21.47	23.02	23.45[r]	21.15	22.34	21.65	23.85	24.22	24.18	22.65	23.34
10 Commercial and other[2]	229.28	241.72	253.48[r]	234.25	243.66	244.37	241.51	237.32	244.39	248.00	257.22

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

1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities[1]

Billions of dollars, end of period; not seasonally adjusted

Account	1987	1988	1989	1989			1990			
				Q2	Q3	Q4	Q1	Q2	Q3	Q4
ASSETS										
Accounts receivable, gross[2]										
1 Consumer	141.1	146.2	140.8	143.9	146.3	140.8	137.9	138.6	140.9	137.4
2 Business	207.4	236.5	256.0	250.9	246.8	256.0	262.9	274.8	275.4	288.5
3 Real estate	39.5	43.5	48.9	47.1	48.7	48.9	52.1	55.4	57.7	59.9
4 Total	388.1	426.2	445.8	441.9	441.8	445.8	452.8	468.8	474.0	485.9
Less:										
5 Reserves for unearned income	45.3	50.0	52.0	52.2	52.9	52.0	51.9	54.3	55.1	56.6
6 Reserves for losses	6.8	7.3	7.7	7.5	7.7	7.7	7.9	8.2	8.6	8.9
7 Accounts receivable, net	336.0	368.9	386.1	382.2	381.3	386.1	393.0	406.3	410.3	420.4
8 All other	58.3	72.4	91.6	81.4	85.2	91.6	92.5	95.5	102.8	104.4
9 **Total assets**	**394.2**	**441.3**	**477.6**	**463.6**	**466.4**	**477.6**	**485.5**	**501.9**	**513.1**	**524.8**
LIABILITIES										
10 Bank loans	16.4	15.4	14.5	12.1	12.2	14.5	13.9	15.8	15.6	18.6
11 Commercial paper	128.4	142.0	149.5	149.0	147.2	149.5	152.9	152.4	148.6	152.7
Debt										
12 Other short-term	28.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13 Long-term	137.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
14 Due to parent	n.a.	50.6	63.8	59.8	60.3	63.8	70.5	72.8	82.0	77.3
15 Not elsewhere classified	n.a.	137.9	147.8	140.5	145.1	147.8	145.7	153.0	156.6	157.4
16 All other liabilities	52.8	59.8	62.6	63.5	61.8	62.6	61.7	66.1	68.7	78.7
17 Capital, surplus, and undivided profits	31.5	35.6	39.4	38.8	39.8	39.4	40.7	41.8	41.6	40.2
18 **Total liabilities and capital**	**394.2**	**441.3**	**477.6**	**463.6**	**466.4**	**477.6**	**485.5**	**501.9**	**513.1**	**524.8**

1. Components may not sum to totals because of rounding.
2. Excludes pools of securitized assets.

1.52 DOMESTIC FINANCE COMPANIES Business Credit Outstanding and Net Change[1]

Millions of dollars, seasonally adjusted

Type	1988	1989	1990	1990		1991			
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
1 **Total**	**234,891**	**258,957**	**292,638**	**289,335**	**292,638**	**293,383**	**294,284**	**294,225**	**294,569**
Retail financing of installment sales									
2 Automotive	37,210	39,479	38,110	38,475	38,110	38,016	37,548	36,649	36,652
3 Equipment	28,185	29,627	31,784	30,908	31,784	31,956	32,058	32,332	32,034
4 Pools of securitized assets[2]	n.a.	698	951	927	951	911	879	828	777
Wholesale									
5 Automotive	32,953	33,814	32,283	32,905	32,283	32,404	31,428	30,329	30,066
6 Equipment	5,971	6,928	11,569	10,874	11,569	11,299	11,108	10,880	10,937
7 All other	9,357	9,985	9,126	9,451	9,126	9,366	9,142	8,868	8,666
8 Pools of securitized assets[2]	n.a.	0	2,950	2,841	2,950	2,836	3,353	3,354	2,905
Leasing									
9 Automotive	24,693	26,804	39,129	31,833	39,129	38,921	38,922	39,279	39,707
10 Equipment	57,658	68,240	75,626	80,818	75,626	76,841	79,052	80,969	82,750
11 Pools of securitized assets[2]	n.a.	1,247	1,849	1,884	1,849	1,854	1,810	1,868	1,765
12 Loans on commercial accounts receivable and factored commercial accounts receivable	17,687	18,511	22,475	21,553	22,475	21,891	22,084	21,666	21,265
13 All other business credit	21,176	23,623	26,784	26,866	26,784	27,089	26,899	27,204	27,045
	Net change (during period)								
14 **Total**	**28,900**	**24,067**	**33,681**	**1,712**	**3,303**	**745**	**901**	**−59**	**345**
Retail financing of installment sales									
15 Automotive	1,070	2,267	−1,369	−690	−365	−94	−468	−900	4
16 Equipment	3,108	1,442	2,157	241	877	171	103	274	−298
17 Pools of securitized assets[2]	n.a.	−26	253	25	24	−40	−32	−51	−51
Wholesale									
18 Automotive	2,883	862	−1,531	−1,238	−622	121	−975	−1,100	−263
19 Equipment	393	958	4,641	122	695	−270	−192	−228	57
20 All other	1,029	628	−860	−44	−325	240	−224	−275	−201
21 Pools of securitized assets[2]	n.a.	0	2,950[r]	649	109	−114	517	1	−449
Leasing									
22 Automotive	2,596	2,110	12,326	298	7,296	−209	1	358	428
23 Equipment	14,166	10,581	7,385	1,105	−5,192	1,215	2,211	1,917	1,781
24 Pools of securitized assets[2]	n.a.	526	602	160	−35	5	−44	58	−103
25 Loans on commercial accounts receivable and factored commercial accounts receivable	−484	826	3,964	793	922	−585	194	−418	−401
26 All other business credit	4,134	3,163	3,163	291	−82	305	−190	305	−158

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	1988	1989	1990	1990		1991				
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
	Terms and yields in primary and secondary markets									
PRIMARY MARKETS										
Conventional mortgages on new homes										
Terms[1]										
1 Purchase price (thousands of dollars)	150.0	159.6	153.2	151.5	156.3	148.3	153.2	136.7	151.4	146.8
2 Amount of loan (thousands of dollars)	110.5	117.0	112.4	111.2	115.4	112.3	113.8	100.4	114.5	109.2
3 Loan/price ratio (percent)	75.5	74.5	74.8	75.0	74.9	77.2	76.3	74.6	76.4	75.2
4 Maturity (years)	28.0	28.1	27.3	27.1	28.6	28.1	28.3	25.7	26.8	26.1
5 Fees and charges (percent of loan amount)[2]	2.19	2.06	1.93	1.68	1.85	1.75	1.73	1.59	2.12	1.54
6 Contract rate (percent per year)	8.81	9.76	9.68	9.61	9.45	9.36	9.28	9.16	9.24	9.26
Yield (percent per year)										
7 OTS series[3]	9.18	10.11	10.01	9.90	9.76	9.65	9.57	9.43	9.60	9.52
8 HUD series[4]	10.30	10.21	10.08	9.86	9.66	9.53	9.49	9.49	9.51	9.46
SECONDARY MARKETS										
Yield (percent per year)										
9 FHA mortgages (HUD series)[5]	10.49	10.24	10.17	9.81	9.66	9.58	9.57	9.61	9.61	9.62
10 GNMA securities[6]	9.83	9.71	9.51	9.46	9.08	8.87	8.66	8.75	8.62	8.65
	Activity in secondary markets									
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
Mortgage holdings (end of period)										
11 Total	101,329	104,974	113,329	115,085	116,628	117,445	118,284	119,196	120,074	121,798
12 FHA/VA-insured	19,762	19,640	21,028	21,530	21,751	21,854	21,947	21,976	21,972	21,609
13 Conventional	81,567	85,335	92,302	93,555	94,877	95,591	96,337	97,220	98,102	100,189
Mortgage transactions (during period)										
14 Purchases	23,110	22,518	23,959	2,078	2,410	1,781	1,792	1,987	2,942	4,450
Mortgage commitments[7]										
15 Issued (during period)[8]	n.a.	n.a.	n.a.	2,426	2,104	1,889	1,779	3,087	3,880	3,506
16 To sell (during period)[9]	n.a.	n.a.	n.a.	0	0	2	0	109	839	1,066
FEDERAL HOME LOAN MORTGAGE CORPORATION										
Mortgage holdings (end of period)[9]										
17 Total	15,105	20,105	20,419	21,301	21,857	22,300	22,855	23,221	n.a.	n.a.
18 FHA/VA	620	590	547	524	518	511	503	499	n.a.	n.a.
19 Conventional	14,485	19,516	19,871	20,777	21,339	21,789	22,352	22,722	n.a.	n.a.
Mortgage transactions (during period)										
20 Purchases	44,077	78,588	75,517	6,981	10,637	5,018	5,217	4,549	n.a.	n.a.
21 Sales	39,780	73,446	73,817	6,314	9,918	4,438	4,549	6,183	6,226	7,694
Mortgage commitments[10]										
22 Contracted (during period)	66,026	88,519	102,401	10,164	12,938	8,437	5,579	5,936	n.a.	n.a.

1. Weighted averages based on sample surveys of mortgages originated by major institutional lender groups; compiled by the Federal Housing Finance Board in cooperation with the Federal Deposit Insurance Corporation.
2. Includes all fees, commissions, discounts, and "points" paid (by the borrower or the seller) to obtain a loan.
3. Average effective interest rates on loans closed, assuming prepayment at the end of 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 permissable 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. Does not include standby commitments issued, but includes standby commitments converted.
9. Includes participation as well as whole loans.
10. Includes conventional and government-underwritten loans. FHLMC's mortgage commitments and mortgage transactions include activity under mortgage/securities swap programs, while the corresponding data for FNMA exclude swap activity.

1.54 MORTGAGE DEBT OUTSTANDING[1]

Millions of dollars, end of period

Type of holder, and type of property	1988	1989	1990[r]	1990				1991
				Q1	Q2	Q3	Q4[r]	Q1[p]
1 **All holders**	**3,270,118[r]**	**3,556,370[r]**	**3,856,205**	**3,696,882[r]**	**3,760,480[r]**	**3,815,220[r]**	**3,856,205**	**3,883,700**
2 1- to 4-family	2,201,231[r]	2,429,689[r]	2,708,951	2,554,496[r]	2,619,522[r]	2,669,613[r]	2,708,951	2,740,122
3 Multifamily	291,405[r]	303,416[r]	304,004	305,838[r]	301,789[r]	302,993[r]	304,004	303,543
4 Commercial	692,236[r]	739,240[r]	759,306	752,688[r]	755,212[r]	758,362[r]	759,306	756,349
5 Farm	85,247[r]	84,025[r]	83,943	83,861[r]	83,957[r]	84,252[r]	83,943	83,686
6 Selected financial institutions	1,831,472[r]	1,931,537[r]	1,912,099	1,939,005[r]	1,940,366[r]	1,932,978[r]	1,912,099	1,890,344
7 Commercial banks[2]	674,003[r]	767,069[r]	843,136	786,802[r]	814,598[r]	830,868[r]	843,136	855,256
8 1- to 4-family	334,367[r]	389,632[r]	454,851	405,009[r]	431,115[r]	445,218[r]	454,851	462,975
9 Multifamily	33,912[r]	38,876[r]	37,116	37,913[r]	38,420[r]	37,898[r]	37,116	38,021
10 Commercial	290,254[r]	321,906[r]	333,943	327,110[r]	327,930[r]	330,426[r]	333,943	336,803
11 Farm	15,470[r]	16,656[r]	17,225	16,771[r]	17,133[r]	17,326[r]	17,225	17,457
12 Savings institutions[3]	924,606	910,254	801,628	891,921	860,903	836,047[r]	801,628	771,948
13 1- to 4-family	671,722	669,220	600,154	658,405	642,110	626,297[r]	600,154	584,639
14 Multifamily	110,775	106,014	91,806	103,841	97,359	94,790[r]	91,806	85,654
15 Commercial	141,433	134,370	109,168	129,056	120,866	114,430[r]	109,168	101,187
16 Farm	676	650	500	619	568	530	500	468
17 Life insurance companies	232,863	254,214	267,335	260,282	264,865	266,063	267,335	263,139
18 1- to 4-family	11,164	12,231	12,052	12,525	12,740	12,773	12,052	11,514
19 Multifamily	24,560	26,907	29,406	27,555	28,027	28,100	29,406	28,847
20 Commercial	187,549	205,472	215,121	210,422	214,024	214,585	215,121	212,018
21 Farm	9,590	9,604	10,756	9,780	10,075	10,605	10,756	10,760
22 Finance companies[4]	37,846	45,476	48,777	45,808	47,104	49,784	48,777	49,658
23 Federal and related agencies	200,570	209,498	250,762	216,146	227,818	242,695	250,762	262,167
24 Government National Mortgage Association	26	23	21	22	21	21	21	20
25 1- to 4-family	26	23	21	22	21	21	21	20
26 Multifamily	0	0	0	0	0	0	0	0
27 Farmers Home Administration[5]	42,018	41,176	41,439	41,125	41,175	41,269	41,439	41,545
28 1- to 4-family	18,347	18,422	18,527	18,419	18,434	18,476	18,527	18,578
29 Multifamily	8,513	9,054	9,640	9,199	9,361	9,477	9,640	9,792
30 Commercial	5,343	4,443	4,690	4,510	4,545	4,608	4,690	4,754
31 Farm	9,815	9,257	8,582	8,997	8,835	8,708	8,582	8,421
32 Federal Housing and Veterans Administration	5,973	6,087	8,801	6,355	6,792	7,938	8,801	9,492
33 1- to 4-family	2,672	2,875	3,593	3,027	3,054	3,248	3,593	3,600
34 Multifamily	3,301	3,212	5,208	3,328	3,738	4,690	5,208	5,891
35 Federal National Mortgage Association	103,013	110,721	116,628	112,353	112,855	113,718	116,628	118,210
36 1- to 4-family	95,833	102,295	106,081	103,300	103,431	103,722	106,081	107,053
37 Multifamily	7,180	8,426	10,547	9,053	9,424	9,996	10,547	11,157
38 Federal Land Banks	32,115	29,640	29,416	29,325	29,595	29,441	29,416	29,253
39 1- to 4-family	1,890	1,210	1,838	1,197	1,741	1,766	1,838	1,884
40 Farm	30,225	28,430	27,577	28,128	27,854	27,675	27,577	27,368
41 Federal Home Loan Mortgage Corporation	17,425	21,851	21,857	19,823	19,979	20,508	21,857	21,947
42 1- to 4-family	15,077	18,248	19,185	16,772	17,316	17,810	19,185	19,460
43 Multifamily	2,348	3,603	2,672	3,051	2,663	2,697	2,672	2,487
44 Mortgage pools or trusts[6]	811,847	946,766	1,103,950	984,811	1,024,893	1,060,640	1,103,950	1,138,889
45 Government National Mortgage Association	340,527	368,367	403,613	376,962	385,456	394,859	403,613	412,982
46 1- to 4-family	331,257	358,142	391,505	366,300	374,960	384,474	391,505	400,322
47 Multifamily	9,270	10,225	12,108	10,662	10,496	10,385	12,108	12,660
48 Federal Home Loan Mortgage Corporation	226,406	272,870	316,359	281,736	295,340	301,797	316,359	328,305
49 1- to 4-family	219,988	266,060	308,369	274,084	287,232	293,721	308,369	319,978
50 Multifamily	6,418	6,810	7,990	7,652	8,108	8,077	7,990	8,327
51 Federal National Mortgage Association	178,250	228,232	299,833	246,391	263,330	281,806	299,833	312,101
52 1- to 4-family	172,331	219,577	291,194	237,916	254,811	273,335	291,194	303,554
53 Multifamily	5,919	8,655	8,639	8,475	8,519	8,471	8,639	8,547
54 Farmers Home Administration[5]	104	80	66	76	72	70	66	63
55 1- to 4-family	26	21	17	20	19	18	17	16
56 Multifamily	0	0	0	0	0	0	0	0
57 Commercial	38	26	24	25	24	24	24	23
58 Farm	40	33	26	31	30	29	26	24
59 Individuals and others[7]	426,229	468,569	589,395	556,920	567,403	578,908	589,395	592,301
60 1- to 4-family	259,971	294,517	401,685	374,143	382,343	393,027	401,685	403,791
61 Multifamily	79,209	81,634	80,808	83,666	82,040	80,636	80,808	80,448
62 Commercial	67,618	73,023	87,624	79,576	83,557	85,865	87,624	88,875
63 Farm	19,431	19,395	19,278	19,536	19,463	19,379	19,278	19,187

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. Farmers Home Administration-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[1] Total Outstanding, and Net Change, seasonally adjusted

Millions of dollars, amounts outstanding, end of period

Holder, and type of credit	1989	1990	1990					1991			
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.[r]	Apr.
	Seasonally adjusted										
1 **Total**	**718,863**	**735,102**	**733,844**	**735,547**	**735,433**	**736,411**	**735,102**	**732,962**	**732,762**	**732,442**	**734,140**
2 Automobile	290,676	284,585	286,818	285,627	285,024	284,412	284,585	283,746	282,626	280,689	280,518
3 Revolving	199,082	220,110	217,024	219,090	220,031	221,690	220,110	219,588	221,556	224,817	226,082
4 Mobile home	22,471	20,919	21,191	21,073	20,680	20,492	20,919	20,459	20,200	20,123	20,171
5 Other	206,633	209,487	208,811	209,758	209,698	209,817	209,487	209,170	208,379	206,813	207,369
	Not seasonally adjusted										
6 **Total**	**730,901**	**748,300**	**736,480**	**738,946**	**736,091**	**738,626**	**748,300**	**736,399**	**729,264**	**725,462**	**728,419**
By major holder											
7 Commercial banks	342,770	347,466	340,525	342,698	341,755	342,882	347,466	341,426	339,282	335,754	336,214
8 Finance companies	140,832	137,450	139,496	140,890	141,329	139,195	137,450	134,965	133,021	131,552	134,723
9 Credit unions	93,114	92,911	93,071	92,996	93,190	92,918	92,911	91,991	91,131	90,772	90,355
10 Retailers	44,154	43,552	39,557	38,963	38,282	39,095	43,552	40,945	38,864	38,497	38,317
11 Savings institutions	57,253	45,616	51,822	50,683	48,055	47,121	45,616	44,939	43,875	42,491	42,327
12 Gasoline companies	3,935	4,822	4,722	4,723	4,749	4,753	4,822	4,766	4,404	4,296	4,357
13 Pools of securitized assets[2]	48,843	76,483	67,287	67,993	68,731	72,662	76,483	77,367	78,687	82,100	82,126
By major type of credit[3]											
14 Automobile	290,705	284,813	289,371	289,169	287,304	285,379	284,813	282,214	279,913	277,798	278,274
15 Commercial banks	126,288	126,259	127,647	128,268	127,667	126,544	126,259	126,235	124,745	123,411	122,736
16 Finance companies	82,721	74,397	77,205	78,116	78,033	75,224	74,397	72,015	70,287	69,233	71,761
17 Pools of securitized assets[2]	18,235	24,537	21,988	21,390	20,944	23,475	24,537	25,123	26,872	27,755	26,775
18 Revolving	210,310	232,370	216,633	218,279	218,337	222,643	232,370	223,606	220,714	221,400	222,713
19 Commercial banks	130,811	132,433	126,683	127,415	127,108	129,117	132,433	125,814	125,673	124,619	126,059
20 Retailers	39,583	39,029	35,101	34,528	33,867	34,657	39,029	36,510	34,509	34,179	34,013
21 Gasoline companies	3,935	4,822	4,722	4,723	4,749	4,753	4,822	4,766	4,404	4,296	4,357
22 Pools of securitized assets[2]	23,477	44,335	38,194	39,606	40,798	42,297	44,335	44,773	44,451	46,722	46,616
23 Mobile home	22,240	20,666	21,185	21,195	20,773	20,472	20,666	20,614	20,362	20,030	20,125
24 Commercial banks	9,112	9,763	9,338	9,263	9,274	9,199	9,763	9,748	9,730	9,632	9,565
25 Finance companies	4,716	5,252	5,358	5,423	5,400	5,364	5,252	5,367	5,330	5,328	5,574
26 Other	207,646	210,451	209,291	210,303	209,677	210,132	210,451	209,965	208,275	206,234	207,307
27 Commercial banks	76,559	79,011	76,857	77,752	77,706	78,022	79,011	79,629	79,134	78,092	77,854
28 Finance companies	53,395	57,801	56,933	57,351	57,896	58,607	57,801	57,583	57,404	56,991	57,388
29 Retailers	4,571	4,523	4,456	4,435	4,415	4,438	4,523	4,435	4,355	4,318	4,304
30 Pools of securitized assets[2]	7,131	7,611	7,105	6,997	6,989	6,890	7,611	7,471	7,364	7,603	8,735

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

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

1.56 TERMS OF CONSUMER INSTALLMENT CREDIT[1]

Percent unless noted otherwise

	Item	1988	1989	1990	1990 Oct.	1990 Nov.	1990 Dec.	1991 Jan.	1991 Feb.	1991 Mar.	1991 Apr.
	INTEREST RATES										
	Commercial banks[2]										
1	48-month new car[3]	10.85	12.07	11.78	n.a.	11.62	n.a.	n.a.	11.60	n.a.	n.a.
2	24-month personal	14.68	15.44	15.46	n.a.	15.69	n.a.	n.a.	15.42	n.a.	n.a.
3	120-month mobile home[3]	13.54	14.11	14.02	n.a.	13.99	n.a.	n.a.	13.88	n.a.	n.a.
4	Credit card	17.78	18.02	18.17	n.a.	18.23	n.a.	n.a.	18.28	n.a.	n.a.
	Auto finance companies										
5	New car	12.60	12.62	12.54	12.57	12.74	12.86	12.99	13.16	13.14	13.14
6	Used car	15.11	16.18	15.99	16.12	16.07	16.04	15.70	15.90	15.82	15.82
	OTHER TERMS[4]										
	Maturity (months)										
7	New car	56.2	54.2	54.6	54.6	54.6	54.7	54.9	55.2	55.2	55.4
8	Used car	46.7	46.6	46.1	46.1	46.0	45.8	47.4	47.1	47.2	47.3
	Loan-to-value ratio										
9	New car	94	91	87	85	85	85	88	88	87	87
10	Used car	98	97	95	95	95	94	96	96	97	97
	Amount financed (dollars)										
11	New car	11,663	12,001	12,071	11,917	11,986	12,140	12,229	12,081	12,121	11,993
12	Used car	7,824	7,954	8,289	8,423	8,494	8,530	8,600	8,605	8,763	8,751

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	1986	1987	1988	1989	1990r	1989 Q3	1989 Q4	1990r Q1	1990r Q2	1990r Q3	1990r Q4	1991 Q1
	Nonfinancial sectors											
1 **Total net borrowing by domestic nonfinancial sectors**	**836.9**	**687.0**	**760.8**	**678.2**	**641.2**	**678.8**	**620.2**	**808.9**	**617.6**	**655.7**	**482.6**	**474.7**
By sector and instrument												
2 U.S. government	215.0	144.9	157.5	151.6	272.5	173.9	185.0	247.3	228.2	286.1	328.4	204.7
3 Treasury securities	214.7	143.4	140.0	150.0	264.4	166.8	189.6	217.8	222.9	287.5	329.4	228.7
4 Agency issues and mortgages	.4	1.5	17.4	1.6	8.2	7.1	−4.6	29.6	5.4	−1.3	−1.0	−24.0
5 Private domestic nonfinancial sectors	621.9	542.1	603.3	526.6	368.7	504.9	435.2	561.6	389.4	369.6	154.2	270.0
6 Debt capital instruments	465.8	453.2	459.2	379.8	309.3	369.2	347.0	391.6	338.7	280.2	226.9	264.6
7 Tax-exempt obligations	22.7	49.3	49.8	30.4	18.5	34.1	19.1	12.4	24.5	28.0	9.0	7.1
8 Corporate bonds	126.8	79.4	102.9	73.7	64.5	62.7	87.4	45.2	83.7	47.7	81.6	85.2
9 Mortgages	316.3	324.5	306.5	275.7	226.4	272.4	240.5	334.0	230.5	204.5	136.3	172.4
10 Home mortgages	218.7	234.9	231.0	218.0	211.6	221.0	214.3	283.5	235.2	183.1	144.4	181.0
11 Multifamily residential	33.5	24.4	16.7	16.4	3.0	11.8	9.5	22.9	−15.7	3.8	.8	.2
12 Commercial	73.6	71.6	60.8	42.7	11.9	40.9	19.9	27.1	13.0	15.8	−8.2	−9.4
13 Farm	−9.5	−6.4	−2.1	−1.5	−.1	−1.3	−3.2	.5	−1.9	1.8	−.8	.5
14 Other debt instruments	156.1	88.9	144.1	146.8	59.3	135.6	88.2	170.0	50.7	89.3	−72.7	5.4
15 Consumer credit	58.0	33.5	50.2	39.1	14.3	37.1	44.1	30.4	2.8	21.3	2.5	−23.6
16 Bank loans n.e.c.	66.9	10.0	39.8	39.9	−5.0	50.8	7.7	21.1	8.8	−15.8	−34.0	38.7
17 Open market paper	−9.3	2.3	11.9	20.4	9.7	16.9	−6.9	69.6	−6.2	17.3	−41.7	5.1
18 Other	40.5	43.2	42.2	47.4	40.3	30.9	43.3	48.9	45.3	66.6	.5	−14.9
19 By borrowing sector	621.9	542.1	603.3	526.6	368.7	504.9	435.2	561.6	389.4	369.6	154.2	270.0
20 State and local governments	36.2	48.8	45.6	29.6	14.6	28.6	16.5	8.9	17.7	28.5	3.1	7.1
21 Households	293.0	302.2	314.9	285.0	254.3	290.8	291.8	364.7	271.5	221.7	159.4	192.6
22 Nonfinancial business	292.7	191.0	242.8	211.9	99.8	185.4	126.9	188.0	100.2	119.4	−8.3	70.3
23 Farm	−16.3	−10.6	−7.5	1.6	2.5	−2.1	8.9	6.3	−10.8	11.6	3.1	5.0
24 Nonfarm noncorporate	99.2	77.9	65.7	50.8	11.1	40.2	35.0	45.5	3.5	18.3	−23.0	−17.0
25 Corporate	209.7	123.7	184.6	159.5	86.2	147.3	83.1	136.2	107.5	89.4	11.6	82.2
26 Foreign net borrowing in United States	9.7	4.5	6.3	10.9	32.1	30.4	16.9	2.3	41.0	45.1	40.2	11.7
27 Bonds	3.1	7.4	6.9	5.3	21.6	8.1	−1.0	32.7	25.8	1.2	26.5	8.9
28 Bank loans n.e.c.	−1.0	−3.6	−1.8	−.1	5.9	3.7	−4.3	−6.7	−2.0	17.4	14.9	−27.7
29 Open market paper	11.5	2.1	8.7	13.3	12.3	20.7	22.2	−16.4	23.1	27.3	15.3	45.5
30 U.S. government loans	−3.9	−1.4	−7.5	−7.5	−7.6	−2.1	.1	−7.3	−5.9	−.8	−16.5	−15.0
31 ***Total domestic plus foreign***	**846.6**	**691.5**	**767.1**	**689.1**	**673.3**	**709.2**	**637.1**	**811.2**	**658.6**	**700.8**	**522.8**	**486.4**
	Financial sectors											
32 **Total net borrowing by financial sectors**	**285.1**	**300.2**	**247.6**	**205.5**	**203.0**	**123.9**	**187.3**	**191.4**	**177.5**	**175.4**	**267.5**	**115.1**
By instrument												
33 U.S. government related	154.1	171.8	119.8	151.0	167.4	124.8	156.4	171.7	184.0	139.2	174.6	168.0
34 Sponsored credit agency securities	15.2	30.2	44.9	25.2	17.0	13.2	−4.7	9.7	17.1	22.3	19.0	14.5
35 Mortgage pool securities	139.2	142.3	74.9	125.8	150.3	111.6	161.1	162.0	166.8	116.9	155.5	153.5
36 Loans from U.S. government	−.4	−.8	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
37 Private financial sectors	131.0	128.4	127.8	54.5	35.6	−.9	30.9	19.7	−6.5	36.2	93.0	−52.9
38 Corporate bonds	82.9	78.9	51.7	36.8	50.2	26.7	39.6	35.1	68.8	20.3	76.7	37.5
39 Mortgages	.1	.4	.3	.0	.8	.3	−.4	−.7	.8	2.6	.5	1.0
40 Bank loans n.e.c.	4.0	−3.2	1.4	1.8	.7	2.0	4.2	−2.2	−.6	1.9	3.6	1.0
41 Open market paper	24.2	27.9	54.8	26.9	8.6	11.0	36.3	9.5	−44.6	41.9	27.7	−64.5
42 Loans from Federal Home Loan Banks	19.8	24.4	19.7	−11.0	−24.7	−41.0	−48.8	−22.0	−30.9	−30.5	−15.5	−27.9
By sector												
43 **Total**	**285.1**	**300.2**	**247.6**	**205.5**	**203.0**	**123.9**	**187.3**	**191.4**	**177.5**	**175.4**	**267.5**	**115.1**
44 Sponsored credit agencies	14.9	29.5	44.9	25.2	17.0	13.2	−4.7	9.7	17.1	22.3	19.0	14.5
45 Mortgage pools	139.2	142.3	74.9	125.8	150.3	111.6	161.1	162.0	166.8	116.9	155.5	153.5
46 Private financial sectors	131.0	128.4	127.8	54.5	35.6	−.9	30.9	19.7	−6.5	36.2	93.0	−52.9
47 Commercial banks	−3.6	6.2	−3.0	−1.4	−1.1	3.5	−.7	−4.9	−7.9	−12.5	21.0	−22.0
48 Bank affiliates	15.2	14.3	5.2	6.2	−28.0	16.5	−3.9	−8.0	−32.1	−40.4	−31.6	−27.4
49 Savings and loan associations	20.9	19.6	19.9	−14.1	−31.2	−44.7	−56.2	−15.8	−53.5	−31.9	−23.4	−29.1
50 Mutual savings banks	4.2	8.1	1.9	−1.4	−.5	−2.3	.7	−8.3	6.5	−4.2	4.0	−2.2
51 Finance companies	54.7	40.8	67.7	46.3	56.7	23.5	52.6	25.3	27.7	96.9	76.9	−5.0
52 REITs	.8	.3	3.5	−1.9	−.4	−3.1	.1	−.6	−2.3	.9	.6	.4
53 SCO Issuers	39.0	39.1	32.5	20.8	40.1	5.7	38.2	32.1	55.1	27.5	45.6	32.3

1.57—Continued

Transaction category, sector	*1986*	*1987*	*1988*	*1989*	*1990r*	1989 Q3	1989 Q4	1990r Q1	1990r Q2	1990r Q3	1990r Q4	1991 Q1
	All sectors											
54 **Total net borrowing**	**1,131.7**	**991.7**	**1,014.7**	**894.5**	**876.3**	**833.0**	**824.4**	**1,002.5**	**836.1**	**876.2**	**790.3**	**601.5**
55 U.S. government securities	369.5	317.5	277.2	302.6	439.9	298.7	341.4	419.0	412.2	425.4	503.0	372.7
56 State and local obligations	22.7	49.3	49.8	30.4	18.5	34.1	19.1	12.4	24.5	28.0	9.0	7.1
57 Corporate and foreign bonds	212.8	165.7	161.5	115.8	136.3	97.6	125.9	112.9	178.3	69.3	184.8	131.6
58 Mortgages	316.4	324.9	306.7	275.7	227.1	272.7	240.1	333.3	231.3	207.1	136.8	173.3
59 Consumer credit	58.0	33.5	50.2	39.1	14.3	37.1	44.1	30.4	2.8	21.3	2.5	−23.6
60 Bank loans n.e.c.	69.9	3.2	39.4	41.5	1.6	56.5	7.5	12.2	6.2	3.5	−15.6	12.1
61 Open market paper	26.4	32.3	75.4	60.6	30.7	48.5	51.6	62.6	−27.7	86.5	1.2	−13.8
62 Other loans	56.1	65.5	54.4	28.9	8.0	−12.2	−5.4	19.6	8.5	35.2	−31.4	−57.9
63 MEMO: U.S. government, cash balance	.0	−7.9	10.4	−5.9	8.3	−22.7	−7.3	22.9	−38.1	21.1	27.4	51.8
Totals net of changes in U.S. government cash balances												
64 Net borrowing by domestic nonfinancial	836.9	694.9	750.4	684.1	632.9	701.6	627.6	786.0	655.7	634.7	455.2	422.9
65 Net borrowing by U.S. government	215.0	152.8	147.1	157.5	264.2	196.7	192.4	224.4	266.3	265.1	301.0	152.9
	External corporate equity funds raised in United States											
66 **Total net share issues**	**86.8**	**10.9**	**−124.2**	**−63.7**	**11.4**	**−61.0**	**14.9**	**−9.4**	**47.3**	**−15.9**	**23.6**	**101.3**
67 Mutual funds	159.0	73.9	1.1	41.3	61.4	57.9	72.4	47.8	71.0	46.1	80.6	87.6
68 All other	−72.2	−63.0	−125.3	−105.1	−49.9	−118.9	−57.6	−57.2	−23.6	−62.0	−56.9	13.7
69 Nonfinancial corporations	−85.0	−75.5	−129.5	−124.2	−63.0	−146.3	−79.3	−69.0	−48.0	−74.0	−61.0	−17.0
70 Financial corporations	11.6	14.6	3.3	2.4	6.1	−.1	4.5	10.1	.6	13.0	.9	1.9
71 Foreign shares purchased in United States	1.2	−2.1	.9	16.7	6.9	27.5	17.2	1.7	23.8	−1.0	3.2	28.8

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	1986	1987	1988	1989	1990r	1989 Q3	1989 Q4	1990r Q1	1990r Q2	1990r Q3	1990r Q4	1991 Q1
1 **Total funds advanced in credit markets to domestic nonfinancial sectors**	**836.9**	**687.0**	**760.8**	**678.2**	**641.2**	**678.8**	**620.2**	**808.9**	**617.6**	**655.7**	**482.6**	**474.7**
By public agencies and foreign												
2 Total net advances	280.2	248.8	210.7	187.6	261.0	218.3	203.8	218.6	300.6	324.8	200.0	304.5
3 U.S. government securities	69.4	70.1	85.2	30.7	74.4	115.7	27.1	16.4	99.9	139.1	42.1	127.6
4 Residential mortgages	136.3	139.1	86.3	137.9	184.1	127.7	178.3	182.3	206.7	160.8	186.7	184.1
5 FHLB advances to thrifts	19.8	24.4	19.7	-11.0	-24.7	-41.0	-48.8	-22.0	-30.9	-30.5	-15.5	-27.9
6 Other loans and securities	54.7	15.1	19.4	30.0	27.1	15.8	47.1	41.8	24.8	55.3	-13.4	20.7
Total advanced, by sector												
7 U.S. government	9.7	-7.9	-9.4	-2.4	32.9	-9.3	5.7	37.7	34.2	62.5	-2.8	31.6
8 Sponsored credit agencies	153.3	169.3	112.0	125.3	166.7	126.4	158.4	184.2	166.3	165.6	150.8	172.3
9 Monetary authorities	19.4	24.7	10.5	-7.3	8.1	-31.2	-4.6	-6.3	40.4	24.4	-25.9	53.3
10 Foreign	97.8	62.7	97.6	72.1	53.2	132.4	44.2	3.0	59.8	72.3	77.9	47.3
Agency and foreign borrowing not in line 1												
11 Sponsored credit agencies and mortgage pools	154.1	171.8	119.8	151.0	167.4	124.8	156.4	171.7	184.0	139.2	174.6	168.0
12 Foreign	9.7	4.5	6.3	10.9	32.1	30.4	16.9	2.3	41.0	45.1	40.2	11.7
Private domestic funds advanced												
13 Total net advances	720.5	614.5	676.2	652.5	579.7	615.7	589.7	764.2	542.0	515.2	497.4	350.0
14 U.S. government securities	300.1	247.4	192.1	271.9	365.5	183.0	314.3	402.6	312.3	286.2	460.9	245.0
15 State and local obligations	22.7	49.3	49.8	30.4	18.5	34.1	19.1	12.4	24.5	28.0	9.0	7.1
16 Corporate and foreign bonds	89.7	66.9	91.3	66.1	80.2	65.6	70.6	68.4	97.5	46.7	108.3	69.8
17 Residential mortgages	115.9	120.2	161.3	96.5	30.4	105.1	45.5	124.1	12.8	26.1	-41.5	-2.9
18 Other mortgages and loans	212.0	155.2	201.4	176.6	60.5	186.9	91.5	134.9	64.1	97.7	-54.8	3.0
19 Less: Federal Home Loan Bank advances	19.8	24.4	19.7	-11.0	-24.7	-41.0	-48.8	-22.0	-30.9	-30.5	-15.5	-27.9
Private financial intermediation												
20 Credit market funds advanced by private financial institutions	730.0	528.4	562.3	511.1	421.6	353.9r	561.9r	449.2	257.8	419.4	560.2	149.4
21 Commercial banking	198.1	135.4	156.3	177.3	120.1	183.7	184.3	188.1	126.1	102.7	63.2	119.3
22 Savings institutions	107.6	136.8	120.4	-90.9	-145.8	-135.8	-201.9	-56.6	-210.4	-168.6	-147.4	-154.2
23 Insurance and pension funds	160.1	179.7	198.7	177.9	201.0	136.1	205.1	160.8	226.8	228.3	188.2	112.6
24 Other finance	264.2	76.6	86.9	246.8	246.3	170.0r	374.5r	156.8	115.3	257.0	456.1	71.7
25 Sources of funds	730.0	528.4	562.3	511.1	421.6	353.9r	561.9r	449.2	257.8	419.4	560.2	149.4
26 Private domestic deposits and RPs	277.1	162.8	229.2	225.2	58.3	284.4	208.0	125.0	20.4	77.8	10.1	231.4
27 Credit market borrowing	131.0	128.4	127.8	54.5	35.6	-.9	30.9	19.7	-6.5	36.2	93.0	-52.9
28 Other sources	321.8	237.1	205.3	231.4	327.7	70.4r	323.1r	304.5	243.8	305.4	457.0	-29.1
29 Foreign funds	12.9	43.7	9.3	-9.9	35.7	30.4	-20.6	46.4	14.1	121.2	-38.9	38.6
30 Treasury balances	1.7	-5.8	7.3	-3.4	5.3	-19.9	5.0	13.1	-13.4	18.2	3.4	30.1
31 Insurance and pension reserves	119.9	135.4	177.6	140.5	170.6	82.6	193.9	137.9	211.9	162.2	170.4	33.9
32 Other, net	187.3	63.9	11.0	104.2	116.1	-22.7r	144.7r	107.1	31.2	3.8	322.1	-131.6
Private domestic nonfinancial investors												
33 Direct lending in credit markets	121.5	214.6	241.7	195.9	193.7	260.8r	58.7r	334.7	277.8	132.0	30.2	147.7
34 U.S. government securities	27.0	86.0	129.0	134.3	144.0	188.7r	65.8r	185.6	170.4	159.9	59.8	121.1
35 State and local obligations	-19.9	61.8	53.5	28.4	-.5	39.0	12.8	-.2	12.8	15.6	-30.0	-2.2
36 Corporate and foreign bonds	52.9	23.3	-9.4	.7	9.9	-4.7	14.6	54.8	29.0	-92.1	48.0	-24.6
37 Open market paper	9.9	15.8	36.4	5.4	18.4	21.4	-64.6	61.0	42.5	7.7	-37.7	16.6
38 Other	51.7	27.6	32.2	27.1	21.9	16.4	30.1	33.5	23.0	40.9	-9.8	36.7
39 Deposits and currency	297.5	179.3	232.8	241.3	88.0	261.8	230.6	142.1	56.3	113.6	39.8	243.0
40 Currency	14.4	19.0	14.7	11.7	22.6	6.0	10.1	26.1	23.1	32.2	9.1	46.0
41 Checkable deposits	96.4	-.9	12.9	1.5	1.2	14.7	65.8	2.2	-19.4	15.1	7.0	27.9
42 Small time and savings accounts	120.6	76.0	122.4	100.5	52.5	163.1	109.1	110.7	18.2	59.7	21.4	103.2
43 Money market fund shares	43.2	28.9	20.2	85.2	61.8	116.7	65.6	72.2	4.7	110.9	59.3	128.5
44 Large time deposits	-3.2	37.2	40.8	23.1	-42.7	-23.8	-13.4	-25.2	-5.5	-82.6	-57.5	13.9
45 Security RPs	20.2	21.6	32.9	14.9	-14.5	13.7	-19.2	-34.9	22.3	-25.2	-20.1	-42.2
46 Deposits in foreign countries	5.9	-2.5	-11.2	4.4	7.0	-28.6	12.4	-8.9	12.8	3.6	20.6	-34.4
47 **Total of credit market instruments, deposits, and currency**	**419.0**	**393.9**	**474.5**	**437.2**	**281.7**	**522.7r**	**289.3r**	**476.8**	**334.1**	**245.6**	**70.0**	**390.7**
48 Public holdings as percent of total	33.1	36.0	27.5	27.2	38.8	30.8	32.0	27.0	45.6	46.3	38.2	62.6
49 Private financial intermediation (in percent)	101.3	86.0	83.2	78.3	72.7	57.5r	95.3r	58.8	47.6	81.4	112.6	42.7
50 Total foreign funds	110.7	106.4	106.9	62.2	88.9	162.8	23.6	49.4	73.8	193.5	39.0	85.9
Memo: Corporate equities not included above												
51 **Total net issues**	**86.8**	**10.9**	**-124.2**	**-63.7**	**11.4**	**-61.0**	**14.9**	**-9.4**	**47.3**	**-15.9**	**23.6**	**101.3**
52 Mutual fund shares	159.0	73.9	1.1	41.3	61.4	57.9	72.4	47.8	71.0	46.1	80.6	87.6
53 Other equities	-72.2	-63.0	-125.3	-105.1	-49.9	-118.9	-57.6	-57.2	-23.6	-62.0	-56.9	13.7
54 Acquisitions by financial institutions	50.9	32.0	-2.9	17.2	21.4	6.1	76.9	41.1	72.8	-66.2	37.9	43.1
55 Other net purchases	35.9	-21.2	-121.4	-80.9	-10.0	-67.1	-62.1	-50.5	-25.5	50.3	-14.2	58.2

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, 53. 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.

1.59 SUMMARY OF CREDIT MARKET DEBT OUTSTANDING

Billions of dollars; period-end levels.

Transaction category, sector	1986	1987	1988	1989	1989 Q3	1989 Q4	1990r Q1	1990r Q2	1990r Q3	1990r Q4	1991 Q1
					Nonfinancial sectors						
1 **Total credit market debt owed by *domestic nonfinancial sectors***	**7,646.3**	**8,343.9**	**9,096.0**	**9,805.2**	**9,605.1**	**9,805.2**	**10,075.7**	**10,234.4**	**10,393.9**	**10,560.2**	**10,634.2**
By sector and instrument											
2 U.S. government	1,815.4	1,960.3	2,117.8	2,269.4	2,206.1	2,269.4	2,360.9	2,401.7	2,470.2	2,568.9	2,624.7
3 Treasury securities	1,811.7	1,955.2	2,095.2	2,245.2	2,180.7	2,245.2	2,329.3	2,368.8	2,437.6	2,536.5	2,598.4
4 Agency issues and mortgages	3.6	5.2	22.6	24.2	25.4	24.2	31.6	32.9	32.6	32.4	26.4
5 Private domestic nonfinancial sectors	5,831.0	6,383.6	6,978.2	7,535.8	7,399.0	7,535.8	7,714.8	7,832.6	7,923.7	7,991.3	8,009.5
6 Debt capital instruments	3,962.7	4,427.9	4,886.4	5,283.3	5,189.9	5,283.3	5,453.0	5,542.3	5,618.5	5,682.1	5,730.5
7 Tax-exempt obligations	679.1	728.4	790.8	821.2	816.4	821.2	822.2	827.2	837.4	839.7	839.6
8 Corporate bonds	669.4	748.8	851.7	925.4	903.5	925.4	937.1	958.1	970.0	990.4	1,011.7
9 Mortgages	2,614.2	2,950.7	3,243.8	3,536.6	3,470.0	3,536.6	3,693.6	3,757.0	3,811.1	3,852.0	3,879.2
10 Home mortgages	1,720.8	1,943.1	2,173.9	2,404.3	2,347.6	2,404.3	2,554.5	2,619.5	2,669.6	2,709.0	2,740.1
11 Multifamily residential	246.2	270.0	286.7	304.4	301.2	304.4	304.8	300.6	301.6	302.6	302.1
12 Commercial	551.4	648.7	696.4	742.6	734.9	742.6	750.5	752.9	755.6	756.5	753.4
13 Farm	95.8	88.9	86.8	85.3	86.3	85.3	83.9	84.0	84.3	83.9	83.7
14 Other debt instruments	1,868.2	1,955.7	2,091.9	2,252.6	2,209.1	2,252.6	2,261.8	2,290.3	2,305.3	2,309.2	2,279.0
15 Consumer credit	659.8	693.2	743.5	790.6	771.0	790.6	782.3	789.4	798.7	808.9	782.3
16 Bank loans n.e.c.	666.0	673.3	713.1	763.0	750.7	763.0	749.7	755.7	749.8	751.2	748.9
17 Open market paper	62.9	73.8	85.7	107.1	113.3	107.1	126.0	128.7	131.8	116.9	119.9
18 Other	479.6	515.3	549.6	591.9	574.1	591.9	603.8	616.6	625.0	632.3	628.0
19 By borrowing sector	5,831.0	6,383.6	6,978.2	7,535.8	7,399.0	7,535.8	7,714.8	7,832.6	7,923.7	7,991.3	8,009.5
20 State and local governments	510.1	558.9	604.5	634.1	629.9	634.1	634.3	637.6	647.8	648.7	648.6
21 Households	2,596.1	2,879.1	3,191.5	3,501.8	3,411.4	3,501.8	3,650.7	3,725.8	3,788.2	3,846.4	3,860.0
22 Nonfinancial business	2,724.8	2,945.6	3,182.2	3,400.0	3,357.6	3,400.0	3,429.9	3,469.3	3,487.7	3,496.1	3,500.8
23 Farm	156.6	145.5	137.6	139.2	139.2	139.2	137.3	138.7	141.6	140.5	139.4
24 Nonfarm noncorporate	997.6	1,075.4	1,145.1	1,195.9	1,183.0	1,195.9	1,208.3	1,208.7	1,208.7	1,207.0	1,203.7
25 Corporate	1,570.6	1,724.6	1,899.5	2,064.8	2,035.5	2,064.8	2,084.3	2,121.9	2,137.4	2,148.7	2,157.8
26 Foreign credit market debt held in United States	238.3	244.6	253.9	261.5	257.7	261.5	261.8	273.1	283.4	293.7	296.3
27 Bonds	74.9	82.3	89.2	94.5	94.2	94.5	103.3	108.4	108.9	116.1	118.9
28 Bank loans n.e.c.	26.9	23.3	21.5	21.4	22.6	21.4	19.0	19.3	23.7	27.3	19.6
29 Open market paper	37.4	41.2	49.9	63.0	57.5	63.0	59.3	65.1	71.5	75.3	87.0
30 U.S. government loans	99.1	97.7	93.2	82.6	83.4	82.6	80.3	80.3	79.4	75.0	70.7
31 **Total domestic plus foreign**	**7,884.7**	**8,588.5**	**9,349.9**	**10,066.8**	**9,862.8**	**10,066.8**	**10,337.5**	**10,507.5**	**10,677.3**	**10,853.8**	**10,930.5**
					Financial sectors						
32 **Total credit market debt owed by financial sectors**	**1,529.8**	**1,836.8**	**2,084.4**	**2,322.4**	**2,263.8**	**2,322.4**	**2,358.4**	**2,406.7**	**2,448.8**	**2,527.7**	**2,543.2**
By instrument											
33 U.S. government related	810.3	978.6	1,098.4	1,249.3	1,203.6	1,249.3	1,288.2	1,330.1	1,367.9	1,418.4	1,455.3
34 Sponsored credit agency securities	273.0	303.2	348.1	373.3	370.4	373.3	378.1	381.0	384.4	393.6	396.9
35 Mortgage pool securities	531.6	670.4	745.3	871.0	828.2	871.0	905.2	944.2	978.5	1,019.9	1,053.5
36 Loans from U.S. government	5.7	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
37 Private financial sectors	719.5	858.2	986.1	1,073.0	1,060.2	1,073.0	1,070.2	1,076.5	1,080.9	1,109.3	1,087.9
38 Corporate bonds	287.4	366.3	418.0	482.7	472.7	482.7	491.7	509.4	514.4	533.6	542.5
39 Mortgages	2.7	3.1	3.4	3.4	3.5	3.4	3.2	3.5	4.1	4.2	4.5
40 Bank loans n.e.c.	36.1	32.8	34.2	36.0	34.1	36.0	33.2	34.8	34.9	36.7	34.8
41 Open market paper	284.6	322.9	377.7	409.1	398.8	409.1	409.1	402.5	409.6	417.7	399.2
42 Loans from Federal Home Loan Banks	108.6	133.1	152.8	141.8	151.1	141.8	132.9	126.3	117.9	117.1	107.0
43 **Total, by sector**	**1,529.8**	**1,836.8**	**2,084.4**	**2,322.4**	**2,263.8**	**2,322.4**	**2,358.4**	**2,406.7**	**2,448.8**	**2,527.7**	**2,543.2**
44 Sponsored credit agencies	278.7	308.2	353.1	378.3	375.4	378.3	383.0	385.9	389.4	398.5	401.8
45 Mortgage pools	531.6	670.4	745.3	871.0	828.2	871.0	905.2	944.2	978.5	1,019.9	1,053.5
46 Private financial sectors	719.5	858.2	986.1	1,073.0	1,060.2	1,073.0	1,070.2	1,076.5	1,080.9	1,109.3	1,087.9
47 Commercial banks	75.6	81.8	78.8	77.4	77.0	77.4	73.4	73.3	70.7	76.3	68.1
48 Bank affiliates	116.8	131.1	136.2	142.5	144.0	142.5	142.0	134.3	122.9	114.4	109.2
49 Savings and loan associations	119.8	139.4	159.3	145.2	155.7	145.2	137.1	125.6	116.2	114.0	102.9
50 Mutual savings banks	8.6	16.7	18.6	17.2	17.5	17.2	15.4	16.7	16.2	16.7	16.4
51 Finance companies	328.1	378.8	446.1	496.2	481.2	496.2	499.1	509.8	530.9	552.1	547.2
52 REITs	6.5	7.3	11.4	10.1	10.0	10.1	10.1	9.8	10.2	10.6	10.9
53 SCO issuers	64.0	103.1	135.7	184.4	174.9	184.4	193.1	206.9	213.8	225.2	233.2
					All sectors						
54 **Total credit market debt**	**9,414.4**	**10,425.3**	**11,434.3**	**12,389.1**	**12,126.6**	**12,389.1**	**12,695.9**	**12,914.1**	**13,126.1**	**13,381.5**	**13,473.7**
55 U.S. government securities	2,620.0	2,933.9	3,211.1	3,513.7	3,404.7	3,513.7	3,644.1	3,726.9	3,833.1	3,982.3	4,075.0
56 State and local obligations	679.1	728.4	790.8	821.2	816.4	821.2	822.2	827.2	837.4	839.7	839.6
57 Corporate and foreign bonds	1,031.7	1,197.4	1,358.9	1,502.6	1,470.5	1,502.6	1,532.1	1,575.9	1,593.2	1,640.0	1,673.1
58 Mortgages	2,617.0	2,953.8	3,247.2	3,540.1	3,473.6	3,540.1	3,696.9	3,760.5	3,815.2	3,856.2	3,883.7
59 Consumer credit	659.8	693.2	743.5	790.6	771.0	790.6	782.3	789.4	798.7	808.9	782.3
60 Bank loans n.e.c.	729.0	729.5	768.9	820.3	807.4	820.3	802.0	809.8	808.4	815.1	803.3
61 Open market paper	384.9	437.9	513.4	579.2	569.6	579.2	594.5	596.3	612.9	609.9	606.1
62 Other loans	693.1	751.1	800.5	821.4	813.5	821.4	821.9	828.2	827.2	829.3	810.6

1.60 SUMMARY OF CREDIT MARKET CLAIMS, BY HOLDER

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

Transaction category, or sector	1986	1987	1988	1989	1989 Q3	1989 Q4	1990r Q1	1990r Q2	1990r Q3	1990r Q4	1991 Q1
1 **Total funds advanced in credit markets to domestic nonfinancial sectors**	**7,646.3**	**8,343.9**	**9,096.0**	**9,805.2**	**9,605.1**	**9,805.2**	**10,075.7**	**10,234.4**	**10,393.9**	**10,560.2**	**10,634.2**
By public agencies and foreign											
2 Total held	1,779.4	2,006.6	2,199.7	2,379.3	2,317.4	2,379.3	2,416.0	2,495.6	2,576.8	2,638.8	2,698.6
3 U.S. government securities	509.8	570.9	651.5	682.1	668.6	682.1	679.0	707.3	738.9	756.5	781.1
4 Residential mortgages	678.5	814.1	900.4	1,038.4	991.1	1,038.4	1,077.7	1,126.5	1,171.8	1,221.0	1,262.4
5 FHLB advances to thrifts	108.6	133.1	152.8	141.8	151.1	141.8	132.9	126.3	117.9	117.1	107.0
6 Other loans and securities	482.4	488.6	495.1	517.0	506.6	517.0	526.5	535.4	548.2	544.1	548.1
7 Total held, by type of lender	1,779.4	2,006.6	2,199.7	2,379.3	2,317.4	2,379.3	2,416.0	2,495.6	2,576.8	2,638.8	2,698.6
8 U.S. government	255.3	240.0	217.6	207.1	207.8	207.1	217.3	227.0	242.1	240.0	248.6
9 Sponsored credit agencies and mortgage pools	835.9	1,001.0	1,113.0	1,238.2	1,193.5	1,238.2	1,274.0	1,315.0	1,360.5	1,403.4	1,438.2
10 Monetary authority	205.5	230.1	240.6	233.3	227.6	233.3	224.4	237.8	240.8	241.4	247.3
11 Foreign	482.8	535.5	628.5	700.6	688.5	700.6	700.2	715.8	733.5	753.9	764.4
Agency and foreign debt not in line 1											
12 Sponsored credit agencies and mortgage pools	810.3	978.6	1,098.4	1,249.3	1,203.6	1,249.3	1,288.2	1,330.1	1,367.9	1,418.4	1,455.3
13 Foreign	238.3	244.6	253.9	261.5	257.7	261.5	261.8	273.1	283.4	293.7	296.3
Private domestic holdings											
14 Total private holdings	6,915.6	7,560.4	8,248.5	8,936.8	8,749.0	8,936.8	9,209.8	9,342.0	9,468.5	9,633.5	9,687.2
15 U.S. government securities	2,110.1	2,363.0	2,559.7	2,831.6	2,736.1	2,831.6	2,965.1	3,019.5	3,094.2	3,225.8	3,293.9
16 State and local obligations	679.1	728.4	790.8	821.2	816.4	821.2	822.2	827.2	837.4	839.7	839.6
17 Corporate and foreign bonds	606.6	674.3	765.6	831.6	814.5	831.6	850.9	873.4	885.6	912.3	931.7
18 Residential mortgages	1,288.5	1,399.0	1,560.2	1,670.4	1,657.7	1,670.4	1,781.6	1,793.7	1,799.5	1,790.5	1,779.8
19 Other mortgages and loans	2,339.8	2,528.7	2,724.9	2,923.8	2,875.3	2,923.8	2,922.8	2,954.5	2,969.7	2,982.3	2,949.2
20 LESS: Federal Home Loan Bank advances	108.6	133.1	152.8	141.8	151.1	141.8	132.9	126.3	117.9	117.1	107.0
Private financial intermediation											
21 Credit market claims held by private financial institutions	6,018.0	6,564.5	7,128.6	7,662.7	7,507.8	7,662.7	7,853.1	7,912.3	7,999.3	8,151.7	8,178.6
22 Commercial banking	2,187.6	2,323.0	2,479.3	2,656.6	2,599.6	2,656.6	2,680.4	2,720.7	2,750.6	2,776.6	2,783.0
23 Savings institutions	1,297.9	1,445.5	1,567.7	1,480.7	1,530.3	1,480.7	1,461.3	1,409.5	1,371.2	1,335.0	1,291.0
24 Insurance and pension funds	1,525.4	1,705.1	1,903.8	2,081.6	2,031.6	2,081.6	2,150.5	2,193.4	2,236.8	2,282.6	2,317.0
25 Other finance	1,007.1	1,091.0	1,177.9	1,443.8	1,346.2	1,443.8	1,561.0	1,588.8	1,640.7	1,757.5	1,787.6
26 Sources of funds	6,018.0	6,564.5	7,128.6	7,662.7	7,507.8	7,662.7	7,853.1	7,912.3	7,999.3	8,151.7	8,178.6
27 Private domestic deposits and RPs	3,199.0	3,354.2	3,599.1	3,824.3	3,742.5	3,824.3	3,849.6	3,836.4	3,848.2	3,882.5	3,935.0
28 Credit market debt	719.5	858.2	986.1	1,073.0	1,060.2	1,073.0	1,070.2	1,076.5	1,080.9	1,109.3	1,087.9
29 Other sources	2,099.5	2,352.1	2,543.5	2,765.5	2,705.1	2,765.5	2,933.4	2,999.4	3,070.2	3,159.9	3,155.6
30 Foreign funds	18.6	62.3	71.5	61.6	55.0	61.6	63.4	66.4	94.0	97.3	95.6
31 Treasury balances	27.5	21.6	29.0	25.6	30.3	25.6	16.7	32.1	36.6	30.9	26.3
32 Insurance and pension reserves	1,398.5	1,527.8	1,692.5	1,826.0	1,785.7	1,826.0	1,859.8	1,904.2	1,920.5	1,960.4	1,997.5
33 Other, net	655.0	740.3	750.5	852.3	834.0	852.3	993.5	996.8	1,019.1	1,071.2	1,036.2
Private domestic nonfinancial investors											
34 Credit market claims	1,617.0	1,854.1	2,106.0	2,347.1	2,301.5	2,347.1	2,426.8	2,506.2	2,550.1	2,591.1	2,596.5
35 U.S. government securities	848.7	936.7	1,072.2	1,206.4	1,171.3	1,206.4	1,258.5	1,287.8	1,329.3	1,363.2	1,388.6
36 Tax-exempt obligations	212.6	274.4	340.9	369.3	363.1	369.3	362.3	368.3	372.1	368.8	360.6
37 Corporate and foreign bonds	90.5	114.0	100.4	130.5	131.1	130.5	157.4	175.6	168.8	176.1	170.3
38 Open market paper	145.1	178.5	218.0	228.7	239.3	228.7	234.0	251.9	251.0	247.1	240.7
39 Other	320.1	350.4	374.4	412.1	396.8	412.1	414.5	422.6	428.9	435.9	436.2
40 Deposits and currency	3,410.1	3,583.9	3,832.3	4,073.6	3,979.0	4,073.6	4,095.9	4,096.6	4,112.2	4,161.5	4,209.3
41 Currency	186.3	205.4	220.1	231.8	224.4	231.8	234.4	242.7	247.2	254.4	261.9
42 Checkable deposits	516.6	515.4	527.2	528.7	486.1	528.7	504.5	510.1	500.2	529.9	511.8
43 Small time and savings accounts	1,948.3	2,017.1	2,156.2	2,256.7	2,224.4	2,256.7	2,286.3	2,286.5	2,295.7	2,306.3	2,336.6
44 Money market fund shares	268.9	297.8	318.0	403.3	391.0	403.3	436.7	426.3	454.5	465.0	513.3
45 Large time deposits	336.7	373.9	414.7	437.8	440.0	437.8	433.7	421.0	411.3	398.0	401.4
46 Security RPs	128.5	150.1	182.9	197.9	200.9	197.9	188.3	192.5	186.6	183.4	172.0
47 Deposits in foreign countries	24.8	24.3	13.1	17.6	12.1	17.6	11.9	17.5	16.8	24.6	12.3
48 **Total of credit market instruments, deposits, and currency**	**5,027.2**	**5,438.0**	**5,938.2**	**6,420.7**	**6,280.5**	**6,420.7**	**6,522.7**	**6,602.8**	**6,662.2**	**6,752.6**	**6,805.8**
49 Public holdings as percent of total	22.6	23.4	23.5	23.6	23.5	23.6	23.4	23.8	24.1	24.3	24.7
50 Private financial intermediation (in percent)	87.0	86.8	86.4	85.7	85.8	85.7	85.3	84.7	84.5	84.6	84.4
51 Total foreign funds	501.3	597.8	700.1	762.3	743.5	762.3	763.6	782.2	827.5	851.2	860.0
MEMO: Corporate equities not included above											
52 **Total market value**	**3,360.6**	**3,325.0**	**3,619.8**	**4,378.9**	**4,395.4**	**4,378.9**	**4,170.4**	**4,336.9**	**3,770.7**	**3,987.7**	**4,550.2**
53 Mutual fund shares	413.5	460.1	478.3	555.1	543.9	555.1	550.3	587.9	547.3	579.9	643.0
54 Other equities	2,947.1	2,864.9	3,141.6	3,823.8	3,851.5	3,823.8	3,620.1	3,749.0	3,223.4	3,407.9	3,907.2
55 Holdings by financial institutions	974.6	1,039.5	1,176.1	1,492.3	1,478.5	1,492.3	1,434.8	1,542.1	1,297.2	1,406.6	1,636.9
56 Other holdings	2,385.9	2,285.5	2,443.7	2,886.6	2,917.0	2,886.6	2,735.6	2,794.8	2,473.5	2,581.1	2,913.4

NOTES BY LINE NUMBER.
1. Line 1 of table 1.59.
2. Sum of lines 3–6 or 8–11.
6. Includes farm and commercial mortgages.
12. Credit market debt of federally sponsored agencies, and net issues of federally related mortgage pool securities.
14. Line 1 less line 2 plus line 12 and 13. Also line 21 less line 28 plus line 34. Also sum of lines 29 and 48 less lines 41 and 47.
19. Includes farm and commercial mortgages.
27. Line 40 less lines 41 and 47.
28. Excludes equity issues and investment company shares. Includes line 20.
30. Foreign deposits at commercial banks plus bank borrowings from foreign affiliates, less claims on foreign affiliates and deposits by banking in foreign banks.
31. Demand deposits and note balances at commercial banks.
32. Excludes net investment of these reserves in corporate equities.
33. Mainly retained earnings and net miscellaneous liabilities.
34. Line 14 less line 21 plus line 28.
35–39. Lines 15–19 less amounts acquired by private finance plus amounts borrowed by private finance. Line 39 includes mortgages.
41. Mainly an offset to line 10.
48. Lines 34 plus 40, or line 14 less line 29 plus 41 and 47.
49. Line 2/line 1 and 13.
50. Line 21/line 14.
51. Sum of lines 11 and 30.
52–54. 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

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

Measure	1988	1989	1990	1990				1991				
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.^r	Mar.^r	Apr.^r	May
1 **Industrial production (1987 = 100)**[1]	**105.4**	**108.1**	**109.2**	**110.6**	**109.9**	**108.3**	**107.2**	**106.6**	**105.7**	**105.0**	**105.3**	**105.8**
Market groupings												
2 Products, total (1987 = 100)	105.3	108.6	110.1	111.4	111.0	109.3	108.4	107.8	106.9	106.6	106.9	107.3
3 Final, total (1987 = 100)	105.6	109.1	110.9	112.6	112.3	110.2	109.2	109.1	108.3	108.2	108.6	108.8
4 Consumer goods (1987 = 100)	104.0	106.7	107.3	108.7	108.6	106.5	105.7	105.6	104.7	104.9	105.5	106.3
5 Equipment (1987 = 100)	107.6	112.3	115.5	117.8	117.0	115.1	113.6	113.6	112.9	112.5	112.6	112.0
6 Intermediate (1987 = 100)	104.4	106.8	107.7	107.4	107.0	106.2	106.0	103.8	102.6	101.5	101.5	102.4
7 Materials (1987 = 100)	105.6	107.4	107.8	109.4	108.3	106.8	105.3	104.8	103.9	102.6	103.0	103.6
Industry groupings												
8 *Manufacturing* (1987 = 100)	105.8	108.9	109.9	111.2	110.7	108.9	107.5	107.0	106.1	105.2	105.7	105.9
Capacity utilization (percent)[2]												
9 Manufacturing	83.9	83.9	82.3	82.8	82.2	80.7	79.4	78.9	78.0	77.2	77.4	77.3
10 Construction contracts (1982 = 100)[3]	166.7	172.9	154.0^r	146.0	147.0	146.0	130.0	132.0	133.0	128.0	145.0	138.0
11 Nonagricultural employment, total[4]	128.0	131.5	133.8	133.5^r	133.4^r	133.1^r	132.9^r	132.7^r	132.4	132.1	131.8	131.9
12 Goods-producing, total	103.4	104.0	102.7	102.0^r	101.5^r	100.6^r	100.1^r	99.3^r	98.7	98.1	97.7	97.8
13 Manufacturing, total	98.3	98.7	96.8	96.7^r	96.4^r	95.5^r	95.2^r	94.8^r	94.1	93.7	93.5	93.5
14 Manufacturing, production- worker	93.5	93.8	91.5	91.4^r	91.0^r	89.9^r	89.6^r	89.1^r	88.3	87.9	87.7	87.8
15 Service-producing	138.3	142.9	146.8	146.7^r	146.7^r	146.7^r	146.7^r	146.6^r	146.4	146.3	146.1	146.2
16 Personal income, total	253.2	272.7	289.0	292.2	292.1	293.4	295.1	293.9^r	294.5	295.6	295.8	n.a.
17 Wages and salary disbursements	244.6	258.9	272.2	276.4	274.8	274.8	277.1	275.7	275.7	276.0	276.6	n.a.
18 Manufacturing	196.5	203.1	205.0	207.0	206.0	202.9	205.4	202.6	200.9	200.3	201.1	n.a.
19 Disposable personal income[5]	252.2	270.1	286.1	288.7	288.7	290.1	291.6	290.4^r	291.2	292.3	292.4	n.a.
20 Retail sales[6]	228.2	241.7	251.0^r	254.0	253.5	254.3	249.4	246.2	251.6	252.3	251.3	253.9
Prices[7]												
21 Consumer (1982–84 = 100)	118.3	124.0	130.7	132.7	133.5	133.8	133.8	134.6	134.8	135.0	135.2	135.6
22 Producer finished goods (1982 = 100)	108.0	113.6	119.2	120.4	122.3	122.9	122.0	122.3^r	121.2	120.6	120.9	121.7

1. A major revision of the industrial production index and the capacity utilization rates was released in April 1990. See "Industrial Production: 1989 Developments and Historical Revision" in the *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187–204.
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 latest month are preliminary and the prior three months have been revised. See "Recent Developments in Industrial Capacity and Utilization," *Federal Reserve Bulletin*, vol. 76 (June 1990), pp. 411–35.

2.11 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

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

Category	1988	1989	1990	1990			1991				
				Oct.[r]	Nov.[r]	Dec.[r]	Jan.[r]	Feb.[r]	Mar.[r]	Apr.[r]	May
HOUSEHOLD SURVEY DATA											
1 **Noninstitutional population**[1]	**186,837**	**188,601**	**190,216**	**190,717**	**190,854**	**190,999**	**191,116**	**191,248**	**191,384**	**191,525**	**191,664**
2 Labor force (including Armed Forces)[1]	123,893	126,077	126,954	127,067	126,880	127,307	126,777	127,209	127,467	127,817	127,374
3 Civilian labor force	121,669	123,869	124,787	124,875	124,723	125,174	124,638	125,076	125,326	125,672	125,232
Employment											
4 Nonagricultural industries[2]	111,800	114,142	114,728	114,558	114,201	114,321	113,759	113,696	113,656	114,243	113,319
5 Agriculture	3,169	3,199	3,186	3,175	3,185	3,253	3,163	3,222	3,098	3,156	3,272
Unemployment											
6 Number	6,701	6,528	6,874	7,142	7,337	7,600	7,715	8,158	8,572	8,274	8,640
7 Rate (percent of civilian labor force)	5.5	5.3	5.5	5.7	5.9	6.1	6.2	6.5	6.8	6.6	6.9
8 Not in labor force	62,944	62,524	63,262	63,650	63,974	63,692	64,339	64,039	63,917	63,708	64,290
ESTABLISHMENT SURVEY DATA											
9 **Nonagricultural payroll employment**[3]	**105,536**	**108,413**	**110,330**	**109,982**	**109,761**	**109,621**	**109,418**	**109,160**	**108,902**	**108,722**	**108,781**
10 Manufacturing	19,350	19,426	19,064	18,973	18,807	18,749	18,671	18,532	18,443	18,399	18,411
11 Mining	713	700	735	710	712	715	713	715	714	711	705
12 Contract construction	5,110	5,200	5,205	5,022	4,962	4,911	4,797	4,792	4,720	4,683	4,696
13 Transportation and public utilities	5,527	5,648	5,838	5,855	5,852	5,867	5,866	5,834	5,824	5,815	5,822
14 Trade	25,132	25,851	26,151	25,853	25,808	25,745	25,680	25,583	25,483	25,407	25,391
15 Finance	6,649	6,724	6,833	6,746	6,740	6,733	6,736	6,732	6,735	6,718	6,714
16 Service	25,669	27,096	28,209	28,479	28,525	28,548	28,590	28,583	28,576	28,569	28,612
17 Government	17,386	17,769	18,295	18,344	18,355	18,353	18,365	18,389	18,407	18,420	18,430

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[1]

Seasonally adjusted

Series	1990 Q2	1990 Q3	1990 Q4	1991 Q1[r]	1990 Q2	1990 Q3	1990 Q4	1991 Q1[r]	1990 Q2	1990 Q3	1990 Q4	1991 Q1[r]
	Output (1987 = 100)				Capacity (percent of 1987 output)				Utilization rate (percent)			
1 **Total industry**	**109.4**	**110.5**	**108.5**	**105.8**	**131.1**	**131.9**	**132.8**	**133.6**	**83.5**	**83.7**	**81.7**	**79.2**
2 Manufacturing	110.2	111.1	109.0	106.1	133.0	134.0	135.0	136.0	82.8	82.9	80.8	78.0
3 Primary processing	106.3	107.6	104.7	100.6	124.8	125.5	126.1	126.8	85.2	85.8	83.0	79.3
4 Advanced processing	112.1	112.8	111.0	108.6	136.9	138.0	139.1	140.2	81.9	81.7	79.8	77.5
5 Durable	112.4	113.6	110.0	106.1	137.1	138.0	139.0	139.9	82.0	82.3	79.1	75.8
6 Lumber and products	102.3	101.5	95.7	92.2	123.5	124.0	124.6	125.0	82.8	81.8	76.8	73.8
7 Primary metals	107.4	112.2	107.3	97.9	127.4	127.7	127.9	128.2	84.2	87.9	83.9	76.4
8 Iron and steel	107.5	114.3	110.0	96.3	132.2	132.5	132.7	133.0	81.3	86.3	82.9	72.4
9 Nonferrous	107.1	109.2	103.4	100.1	120.6	120.9	121.1	121.3	88.8	90.3	85.3	82.5
10 Nonelectrical machinery	126.7	128.5	126.4	124.4	153.1	154.7	156.3	157.9	82.8	83.1	80.8	78.7
11 Electrical machinery	112.2	112.4	109.9	108.1	138.7	140.0	141.4	142.7	80.9	80.3	77.8	75.8
12 Motor vehicles and parts	102.6	103.7	89.4	80.8	132.4	132.7	132.9	133.4	77.5	78.2	67.2	60.5
13 Aerospace and miscellaneous transportation equipment	113.6	114.5	113.3	109.9	134.3	135.2	136.1	137.0	84.6	84.7	83.3	80.2
14 Nondurable	107.5	108.1	107.8	106.1	127.9	128.9	129.9	130.9	84.0	83.8	83.0	81.0
15 Textile mill products	102.4	101.3	98.2	94.3	116.3	116.6	117.0	117.3	88.1	86.9	84.0	80.4
16 Paper and products	104.5	107.2	105.8	102.6	114.5	115.1	115.7	116.4	91.3	93.2	91.4	88.2
17 Chemicals and products	109.9	110.8	110.2	109.1	134.6	135.9	137.1	138.4	81.6	81.5	80.4	78.8
18 Plastics materials	116.3	117.2	118.1	113.2	128.4	130.6	132.9	135.7	90.6	89.7	88.9	83.4
19 Petroleum products	106.0	110.0	107.4	107.4	121.2	121.3	121.4	121.4	87.4	90.7	88.5	88.4
20 Mining	102.5	103.4	103.1	102.1	115.0	114.5	114.0	113.8	89.1	90.3	90.4	89.7
21 Utilities	107.8	110.5	108.3	106.2	126.6	127.1	127.6	128.1	85.2	86.9	84.8	82.9
22 Electric	111.0	112.9	111.2	109.3	121.9	122.6	123.2	123.8	91.1	92.1	90.2	88.3

Series	Previous cycle High	Previous cycle Low	Latest cycle High	Latest cycle Low	1990 May	1990 Oct.	1990 Nov.	1990 Dec.	1991 Jan.	1991 Feb.[r]	1991 Mar.[r]	1991 Apr[r]	1991 May[p]
	Capacity utilization rate (percent)												
23 **Total industry**	**89.2**	**72.6**	**87.3**	**71.8**	**83.4**	**83.0**	**81.6**	**80.6**	**80.0**	**79.1**	**78.4**	**78.5**	**78.7**
24 Manufacturing	88.9	70.8	87.3	70.0	82.9	82.2	80.7	79.4	78.9	78.0	77.2	77.4	77.3
25 Primary processing	92.2	68.9	89.7	66.8	85.0	84.3	83.2	81.5	80.6	79.5	77.9	78.1	78.3
26 Advanced processing	87.5	72.0	86.3	71.4	82.1	81.3	79.6	78.5	78.2	77.4	76.8	77.1	76.9
27 Durable	88.8	68.5	86.9	65.0	82.2	81.2	79.1	77.2	76.8	75.8	74.9	75.3	75.3
28 Lumber and products	90.1	62.2	87.6	60.9	82.3	78.9	76.6	74.9	75.4	73.2	72.8	74.2	74.2
29 Primary metals	100.6	66.2	102.4	46.8	83.3	85.0	85.3	81.4	77.8	77.6	73.7	73.6	73.7
30 Iron and steel	105.8	66.6	110.4	38.3	79.8	83.2	84.8	80.8	74.5	73.7	69.1	68.7	68.5
31 Nonferrous	92.9	61.3	90.5	62.2	88.8	87.7	85.9	82.3	83.0	83.7	80.8	81.0	81.6
32 Nonelectrical machinery	96.4	74.5	92.1	64.9	82.9	82.2	80.8	79.5	79.8	78.8	77.6	77.3	76.5
33 Electrical machinery	87.8	63.8	89.4	71.1	81.0	78.6	78.1	76.6	75.7	75.8	75.9	76.4	76.3
34 Motor vehicles and parts	93.4	51.1	93.0	44.5	78.6	78.1	64.5	59.0	62.3	59.5	59.7	64.4	66.9
35 Aerospace and miscellaneous transportation equipment	77.0	66.6	81.1	66.9	84.5	84.0	83.1	82.8	81.1	80.3	79.3	77.9	77.2
36 Nondurable	87.9	71.8	87.0	76.9	84.0	83.6	82.9	82.4	81.8	81.0	80.3	80.2	80.1
37 Textile mill products	92.0	60.4	91.7	73.8	88.3	86.6	83.3	82.1	80.2	80.4	80.6	81.6	82.4
38 Paper and products	96.9	69.0	94.2	82.0	90.9	92.5	90.9	91.0	89.8	87.9	86.8	86.5	85.6
39 Chemicals and products	87.9	69.9	85.1	70.1	81.1	81.0	80.2	79.9	79.8	78.8	77.9	78.0	77.7
40 Plastics materials	102.0	50.6	90.9	63.4	90.9	90.0	90.2	86.5	86.2	85.0	79.0	79.3	79.1
41 Petroleum products	96.7	81.1	89.5	68.2	86.3	89.5	88.9	87.0	86.2	89.6	89.4	87.7	89.5
42 Mining	94.4	88.4	96.6	80.6	88.9	89.9	90.6	90.8	89.5	90.4	89.1	87.7	87.5
43 Utilities	95.6	82.5	88.3	76.2	84.6	85.6	83.8	85.1	84.1	81.6	82.9	82.9	86.1
44 Electric	99.0	82.7	88.3	78.7	90.5	91.2	88.9	90.6	89.3	87.0	88.5	88.4	92.4

1. These data also appear in the Board's G.17 (419) release. For address, see inside front cover. For a detailed description of the series, see "Recent Developments in Industrial Capacity and Utilization," *Federal Reserve Bulletin*, vol. 76 (June 1990), pages 411–35.

2. Monthly high 1973; monthly low 1975.

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

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value[1]

Monthly data are seasonally adjusted

Groups	1987 proportion	1990 avg.	1990 May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	1991 Jan.	Feb.r	Mar.r	Apr.r	May p
			Index (1987 = 100)												
MAJOR MARKET															
1 **Total index**	**100.0**	**109.2**	**109.4**	**110.1**	**110.4**	**110.5**	**110.6**	**109.9**	**108.3**	**107.2**	**106.6**	**105.7**	**105.0**	**105.3**	**105.8**
2 Products	60.8	110.1	110.5	110.9	110.9	110.9	111.4	111.0	109.3	108.4	107.8	106.9	106.6	106.9	107.3
3 Final products	46.0	110.9	111.2	111.7	111.7	111.9	112.6	112.3	110.2	109.2	109.1	108.3	108.2	108.6	108.8
4 Consumer goods	26.0	107.3	107.4	107.8	107.5	107.8	108.7	108.6	106.5	105.7	105.6	104.7	104.9	105.5	106.3
5 Durable consumer goods	5.6	106.2	109.3	112.1	108.3	107.4	110.4	106.9	99.4	96.0	97.6	95.2	95.9	99.1	100.8
6 Automotive products	2.5	102.3	107.0	112.2	106.7	104.6	111.8	107.1	93.5	86.7	90.6	88.1	88.9	94.6	96.9
7 Autos and trucks	1.5	97.4	105.6	112.9	104.8	101.5	113.0	107.5	84.2	74.6	79.6	74.7	76.7	85.0	89.2
8 Autos, consumer	.9	92.2	96.8	103.8	98.0	97.2	111.5	104.6	80.7	77.2	83.2	78.6	76.3	78.3	81.9
9 Trucks, consumer	.6	106.1	120.4	128.3	116.1	108.8	115.4	112.2	90.2	70.2	73.6	68.1	77.4	96.3	101.6
10 Auto parts and allied goods	1.0	109.6	108.9	111.2	109.5	109.3	110.0	106.4	107.3	104.8	107.1	108.3	107.3	108.9	108.3
11 Other	3.1	109.4	111.1	112.0	109.5	109.6	109.3	106.8	104.1	103.4	103.2	100.7	101.4	102.8	103.9
12 Appliances, A/C, and TV	.8	102.0	103.6	107.5	100.2	101.9	101.0	94.6	90.8	89.9	92.8	94.5	96.2	97.3	99.2
13 Carpeting and furniture	.9	104.9	107.6	107.8	106.0	104.9	106.0	103.8	99.2	100.9	100.3	92.0	93.8	96.5	97.6
14 Miscellaneous home goods	1.4	116.4	117.5	117.2	116.9	116.8	116.1	115.5	114.6	112.5	110.8	109.8	109.2	109.8	110.5
15 Nondurable consumer goods	20.4	107.6	106.9	106.6	107.3	107.9	108.2	109.1	108.5	108.4	107.8	107.3	107.3	107.2	107.8
16 Foods and tobacco	9.1	105.9	105.2	104.4	105.1	105.7	105.3	106.7	107.8	107.5	106.3	105.9	105.7	105.7	105.9
17 Clothing	2.6	95.7	96.4	95.7	95.6	94.6	95.3	94.2	91.7	92.1	90.6	90.8	90.2	90.2	90.2
18 Chemical products	3.5	113.3	113.0	112.8	112.4	114.3	115.1	115.9	113.5	113.5	114.7	114.8	114.2	114.5	114.1
19 Paper products	2.5	119.7	118.6	118.3	120.3	119.3	121.9	123.4	122.8	122.7	122.1	121.0	122.2	121.9	122.0
20 Energy	2.7	105.9	104.1	105.3	106.7	109.0	108.0	108.8	106.4	106.6	106.5	105.2	106.0	105.3	109.5
21 Fuels	.7	102.9	98.2	102.6	104.6	106.0	105.6	104.0	101.1	98.1	99.8	103.4	104.3	100.6	103.3
22 Residential utilities	2.0	107.0	106.3	106.3	107.5	110.0	108.9	110.6	108.4	109.7	109.0	105.9	106.6	107.0	111.8
23 Equipment, total	20.0	115.5	116.2	116.8	117.2	117.2	117.8	117.0	115.1	113.6	113.6	112.9	112.5	112.6	112.0
24 Business equipment	13.9	123.1	123.5	124.4	125.0	125.4	126.4	125.4	122.9	121.2	121.6	120.6	120.3	121.0	120.6
25 Information processing and related	5.6	127.2	126.6	126.3	128.0	128.5	129.5	130.1	128.8	127.5	130.1	131.6	131.2	131.0	130.4
26 Office and computing	1.9	149.8	148.9	150.6	152.7	152.2	153.6	155.3	149.8	148.9	155.0	157.3	155.1	154.5	153.6
27 Industrial	4.0	115.3	115.8	116.0	117.2	117.9	117.4	115.4	115.3	112.3	111.5	109.1	109.5	109.1	108.0
28 Transit	2.5	129.9	132.5	137.4	135.5	135.4	140.5	137.5	126.3	123.4	124.0	120.3	120.4	124.4	125.4
29 Autos and trucks	1.2	96.8	105.7	112.2	103.1	101.5	111.0	106.5	83.9	75.3	79.8	75.0	76.7	84.4	87.9
30 Other	1.9	118.5	119.4	119.9	119.2	119.8	118.5	117.0	117.6	118.5	115.0	112.5	110.8	112.4	112.3
31 Defense and space equipment	5.4	97.3	97.6	97.6	97.8	97.7	97.3	97.3	96.2	95.8	94.4	94.5	93.8	92.5	91.8
32 Oil and gas well drilling	.6	109.0	118.6	119.5	116.2	106.9	107.4	107.1	109.7	107.3	106.4	108.2	107.7	105.1	101.3
33 Manufactured homes	.2	90.8	91.3	92.8	90.0	93.4	91.8	89.0	87.3	83.4	83.1	77.3	79.3	83.1	84.4
34 Intermediate products, total	14.7	107.7	108.3	108.3	108.4	107.9	107.4	107.0	106.2	106.0	103.8	102.6	101.5	101.5	102.4
35 Construction supplies	6.0	105.2	105.5	106.0	106.7	105.3	103.8	103.1	101.8	101.0	97.7	96.4	94.2	95.3	95.8
36 Business supplies	8.7	109.4	110.2	109.8	109.5	109.7	109.9	109.7	109.2	109.4	108.1	106.8	106.6	105.8	107.0
37 Materials, total	39.2	107.8	107.7	108.8	109.6	109.7	109.4	108.3	106.8	105.3	104.8	103.9	102.6	103.0	103.6
38 Durable goods materials	19.4	111.8	112.5	113.8	114.0	114.9	114.1	112.5	110.4	107.5	106.8	105.5	103.3	104.4	104.9
39 Durable consumer parts	4.2	104.0	108.5	108.5	108.1	110.4	109.0	106.0	98.5	91.1	94.2	90.4	87.9	91.6	94.4
40 Equipment parts	7.3	118.1	118.1	119.1	119.2	119.4	119.8	118.6	117.4	116.9	115.9	116.2	114.8	114.5	114.1
41 Other	7.9	110.2	109.6	111.8	112.4	113.1	111.6	110.4	110.2	107.4	105.2	103.8	101.0	101.9	102.1
42 Basic metal materials	2.8	111.9	109.2	113.6	115.5	116.3	115.8	112.0	112.7	109.6	104.6	104.8	101.1	101.3	101.5
43 Nondurable goods materials	9.0	106.0	105.2	106.1	107.8	106.8	106.9	106.5	105.6	104.9	104.9	103.6	102.9	103.0	102.9
44 Textile materials	1.2	96.7	97.4	99.4	100.2	97.8	98.1	97.9	95.1	91.4	89.1	91.5	91.8	92.9	93.9
45 Pulp and paper materials	1.9	106.4	104.5	104.8	109.0	106.9	109.4	108.6	107.2	108.5	106.0	104.1	102.4	101.8	100.5
46 Chemical materials	3.8	106.8	105.4	107.3	108.5	108.0	106.6	105.6	105.8	105.7	106.7	104.1	103.3	103.5	103.7
47 Other	2.1	109.5	109.8	108.8	109.9	109.3	110.1	110.8	109.4	107.6	109.3	108.8	108.8	108.5	108.5
48 Energy materials	10.9	102.1	101.1	102.1	103.3	103.0	103.0	102.3	101.6	102.0	101.1	101.1	101.0	100.5	101.8
49 Primary energy	7.2	101.3	100.1	101.2	103.3	102.1	101.0	100.7	101.4	101.9	101.3	102.1	101.5	100.9	101.5
50 Converted fuel materials	3.7	103.5	102.9	103.9	103.4	104.9	107.0	105.3	102.0	102.1	100.9	99.2	100.0	99.7	102.5
SPECIAL AGGREGATES															
51 Total excluding autos and trucks	97.3	109.5	109.5	110.0	110.6	110.7	110.6	110.0	109.0	108.1	107.4	106.6	105.8	105.9	106.3
52 Total excluding motor vehicles and parts	95.3	109.8	109.7	110.2	110.8	110.9	110.7	110.2	109.4	108.6	107.8	107.0	106.2	106.3	106.6
53 Total excluding office and computing machines	97.5	108.2	108.4	109.1	109.3	109.4	109.5	108.8	107.3	106.1	105.4	104.4	103.7	104.1	104.6
54 Consumer goods excluding autos and trucks	24.5	107.9	107.6	107.5	107.6	108.2	108.4	108.7	107.9	107.6	107.2	106.5	106.6	106.7	107.3
55 Consumer goods excluding energy	23.3	107.5	107.8	108.1	107.6	107.7	108.7	108.6	106.5	105.6	105.5	104.7	104.7	105.5	105.9
56 Business equipment excluding autos and trucks	12.7	125.6	125.3	125.6	127.2	127.8	128.0	127.2	126.8	125.6	125.7	125.0	124.5	124.6	123.8
57 Business equipment excluding office and computing equipment	12.0	118.7	119.4	120.2	120.5	121.1	122.0	120.6	118.6	116.7	116.2	114.6	114.6	115.6	115.3
58 Materials excluding energy	28.4	110.0	110.2	111.4	112.1	112.3	111.8	110.6	108.9	106.6	106.2	104.9	103.2	103.9	104.3

2.13—Continued

Groups	SIC code	1987 proportion	1990 avg.	1990 May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	1991 Jan.	Feb.r	Mar.r	Apr.r	May p
				Index (1987 = 100)												
MAJOR INDUSTRY																
1 **Total index**		**100.0**	**109.2**	**109.4**	**110.1**	**110.4**	**110.5**	**110.6**	**109.9**	**108.3**	**107.2**	**106.6**	**105.7**	**105.0**	**105.3**	**105.8**
2 Manufacturing		84.4	109.9	110.3	110.8	111.1	111.1	111.2	110.7	108.9	107.5	107.0	106.1	105.2	105.7	105.9
3 Primary processing		26.7	106.3	106.1	107.0	107.9	108.0	106.9	106.2	104.9	102.9	102.0	100.8	99.0	99.4	99.8
4 Advanced processing		57.7	111.6	112.4	112.6	112.5	112.5	113.2	112.8	110.8	109.5	109.3	108.5	108.0	108.6	108.7
5 Durable		47.3	111.6	112.6	113.4	113.4	113.5	113.8	112.5	109.9	107.5	107.2	106.1	105.0	105.9	106.1
6 Lumber and products	24	2.0	101.6	101.7	102.0	103.6	100.5	100.3	98.2	95.5	93.5	94.2	91.5	91.0	92.9	92.9
7 Furniture and fixtures	25	1.4	105.9	108.0	108.7	108.0	106.7	106.9	104.4	102.3	102.0	99.0	94.9	95.3	98.5	99.2
8 Clay, glass, and stone products	32	2.5	105.7	106.4	106.1	106.0	106.6	104.5	104.4	103.8	100.7	97.2	98.9	94.8	95.7	96.5
9 Primary metals	33	3.3	108.4	106.2	109.5	110.3	114.6	111.6	108.6	109.1	104.2	99.7	99.5	94.5	94.5	94.7
10 Iron and steel	331,2	1.9	109.9	105.5	110.3	110.6	118.3	113.9	110.3	112.6	107.3	99.0	98.0	92.0	91.7	91.5
11 Raw steel		.1	109.6	107.6	111.8	113.9	118.5	111.6	112.8	109.5	100.6	104.7	97.9	89.8	91.0	90.1
12 Nonferrous	333–6,9	1.4	106.2	107.1	108.3	109.8	109.4	108.4	106.2	104.1	99.8	100.6	101.6	98.1	98.4	99.2
13 Fabricated metal products	34	5.4	105.9	107.1	106.7	107.7	107.9	106.8	106.4	104.3	101.9	101.7	99.1	97.8	98.0	98.4
14 Nonelectrical machinery	35	8.6	126.5	126.9	127.5	128.3	128.8	128.5	128.1	126.3	124.7	125.5	124.5	123.0	122.8	122.1
15 Office and computing machines	357	2.5	149.8	149.0	150.6	152.7	152.2	153.6	155.3	149.8	148.9	155.0	157.3	155.2	154.5	153.6
16 Electrical machinery	36	8.6	111.4	112.4	112.8	112.2	112.5	112.5	110.8	110.4	108.7	107.6	108.2	108.6	109.7	109.8
17 Transportation equipment	37	9.8	105.5	109.0	111.0	109.3	107.9	111.1	109.2	100.1	96.6	97.6	95.5	95.0	97.2	98.5
18 Motor vehicles and parts	371	4.7	96.8	104.0	108.0	102.7	101.0	107.5	103.8	85.8	78.5	83.0	79.4	79.8	86.2	89.7
19 Autos and light trucks		2.3	96.6	104.3	111.6	103.8	100.9	112.8	107.1	83.7	74.9	80.1	75.3	76.6	84.0	88.2
20 Aerospace and miscellaneous transportation equipment	372–6,9	5.1	113.3	113.5	113.8	115.2	114.1	114.2	114.0	113.1	112.9	110.8	110.0	108.8	107.2	106.4
21 Instruments	38	3.3	116.8	116.5	115.0	116.9	117.5	118.4	118.1	118.1	117.3	119.0	119.3	118.4	118.3	117.5
22 Miscellaneous manufacturers	39	1.2	120.0	119.1	119.6	120.4	121.8	121.3	121.5	122.5	119.1	116.1	114.6	114.8	116.1	116.0
23 Nondurable		37.2	107.8	107.4	107.6	108.1	108.1	108.0	108.4	107.7	107.4	106.8	106.0	105.4	105.5	105.7
24 Foods	20	8.8	107.6	106.8	106.1	107.1	107.7	107.6	108.8	109.6	109.1	108.3	107.6	107.5	107.5	107.8
25 Tobacco products	21	1.0	98.6	97.2	95.6	98.5	96.3	96.4	97.8	99.0	101.1	100.0	100.1	98.3	98.6	97.9
26 Textile mill products	22	1.8	100.8	102.7	103.6	102.9	100.4	100.7	101.2	97.4	96.1	94.0	94.3	94.7	95.9	96.9
27 Apparel products	23	2.4	98.8	99.2	99.3	99.2	98.8	98.4	97.2	95.5	94.9	92.9	93.1	92.4	92.9	93.7
28 Paper and products	26	3.6	105.3	104.0	104.2	107.8	106.5	107.5	106.8	105.1	105.4	104.2	102.2	101.3	101.1	100.2
29 Printing and publishing	27	6.4	111.9	112.8	112.0	111.4	110.9	111.6	112.9	112.4	112.8	112.1	110.9	110.5	110.1	110.0
30 Chemicals and products	28	8.6	110.3	109.2	110.3	110.4	111.1	110.9	110.7	110.0	109.9	110.1	109.1	108.2	108.6	108.6
31 Petroleum products	29	1.3	108.2	104.6	106.5	110.5	110.2	109.3	108.6	107.8	105.6	104.7	108.8	108.6	106.5	108.6
32 Rubber and plastic products	30	3.0	110.2	110.9	112.8	110.9	112.0	110.3	110.6	109.6	106.9	108.8	106.1	104.6	105.4	106.2
33 Leather and products	31	.3	100.0	103.5	102.0	102.5	99.6	100.3	95.3	89.9	92.6	89.6	90.8	91.8	90.0	89.0
34 Mining		7.9	102.6	102.2	102.2	104.0	102.4	103.9	102.6	103.3	103.4	101.7	102.9	101.6	100.1	100.0
35 Metal	10	.3	153.1	148.7	156.7	164.8	155.7	163.6	146.8	153.4	162.0	143.1	148.0	147.6	145.4	145.0
36 Coal	11,12	1.2	113.2	110.0	113.5	118.5	110.2	116.8	114.7	112.9	110.6	108.4	112.8	109.9	105.9	105.5
37 Oil and gas extraction	13	5.7	95.5	96.0	94.6	95.5	95.8	95.8	95.8	97.3	96.7	96.0	97.2	96.4	95.6	95.6
38 Stone and earth minerals	14	.7	119.5	119.9	121.1	121.8	120.1	121.7	118.0	113.5	118.9	119.2	112.0	108.8	106.3	106.6
39 Utilities		7.6	108.0	107.1	109.7	109.7	111.4	110.3	109.2	106.9	108.8	107.6	104.6	106.3	106.4	110.6
40 Electric	491,3PT	6.0	110.8	110.3	113.1	112.1	113.6	112.9	112.1	109.6	111.8	110.4	107.8	109.6	109.7	114.8
41 Gas	492,3PT	1.6	97.3	95.2	97.4	100.7	103.3	100.9	98.1	97.0	97.6	97.5	92.8	94.1	94.4	94.8
SPECIAL AGGREGATES																
42 Manufacturing excluding motor vehicles and parts		79.8	110.7	110.7	111.0	111.6	111.7	111.4	111.1	110.3	109.1	108.4	107.6	106.7	106.8	106.8
43 Manufacturing excluding office and computing machines		82.0	108.7	109.2	109.6	109.8	109.9	110.0	109.4	107.7	106.2	105.6	104.5	103.7	104.2	104.5
		Gross value (billions of 1982 dollars, annual rates)														
MAJOR MARKET																
44 **Products, total**		**1734.8**	**1,911.4**	**1,922.2**	**1,937.0**	**1,923.5**	**1,929.5**	**1,941.6**	**1,939.6**	**1,882.8**	**1,859.4**	**1,860.4**	**1,848.4**	**1,845.8**	**1,855.0**	**1,869.9**
45 Final		1350.9	1,497.7	1,506.0	1,523.4	1,508.7	1,516.3	1,529.1	1,523.7	1,470.8	1,450.8	1,459.6	1,452.8	1,455.3	1,463.9	1,472.2
46 Consumer goods		833.4	882.9	885.9	893.8	886.0	885.9	895.2	892.7	865.2	857.6	857.9	852.7	857.0	863.9	873.3
47 Equipment		517.5	614.8	620.1	629.6	622.7	630.4	633.9	631.0	605.6	593.2	601.7	600.1	598.2	599.9	598.9
48 Intermediate		384.0	413.7	416.2	413.6	414.9	413.1	412.5	415.9	412.0	408.7	400.8	395.6	390.5	391.1	397.7

1. These data also appear in the Board's G.17 (419) release. For requests see address inside front cover.

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

2.14 HOUSING AND CONSTRUCTION

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

Item	1988	1989	1990	1990						1991			
				July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.[r]	Mar.[r]	Apr.
	Private residential real estate activity (thousands of units)												
NEW UNITS													
1 Permits authorized	1,456	1,339	1,111	1,086	1,055	989	925	916	854	802	876	892	913
2 1-family	994	932	794	781	756	730	703	668	645	611	695	689	742
3 2-or-more-family	462	407	317	305	299	259	222	248	209	191	181	203	171
4 Started	1,488	1,376	1,193	1,155	1,131	1,106	1,026	1,130	971	847	992	907	981
5 1-family	1,081	1,003	895	876	835	858	839	769	751	648	788	742	807
6 2-or-more-family	407	373	298	279	296	248	187	361	220	199	204	165	174
7 Under construction, end of period[1]	919	850	711	831	815	790	766	756	744	717	709	683	676
8 1-family	570	535	449	528	517	503	497	486	478	461	457	442	444
9 2-or-more-family	350	315	262	303	298	287	269	270	266	256	252	241	232
10 Completed	1,530	1,423	1,308	1,312	1,307	1,314	1,275	1,246	1,155	1,125	1,096	1,192	1,083
11 1-family	1,085	1,026	966	988	950	963	930	922	878	841	838	882	814
12 2-or-more-family	445	396	342	324	357	351	345	324	277	284	258	310	269
13 Mobile homes shipped	218	198	188	187	193	184	186	181	167	168	157	157	175
Merchant builder activity in 1-family units													
14 Number sold	675	650	535	541	525	504	465	480	464	414[r]	489	494	500
15 Number for sale, end of period[1]	368	363	318	350	345	338	334	327	318	315[r]	312	307	302
Price (thousands of dollars)[2]													
Median													
16 Units sold	113.3	120.4	122.3	118.7	118.4	113.0	120.0	118.9	127.0	117.9[r]	120.0	123.3	122.0
Average													
17 Units sold	139.0	148.3	149.0	149.8	144.7	142.1	153.0	143.3	153.4	148.6[r]	148.9	157.7	155.4
EXISTING UNITS (1-family)													
18 Number sold	3,594	3,439	3,316	3,320	3,410	3,160	3,070	3,150	3,130	2,900	3,160	3,220	3,310
Price of units sold (thousands of dollars)[2]													
19 Median	89.2	92.9	95.2	98.1	97.2	94.4	92.9	92.0	91.7	95.6	94.0	98.2	100.3
20 Average	112.5	118.0	118.3	121.1	120.7	116.8	115.9	115.6	114.1	123.0	119.7	125.2	128.9
	Value of new construction[3] (millions of dollars)												
CONSTRUCTION													
21 Total put in place	**422,076**	**432,068**	**433,999**	**437,010**	**436,338**	**423,941**	**420,186**	**415,737**	**406,639**	**396,007**	**397,518**	**389,287**	**392,641**
22 Private	327,102	333,514	324,435	331,269	323,518	317,516	309,354	301,861	295,482	292,403	287,387	281,144	284,708
23 Residential	198,101	196,551	186,852	187,083	184,409	179,713	174,573	169,292	164,751	161,730	154,704	154,145	153,436
24 Nonresidential, total	129,001	136,963	137,583	144,186	139,109	137,803	134,781	132,569	130,731	130,673	132,683	126,999	131,272
Buildings													
25 Industrial	14,931	18,506	20,563	23,609	20,239	19,862	19,598	19,530	20,748	20,854	21,150	20,214	21,328
26 Commercial	58,104	59,389	54,630	56,951	55,347	53,648	51,880	49,806	49,534	48,623	48,281	45,641	47,642
27 Other	17,278	17,848	18,824	19,792	19,801	20,267	19,606	19,377	18,428	18,503	18,789	18,392	19,462
28 Public utilities and other	38,688	41,220	43,566	43,834	43,722	44,026	43,697	43,856	42,021	42,693	44,463	42,752	42,840
29 Public	94,971	98,551	109,564	105,741	112,820	106,425	110,833	113,877	111,157	103,604	110,131	108,144	107,933
30 Military	3,579	3,520	3,735	3,308	2,888	2,543	1,981	2,982	1,890	2,164	1,960	1,992	1,981
31 Highway	30,140	29,502	31,987	28,775	31,865	31,322	33,231	35,289	34,562	27,310	32,736	31,493	29,327
32 Conservation and development	4,726	4,969	4,735	4,460	4,776	3,482	4,939	5,068	5,486	5,608	5,415	4,455	5,741
33 Other	56,526	60,560	69,107	69,198	73,291	69,078	70,682	70,538	69,219	68,522	70,020	70,204	70,884

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.

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 May 1991
	1990 May	1991 May	1990			1991	1991					
			June	Sept.	Dec.	Mar.	Jan.[r]	Feb.[r]	Mar.	Apr.	May	
CONSUMER PRICES[2] (1982–84=100)												
1 **All items**	**4.4**	**5.0**	**4.1**	**8.2**	**4.9**	**2.4**	**.4**	**.2**	**−.1**	**.2**	**.3**	**135.6**
2 Food	5.1	4.2	2.5	4.6	3.9	2.4	.6	−.2	.2	.7	.0	136.8
3 Energy items	−.7	5.6	1.2	44.2	18.0	−30.7	−2.4	−4.0	−2.6	−.7	1.4	102.1
4 All items less food and energy	4.8	5.1	4.6	6.0	3.8	6.8	.8	.7	.1	.2	.2	141.3
5 Commodities	3.3	4.1	2.0	3.3	2.3	7.9	1.0	1.0	−.1	.2	.3	128.7
6 Services	5.5	5.5	5.5	7.2	4.8	6.4	.7	.6	.3	.1	.2	148.5
PRODUCER PRICES (1982=100)												
7 Finished goods	3.1	3.4	1.0	11.3	5.1	−4.5	.1	−.9	−.3	.2	.6	121.7
8 Consumer foods	4.5	1.4	−1.6	2.3	1.3	.6	−.2	.1	.2	.4	.2	126.2
9 Consumer energy	−4.6	13.9	−4.6	118.7	21.1	−37.2	−2.2	−6.0	−3.2	−.3	2.4	78.0
10 Other consumer goods	3.9	3.7	3.8	3.5	3.4	5.3	.8	.4	.2	.4	.2	132.8
11 Capital equipment	3.3	3.3	2.7	3.6	3.3	3.2	.7	−.2	.2	−.2	.6	126.2
12 Intermediate materials[3]	.3	1.2	.4	13.4	4.2	−9.5	−.5	−.9	−1.1	−.4	.1	114.3
13 Excluding energy	−.1	.7	.7	4.0	2.3	−1.9	.0	−.1	−.4	−.2	−.1	121.5
Crude materials												
14 Foods	1.8	−7.0	−3.8	−7.8	−7.3	1.1	−1.1	.2	1.2	−1.0	−3.2	108.8
15 Energy	−4.9	6.7	−39.2	305.8	−18.8	−53.5	4.4	−14.7	−7.3	.0	3.0	79.5
16 Other	−1.1	−5.6	13.5	5.9	−18.1	−3.0	.3	.1	−1.1	−.5	−.8	131.0

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	1988	1989	1990	1989	1990			
				Q4	Q1	Q2	Q3	Q4
GROSS NATIONAL PRODUCT								
1 **Total**	**4,873.7**	**5,200.8**	**5,465.1**	**5,289.3**	**5,375.4**	**5,443.3**	**5,514.6**	**5,527.3**
By source								
2 Personal consumption expenditures	3,238.2	3,450.1	3,657.3	3,518.5	3,588.1	3,622.7	3,693.4	3,724.9
3 Durable goods	457.5	474.6	480.3	471.2	492.1	478.4	482.3	468.5
4 Nondurable goods	1,060.0	1,130.0	1,193.7	1,148.8	1,174.7	1,179.0	1,205.0	1,216.0
5 Services	1,720.7	1,845.5	1,983.3	1,898.5	1,921.3	1,965.3	2,006.2	2,040.4
6 Gross private domestic investment	747.1	771.2	741.0	762.7	747.2	759.0	759.7	698.3
7 Fixed investment	720.8	742.9	746.1	737.7	758.9	745.6	750.7	729.2
8 Nonresidential	488.4	511.9	524.1	511.8	523.1	516.5	532.8	524.0
9 Structures	139.9	146.2	147.0	147.1	148.8	147.2	149.8	142.1
10 Producers' durable equipment	348.4	365.7	377.1	364.7	374.3	369.3	383.0	381.9
11 Residential structures	232.5	231.0	222.0	225.9	235.9	229.1	217.9	205.2
12 Change in business inventories	26.2	28.3	-5.0	25.0	-11.8	13.4	9.0	-30.8
13 Nonfarm	29.8	23.3	-7.4	24.1	-17.0	13.0	6.8	-32.4
14 Net exports of goods and services	-74.1	-46.1	-31.2	-35.3	-30.0	-24.9	-41.3	-28.8
15 Exports	552.0	626.2	672.8	642.8	661.3	659.7	672.7	697.4
16 Imports	626.1	672.3	704.0	678.1	691.3	684.6	714.1	726.2
17 Government purchases of goods and services	962.5	1,025.6	1,098.1	1,043.3	1,070.1	1,086.4	1,102.8	1,132.9
18 Federal	380.3	400.0	424.0	399.9	410.6	421.9	425.8	437.6
19 State and local	582.3	625.6	674.1	643.4	659.6	664.6	677.0	695.3
By major type of product								
20 Final sales, total	4,847.5	5,172.5	5,470.2	5,264.3	5,387.2	5,429.9	5,505.6	5,558.2
21 Goods	1,908.9	2,044.4	2,148.3	2,060.9	2,122.8	2,133.1	2,161.4	2,175.9
22 Durable	840.3	894.7	939.0	894.2	941.4	930.1	943.4	941.2
23 Nondurable	1,068.6	1,149.7	1,209.3	1,166.7	1,181.4	1,203.0	1,218.0	1,234.7
24 Services	2,488.6	2,671.2	2,864.5	2,747.5	2,791.3	2,834.2	2,889.6	2,943.0
25 Structures	450.0	456.9	457.4	455.9	473.0	462.5	454.6	439.3
26 Change in business inventories	26.2	28.3	-5.0	25.0	-11.8	13.4	9.0	-30.8
27 Durable goods	19.9	11.9	-11.1	13.2	-21.6	.0	9.8	-32.5
28 Nondurable goods	6.4	16.4	6.0	11.9	9.8	13.4	-.8	1.7
MEMO								
29 **Total GNP in 1982 dollars**	**4,016.9**	**4,117.7**	**4,157.3**	**4,133.2**	**4,150.6**	**4,155.1**	**4,170.0**	**4,153.4**
NATIONAL INCOME								
30 **Total**	**3,984.9**	**4,223.3**	**4,418.4**	**4,267.1**	**4,350.3**	**4,411.3**	**4,452.4**	**4,459.7**
31 Compensation of employees	2,905.1	3,079.0	3,244.2	3,128.6	3,180.4	3,232.5	3,276.9	3,286.9
32 Wages and salaries	2,431.1	2,573.2	2,705.3	2,612.7	2,651.6	2,696.3	2,734.2	2,738.9
33 Government and government enterprises	446.6	476.6	508.0	486.7	497.1	505.7	511.3	518.1
34 Other	1,984.5	2,096.6	2,197.2	2,126.0	2,154.5	2,190.6	2,222.9	2,220.8
35 Supplement to wages and salaries	474.0	505.8	538.9	515.9	528.8	536.1	542.7	548.0
36 Employer contributions for social insurance	248.5	263.9	280.8	268.4	276.0	279.7	282.7	284.8
37 Other labor income	225.5	241.9	258.1	247.5	252.8	256.4	260.0	263.2
38 Proprietors' income[1]	354.2	379.3	402.5	381.7	404.0	401.7	397.9	406.2
39 Business and professional[1]	310.5	330.7	352.6	336.0	346.6	350.8	355.6	357.4
40 Farm[1]	43.7	48.6	49.9	45.7	57.4	51.0	42.4	48.8
41 Rental income of persons[2]	16.3	8.2	6.9	4.1	5.5	4.3	8.4	9.3
42 Corporate profits[1]	337.6	311.6	298.3	290.9	296.8	306.6	300.7	288.9
43 Profits before tax[3]	316.7	307.7	304.7	289.8	296.9	299.3	318.5	304.1
44 Inventory valuation adjustment	-27.0	-21.7	-11.4	-14.5	-11.4	-.5	-19.8	-13.8
45 Capital consumption adjustment	47.8	25.5	4.9	15.6	11.3	7.7	2.0	-1.4
46 Net interest	371.8	445.1	466.7	461.7	463.6	466.2	468.3	468.4

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).

2.17 PERSONAL INCOME AND SAVING

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

Account	1988	1989	1990	1989	1990			
				Q4	Q1	Q2	Q3	Q4
PERSONAL INCOME AND SAVING								
1 **Total personal income**	**4,070.8**	**4,384.3**	**4,645.5**	**4,469.2**	**4,562.8**	**4,622.2**	**4,678.5**	**4,718.5**
2 Wage and salary disbursements	2,431.1	2,573.2	2,705.3	2,612.7	2,651.6	2,696.3	2,734.2	2,738.9
3 Commodity-producing industries	696.4	720.6	729.3	721.4	724.6	731.1	735.3	726.0
4 Manufacturing	524.0	541.8	546.8	540.9	541.2	548.1	551.8	546.1
5 Distributive industries	572.0	604.7	637.2	614.6	627.0	637.3	642.7	641.9
6 Service industries	716.2	771.4	830.8	790.0	802.9	822.2	844.9	853.0
7 Government and government enterprises	446.6	476.6	508.0	486.7	497.1	505.7	511.3	518.1
8 Other labor income	225.5	241.9	258.1	247.5	252.8	256.4	260.0	263.2
9 Proprietors' income[1]	354.2	379.3	402.5	381.7	404.0	401.7	397.9	406.2
10 Business and professional[1]	310.5	330.7	352.6	336.0	346.6	350.8	355.6	357.4
11 Farm[1]	43.7	48.6	49.9	45.7	57.4	51.0	42.4	48.8
12 Rental income of persons[2]	16.3	8.2	6.9	4.1	5.5	4.3	8.4	9.3
13 Dividends	102.2	114.4	123.8	118.2	120.5	122.9	124.9	126.7
14 Personal interest income	547.9	643.2	680.4	664.9	670.5	678.0	685.3	687.9
15 Transfer payments	587.7	636.9	694.8	655.9	680.9	686.7	696.4	715.1
16 Old-age survivors, disability, and health insurance benefits	300.5	325.3	350.7	334.1	347.2	347.6	351.1	356.8
17 LESS: Personal contributions for social insurance	194.1	212.8	226.2	215.8	222.9	224.1	228.6	228.9
18 EQUALS: Personal income	4,070.8	4,384.3	4,645.5	4,469.2	4,562.8	4,622.2	4,678.5	4,718.5
19 LESS: Personal tax and nontax payments	591.6	658.8	699.4	669.6	675.1	696.5	709.5	716.6
20 EQUALS: Disposable personal income	3,479.2	3,725.5	3,946.1	3,799.6	3,887.7	3,925.7	3,969.1	4,001.9
21 LESS: Personal outlays	3,333.6	3,553.7	3,766.0	3,625.5	3,696.4	3,730.6	3,802.6	3,834.4
22 EQUALS: Personal saving	145.6	171.8	180.1	174.1	191.3	195.1	166.5	167.5
MEMO								
Per capita (1982 dollars)								
23 Gross national product	16,302.4	16,549.6r	16,535.3r	16,544.8r	16,576.4r	16,552.5r	16,562.9	16,449.4
24 Personal consumption expenditures	10,578.3	10,678.0r	10,665.8r	10,687.4r	10,692.4r	10,671.4r	10,711.5	10,588.7
25 Disposable personal income	11,368.0	11,531.0	11,509.0	11,541.0	11,586.0	11,564.0	11,511.0	11,376.0
26 Saving rate (percent)	4.2	4.6	4.6	4.6	4.9	5.0	4.2	4.2
GROSS SAVING								
27 **Gross saving**	**656.1**	**691.5**	**657.3**	**674.8**	**664.8**	**679.3**	**665.9**	**619.2**
28 Gross private saving	751.3	779.3	787.9	786.4	795.0	806.7	772.2	777.8
29 Personal saving	145.6	171.8	180.1	174.1	191.3	195.1	166.5	167.5
30 Undistributed corporate profits[1]	91.4	53.0	32.2	39.8	36.7	40.5	26.5	25.2
31 Corporate inventory valuation adjustment	−27.0	−21.7	−11.4	−14.5	−11.4	−.5	−19.8	−13.8
Capital consumption allowances								
32 Corporate	322.1	346.4	363.0	356.5	356.7	359.7	365.5	370.3
33 Noncorporate	192.2	208.0	212.6	216.0	210.3	211.4	213.8	214.8
34 Government surplus, or deficit (−), national income and product accounts	−95.3	−87.8	−130.6	−111.6	−130.2	−127.3	−106.4	−158.6
35 Federal	−141.7	−134.3	−166.0	−150.1	−168.3	−166.0	−145.7	−184.3
36 State and local	46.5	46.4	35.4	38.5	38.1	38.6	39.3	25.7
37 **Gross investment**	**627.8**	**674.4**	**655.6**	**671.8**	**665.6**	**676.1**	**661.0**	**619.6**
38 Gross private domestic	747.1	771.2	741.0	762.7	747.2	759.0	759.7	698.3
39 Net foreign	−119.2	−96.8	−85.5	−90.9	−81.6	−82.9	−98.7	−78.7
40 **Statistical discrepancy**	**−28.2**	**−17.0**	**−1.7**	**−3.0**	**.7**	**−3.2**	**−4.9**	**.4**

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

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

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data are seasonally adjusted except as noted.[1]

Item credits or debits	1988	1989[r]	1990[r]	1990[r]				1991
				Q1	Q2	Q3	Q4	Q1[p]
1 Balance on current account	−126,237[r]	−106,305	−92,123	−22,667	−22,178	−23,881	−23,402	10,215
2 Not seasonally adjusted	....	....	....	−17,223	−20,653	−29,112	−25,136	15,394
3 Merchandise trade balance[2]	−126,986	−115,917	−108,115	−27,537	−24,090	−28,760	−27,728	−18,367
4 Merchandise exports	320,337	361,451	389,550	95,244	97,088	96,638	100,580	100,861
5 Merchandise imports	−447,323	−477,368	−497,665	−122,781	−121,178	−125,398	−128,308	−119,228
6 Military transactions, net	−5,743[r]	−6,203	−7,219	−1,736	−1,558	−1,683	−2,243	−2,182
7 Investment income, net	5,353[r]	2,688	11,945	3,002	7	2,802	6,133	4,652
8 Other service transactions, net	16,082[r]	28,618	33,595	7,636	8,156	8,086	9,716	9,173
9 Remittances, pensions, and other transfers	−4,437[r]	−4,420	−4,843	−1,218	−1,123	−1,302	−1,201	−1,295
10 U.S. government grants	−10,506[r]	−11,071	−17,486	−2,813	−3,570	−3,024	−8,079	18,234
11 Change in U.S. government assets, other than official reserve assets, net (increase, −)	2,966[r]	1,320	2,976	−669	−800	−314	4,759	1,581
12 Change in U.S. official reserve assets (increase, −)	−3,912	−25,293	−2,158	−3,177	371	1,739	−1,091	−353
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	127	−535	−192	−247	−216	363	−93	31
15 Reserve position in International Monetary Fund	1,025	471	731	234	493	8	−4	−341
16 Foreign currencies	−5,064	−25,229	−2,697	−3,164	94	1,368	−995	−43
17 Change in U.S. private assets abroad (increase, −)	−85,111[r]	−104,637	−58,524	40,993	−33,033	−28,114	−38,370	5,953
18 Bank-reported claims[3]	−56,322	−51,255	5,333	57,085	−17,255	−9,984	−24,513	23,900
19 Nonbank-reported claims	−3,064[r]	2,581	−1,944	1,649	−1,760	676	−2,509	....
20 U.S. purchase of foreign securities, net	−7,846	−22,575	−28,476	−8,756	−11,160	−1,014	−7,546	−9,426
21 U.S. direct investments abroad, net	−17,879[r]	−33,388	−33,437	−8,985	−2,858	−17,792	−3,802	−8,521
22 Change in foreign official assets in United States (increase, +)	39,657[r]	8,624	32,425	−7,022	5,805	13,341	20,301	6,534
23 U.S. Treasury securities	41,741	149	28,643	−5,786	2,461	11,849	20,119	2,220
24 Other U.S. government obligations	1,309	1,383	667	−521	346	134	708	−29
25 Other U.S. government liabilities[4]	−568[r]	281	1,703	−292	1,141	−248	1,102	987
26 Other U.S. liabilities reported by U.S. banks[3]	−319	4,976	2,998	−297	2,131	1,871	−707	2,590
27 Other foreign official assets[5]	−2,506	1,835	−1,586	−126	−274	−265	−921	766
28 Change in foreign private assets in United States (increase, +)	181,877[r]	207,925	53,879	−26,059	25,452	35,754	18,732	−8,458
29 U.S. bank-reported liabilities[3]	70,235	63,382	9,975	−43,234	8,980	26,968	17,261	−19,419
30 U.S. nonbank-reported liabilities	5,626[r]	5,454	3,779	660	699	4,260	−1,840	....
31 Foreign private purchases of U.S. Treasury securities, net	20,239	29,618	1,131	−1,151	4,287	24	−2,029	3,910
32 Foreign purchases of other U.S. securities, net	26,353	38,920	1,781	1,397	2,140	−2,558	802	5,026
33 Foreign direct investments in United States, net	59,424[r]	70,551	37,213	16,269	9,346	7,060	4,538	2,025
34 Allocation of SDRs	0	0	0	0	0	0	0	0
35 Discrepancy	−9,240[r]	18,366	63,526	18,601	24,383	1,475	19,072	−15,472
36 Owing to seasonal adjustments	....	....	....	4,367	105	−6,473	2,007	4,135
37 Statistical discrepancy in recorded data before seasonal adjustment	−9,240[r]	18,366	63,526	14,235	24,278	7,948	17,066	−19,607
MEMO								
Changes in official assets								
38 U.S. official reserve assets (increase, −)	−3,912	−25,293	−2,158	−3,177	371	1,739	−1,091	−353
39 Foreign official assets in United States (increase, +) excluding line 25	40,225	8,343	30,722	−6,730	4,664	13,589	19,199	5,547
40 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22 above)	−2,996	10,738	2,163	3,094	193	−1,699	575	1,109

1. Seasonal factors are not calculated for lines 6, 10, 12–16, 18–20, 22–34, and 38–40.
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).

3.11 U.S. FOREIGN TRADE[1]

Millions of dollars; monthly data are seasonally adjusted.

Item	1988	1989	1990	1990 Oct.	1990 Nov.	1990 Dec.	1991r Jan.	1991r Feb.	1991r Mar.	1991r Apr.r
1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments, f.a.s. value	322,426	363,812	393,592	34,631	33,586	33,570	34,144	33,599	34,031	35,559
GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses										
2 Customs value	440,952	473,211	495,311	44,527	43,123	39,895	41,520	39,103	38,100	40,338
Trade balance										
3 **Customs value**	**−118,526**	**−109,399**	**−101,718**	**−9,897**	**−9,536**	**−6,325**	**−7,376**	**−5,504**	**−4,070**	**−4,779**

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 transactions; 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	1987	1988	1989	1990 Nov.	1990 Dec.	1991 Jan.	1991 Feb.	1991 Mar.	1991 Apr.	1991 May[p]
1 **Total**	**45,798**	**47,802**	**74,609**	**83,041**	**83,316**	**85,006**	**82,797**	**78,297**	**78,297**	**78,263**
2 Gold stock, including Exchange Stabilization Fund[1]	11,078	11,057	11,059	11,059	11,058	11,058	11,058	11,058	11,058	11,057
3 Special drawing rights[2,3]	10,283	9,637	9,951	11,059	10,989	10,922	10,958	10,368	10,325	10,515
4 Reserve position in International Monetary Fund[2]	11,349	9,745	9,048	8,871	9,076	9,468	9,556	8,910	8,806	8,854
5 Foreign currencies[4]	13,088	17,363	44,551	52,052	52,193	53,558	51,225	47,666	48,108	47,837

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[1]

Millions of dollars, end of period

Assets	1987	1988	1989	1990 Nov.	1990 Dec.	1991 Jan.	1991 Feb.	1991 Mar.	1991 Apr.	1991 May[p]
1 Deposits	244	347	589	264	369	271	329	228	292	196
Assets held in custody										
2 U.S. Treasury securities[2]	195,126	232,547	224,911	272,399	278,499	286,722	286,471	272,505	271,779	279,695
3 Earmarked gold[3]	13,919	13,636	13,456	13,389	13,387	13,377	13,382	13,374	13,363	13,358

1. Excludes deposits and U.S. Treasury securities held for international and regional organizations.
2. Marketable U.S. Treasury bills, notes, and bonds; and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies at face value.
3. Earmarked gold and the gold stock are valued at $42.22 per fine troy ounce. Earmarked gold is gold held for foreign and international accounts and is not included in the gold stock of the United States.

3.14 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data[1]

Millions of dollars, end of period

Asset account	1987	1988	1989	1990			1991			
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
						All foreign countries				
1 **Total, all currencies**	**518,618**	**505,595**	**545,366**	**552,542**	**558,626**	**556,925**	**563,997**	**560,968**	**546,491**	**537,891**
2 Claims on United States	138,034	169,111	198,835	177,571	180,938	188,496	183,991	188,174	182,828r	180,627
3 Parent bank	105,845	129,856	157,092	135,568	140,302	148,837	141,498	145,967	142,683r	141,580
4 Other banks in United States	16,416	14,918	17,042	13,261	12,937	13,296	14,541	12,887	12,268	12,085
5 Nonbanks	15,773	24,337	24,701	28,742	27,699	26,363	27,952	29,320	27,877	26,962
6 Claims on foreigners	342,520	299,728	300,575	319,318	323,020	312,449	321,247	313,595	307,102	300,456
7 Other branches of parent bank	122,155	107,179	113,810	128,747	135,177	135,003	132,157	124,584	129,529	121,961
8 Banks	108,859	96,932	90,703	82,706	81,440	72,602	81,219	80,030	72,757	72,549
9 Public borrowers	21,832	17,163	16,456	16,335	16,591	17,555	18,260	17,893	17,915	17,825
10 Nonbank foreigners	89,674	78,454	79,606	91,530	89,812	87,289	89,611	91,088	86,901	88,121
11 Other assets	38,064	36,756	45,956	55,653	54,668	55,980	58,759	59,199	56,561r	56,808
12 **Total payable in U.S. dollars**	**350,107**	**357,573**	**382,498**	**362,537**	**371,753**	**379,479**	**380,116**	**380,180**	**381,848**	**371,999**
13 Claims on United States	132,023	163,456	191,184	168,988	172,336	180,174	175,909	180,601	175,741r	173,933
14 Parent bank	103,251	126,929	152,294	129,882	134,436	142,962	135,793	140,789	137,738r	137,343
15 Other banks in United States	14,657	14,167	16,386	12,441	12,088	12,513	13,739	12,266	11,757	11,624
16 Nonbanks	14,115	22,360	22,504	26,665	25,812	24,699	26,377	27,546	26,246	24,966
17 Claims on foreigners	202,428	177,685	169,690	168,722	174,832	174,451	179,762	173,527	180,415	173,044
18 Other branches of parent bank	88,284	80,736	82,949	90,198	95,599	95,298	93,847	87,394	95,106	87,895
19 Banks	63,707	54,884	48,396	37,531	37,795	36,440	41,134	40,785	40,451	40,407
20 Public borrowers	14,730	12,131	10,961	11,201	11,202	12,298	13,136	12,944	13,206	12,996
21 Nonbank foreigners	35,707	29,934	27,384	29,792	30,236	30,415	31,645	32,404	31,652	31,746
22 Other assets	15,656	16,432	21,624	24,827	24,585	24,854	24,445	26,052	25,692r	25,022
						United Kingdom				
23 **Total, all currencies**	**158,695**	**156,835**	**161,947**	**184,660**	**188,182**	**184,818**	**184,817**	**180,211**	**175,025**	**168,917**
24 Claims on United States	32,518	40,089	39,212	39,862	42,301	45,560	40,197	41,278	41,448r	38,136
25 Parent bank	27,350	34,243	35,847	35,904	38,453	42,413	36,533	37,662	38,291r	34,930
26 Other banks in United States	1,259	1,123	1,058	694	1,088	792	1,095	924	848	1,179
27 Nonbanks	3,909	4,723	2,307	3,264	2,760	2,355	2,569	2,692	2,309	2,027
28 Claims on foreigners	115,700	106,388	107,657	122,203	124,077	115,536	121,077	115,361	110,329	107,031
29 Other branches of parent bank	39,903	35,625	37,728	47,390	49,499	46,367	47,857	41,653	44,341	40,730
30 Banks	36,735	36,765	36,159	35,480	36,135	31,604	34,050	34,518	30,660	30,608
31 Public borrowers	4,752	4,019	3,293	3,521	3,675	3,860	3,953	4,029	3,943	3,711
32 Nonbank foreigners	34,310	29,979	30,477	35,812	34,768	33,705	35,217	35,161	31,385	31,982
33 Other assets	10,477	10,358	15,078	22,595	21,804	23,722	23,543	23,572	23,248r	23,750
34 **Total payable in U.S. dollars**	**100,574**	**103,503**	**103,208**	**109,950**	**115,182**	**116,762**	**114,413**	**113,673**	**114,347**	**108,600**
35 Claims on United States	30,439	38,012	36,404	35,429	37,668	41,259	36,120	37,644	37,971r	35,058
36 Parent bank	26,304	33,252	34,329	33,145	35,614	39,609	33,754	35,345	36,068r	32,973
37 Other banks in United States	1,044	964	843	419	611	334	771	615	562	976
38 Nonbanks	3,091	3,796	1,232	1,865	1,443	1,316	1,595	1,684	1,341	1,109
39 Claims on foreigners	64,560	60,472	59,062	63,720	66,876	63,701	67,996	64,682	65,034	62,183
40 Other branches of parent bank	28,635	28,474	29,872	37,069	39,630	37,142	38,120	33,136	36,150	32,842
41 Banks	19,188	18,494	16,579	13,571	13,915	13,135	14,905	15,840	15,097	15,460
42 Public borrowers	3,313	2,840	2,371	2,790	2,862	3,143	3,242	3,290	3,220	3,193
43 Nonbank foreigners	13,424	10,664	10,240	10,290	10,469	10,281	11,729	12,416	10,567	10,688
44 Other assets	5,575	5,019	7,742	10,801	10,638	11,802	10,297	11,347	11,342r	11,359
						Bahamas and Caymans				
45 **Total, all currencies**	**160,321**	**170,639**	**176,006**	**153,529**	**153,850**	**162,316**	**167,306**	**168,209**	**163,315**	**164,565**
46 Claims on United States	85,318	105,320	124,205	107,009	106,694	112,989	115,806	118,783	110,727	113,532
47 Parent bank	60,048	73,409	87,882	70,877	71,416	77,873	78,350	81,888	75,485	79,818
48 Other banks in United States	14,277	13,145	15,071	11,605	11,017	11,869	12,877	11,380	10,753	10,063
49 Nonbanks	10,993	18,766	21,252	24,527	24,261	23,247	24,579	25,515	24,489	23,651
50 Claims on foreigners	70,162	58,393	44,168	38,062	38,669	41,356	42,801	40,363	43,665	41,877
51 Other branches of parent bank	21,277	17,954	11,309	12,152	12,697	13,416	12,292	11,477	13,658	12,364
52 Banks	33,751	28,268	22,611	15,994	16,299	16,310	18,343	16,863	17,571	17,458
53 Public borrowers	7,428	5,830	5,217	4,876	4,775	5,807	6,528	6,484	6,846	6,556
54 Nonbank foreigners	7,706	6,341	5,031	5,040	4,898	5,823	5,638	5,539	5,590	5,499
55 Other assets	4,841	6,926	7,633	8,458	8,487	7,971	8,699	9,063	8,923	9,156
56 **Total payable in U.S. dollars**	**151,434**	**163,518**	**170,780**	**149,271**	**149,754**	**158,390**	**162,458**	**163,533**	**159,226**	**160,577**

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	1987	1988	1989	1990 Oct.	1990 Nov.	1990 Dec.	1991 Jan.	1991 Feb.	1991 Mar.	1991 Apr.
	All foreign countries									
57 **Total, all currencies**	**518,618**	**505,595**	**545,366**	**552,542**	**558,626**	**556,925**	**563,997**	**560,968**	**546,491**	**537,891**
58 Negotiable CDs	30,929	28,511	23,500	22,089	21,521	18,060	19,106	18,595	19,920	19,484
59 To United States	161,390	185,577	197,239	167,575	171,592	189,412	186,279	187,562	185,178	180,131
60 Parent bank	87,606	114,720	138,412	113,098	115,519	138,748	134,118	132,227	128,009	123,866
61 Other banks in United States	20,355	14,737	11,704	7,984	9,140	7,463	9,341	10,580	10,961	9,944
62 Nonbanks	53,429	56,120	47,123	46,493	46,933	43,201	42,820	44,755	46,208	46,321
63 To foreigners	304,803	270,923	296,850	327,139	328,534	311,668	319,854	316,605	305,804	300,772
64 Other branches of parent bank	124,601	111,267	119,591	131,045	137,849	139,113	132,214	124,437	128,916	122,542
65 Banks	87,274	72,842	76,452	75,815	72,352	58,986	70,222	73,856[r]	63,304[r]	64,283
66 Official institutions	19,564	15,183	16,750	18,436	17,996	14,791	17,343	16,665[r]	15,864[r]	18,398
67 Nonbank foreigners	73,364	71,631	84,057	101,843	100,337	98,778	100,075	101,647	97,720	95,549
68 Other liabilities	21,496	20,584	27,777	35,739	36,979	37,785	38,758	38,206	35,589	37,504
69 **Total payable in U.S. dollars**	**361,438**	**367,483**	**396,613**	**363,963**	**372,359**	**383,581**	**384,395**	**380,601**	**380,871**	**372,728**
70 Negotiable CDs	26,768	24,045	19,619	17,022	16,845	14,094	15,141	14,446	15,335	14,882
71 To United States	148,442	173,190	187,286	153,350	157,013	175,713	172,189	174,661	172,900	168,831
72 Parent bank	81,783	107,150	132,563	104,651	106,951	130,569	126,067	125,022	120,883	117,356
73 Other banks in United States	18,951	13,468	10,519	6,486	7,686	6,052	7,627	8,715	9,415	8,509
74 Nonbanks	47,708	52,572	44,204	42,213	42,376	39,092	38,495	40,924	42,602	42,966
75 To foreigners	177,711	160,766	176,460	178,969	183,461	179,002	182,131	175,761	177,902	173,589
76 Other branches of parent bank	90,469	84,021	87,636	89,658	95,556	98,128	94,765	87,288	93,910	88,299
77 Banks	35,065	28,493	30,537	23,669	25,022	20,251	23,661	25,536[r]	23,769[r]	22,892
78 Official institutions	12,409	8,224	9,873	9,689	9,091	7,921	10,585	10,021[r]	9,205[r]	11,568
79 Nonbank foreigners	39,768	40,028	48,414	55,953	53,792	52,702	53,120	52,916	51,018	50,830
80 Other liabilities	8,517	9,482	13,248	14,622	15,040	14,772	14,934	15,733	14,734	15,426
	United Kingdom									
81 **Total, all currencies**	**158,695**	**156,835**	**161,947**	**184,660**	**188,182**	**184,818**	**184,817**	**180,211**	**175,025**	**168,917**
82 Negotiable CDs	26,988	24,528	20,056	17,557	17,144	14,256	14,872	14,363	15,820	15,162
83 To United States	23,470	36,784	36,036	32,143	36,500	39,928	34,389	34,070	34,453	28,450
84 Parent bank	13,223	27,849	29,726	22,013	26,165	31,806	25,548	25,670	26,213	21,676
85 Other banks in United States	1,536	2,037	1,256	1,430	1,671	1,505	1,861	1,401	1,230	1,175
86 Nonbanks	8,711	6,898	5,054	8,700	8,664	6,617	6,980	6,999	7,010	5,599
87 To foreigners	98,689	86,026	92,307	114,959	113,958	108,531	113,754	110,454	105,090	103,976
88 Other branches of parent bank	33,078	26,812	27,397	32,357	34,406	36,709	34,547	30,978	33,084	31,860
89 Banks	34,290	30,609	29,780	33,870	32,844	25,126	31,765	32,784[r]	26,609[r]	27,001
90 Official institutions	11,015	7,873	8,551	10,788	9,534	8,361	10,368	9,745[r]	8,969[r]	11,300
91 Nonbank foreigners	20,306	20,732	26,579	37,944	37,174	38,335	37,074	36,947	36,428	33,815
92 Other liabilities	9,548	9,497	13,548	20,001	20,580	22,103	21,802	21,324	19,662	21,329
93 **Total payable in U.S. dollars**	**102,550**	**105,907**	**108,178**	**108,064**	**114,090**	**116,153**	**114,367**	**112,343**	**112,427**	**106,627**
94 Negotiable CDs	24,926	22,063	18,143	15,237	15,100	12,710	13,387	12,790	13,816	13,291
95 To United States	17,752	32,588	33,056	26,867	31,117	34,756	29,114	29,705	30,225	24,749
96 Parent bank	12,026	26,404	28,812	20,334	24,381	30,014	23,945	24,389	24,896	20,450
97 Other banks in United States	1,308	1,752	1,065	1,035	1,318	1,156	1,324	926	800	848
98 Nonbanks	4,418	4,432	3,179	5,498	5,418	3,586	3,845	4,390	4,529	3,451
99 To foreigners	55,919	47,083	50,517	57,639	59,787	60,014	63,702	60,977	59,985	59,440
100 Other branches of parent bank	22,334	18,561	18,384	20,797	23,288	25,957	24,954	21,339	24,049	22,452
101 Banks	15,580	13,407	12,244	10,465	11,911	9,488	11,539	12,976[r]	10,112[r]	9,931
102 Official institutions	7,530	4,348	5,454	5,751	5,000	4,692	7,158	6,587[r]	6,188[r]	8,239
103 Nonbank foreigners	10,475	10,767	14,435	20,626	19,588	19,877	20,051	20,075	19,636	18,818
104 Other liabilities	3,953	4,173	6,462	8,321	8,086	8,673	8,164	8,871	8,401	9,147
	Bahamas and Caymans									
105 **Total, all currencies**	**160,321**	**170,639**	**176,006**	**153,529**	**153,850**	**162,316**	**167,306**	**168,209**	**163,315**	**164,565**
106 Negotiable CDs	885	953	678	560	561	646	654	629	729	674
107 To United States	113,950	122,332	124,859	103,577	104,086	114,738	120,658	122,148	118,512	120,849
108 Parent bank	53,239	62,894	75,188	62,506	61,350	74,941	80,567	78,173	72,314	73,801
109 Other banks in United States	17,224	11,494	8,883	4,959	5,798	4,526	5,655	7,618	8,209	7,543
110 Nonbanks	43,487	47,944	40,788	36,112	36,938	35,271	34,436	36,357	37,989	39,505
111 To foreigners	43,815	45,161	47,382	46,867	46,299	44,444	42,883	42,555	41,417	40,154
112 Other branches of parent bank	19,185	23,686	23,414	25,864	25,579	24,715	23,099	22,923	22,018	21,398
113 Banks	10,769	8,336	8,823	6,794	6,569	5,588	6,063	6,188	6,274	5,837
114 Official institutions	1,504	1,074	1,097	703	763	622	811	728	674	676
115 Nonbank foreigners	12,357	12,065	14,048	13,506	13,388	13,519	12,910	12,716	12,451	12,243
116 Other liabilities	1,671	2,193	3,087	2,525	2,904	2,488	3,111	2,877	2,657	2,888
117 **Total payable in U.S. dollars**	**152,927**	**162,950**	**171,250**	**147,781**	**148,197**	**157,132**	**162,118**	**162,850**	**158,232**	**160,343**

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1988	1989	1990				1991		
			Sept.	Oct.	Nov.	Dec.	Jan.	Feb.[r]	Mar.
1 **Total**[1]	**304,132**	**312,477**	**324,007**	**329,964**	**340,542**	**343,908**	**352,084**	**361,632**	**349,552**
By type									
2 Liabilities reported by banks in the United States[2]	31,519	36,496	40,202	44,681	43,170	39,494	41,450	43,144	42,153
3 U.S. Treasury bills and certificates[3]	103,722	76,985	72,472	72,457	80,220	78,493	82,520	82,611	82,484
U.S. Treasury bonds and notes									
4 Marketable	152,429	179,269	189,159	190,534	195,305	203,185	205,726	213,043	201,353
5 Nonmarketable[4]	523	568	3,717	3,741	3,765	4,491	4,521	4,550	4,580
6 U.S. securities other than U.S. Treasury securities[5]	15,939	19,159	18,457	18,551	18,082	18,245	17,867	18,284	18,982
By area									
7 Western Europe[1]	123,752	133,417	156,275	163,363	169,277	171,170	173,005	178,009	170,381
8 Canada	9,513	9,482	10,171	8,903	8,639	8,598	8,106	7,927	8,494
9 Latin America and Caribbean	10,030	8,745	11,776	11,615	14,298	15,777	16,379	18,307	19,433
10 Asia	151,887	153,338	136,333	137,032	139,235	138,159	143,617	146,226	139,796
11 Africa	1,403	1,030	1,383	1,305	1,404	1,433	1,659	1,439	1,802
12 Other countries[6]	7,548	6,469	8,068	7,748	7,692	8,071	8,612	9,013	8,930

1. Includes the Bank for International Settlements.
2. Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase agreements.
3. Includes nonmarketable certificates of indebtedness (including those payable in foreign currencies through 1974) and Treasury bills issued to official institutions of foreign countries.
4. Excludes notes issued to foreign official nonreserve agencies. Includes bonds and notes payable in foreign currencies; zero coupon bonds are included at current value.
5. Debt securities of U.S. government corporations and federally sponsored agencies, and U.S. corporate stocks and bonds.
6. Includes countries in Oceania and Eastern Europe.

NOTE. Based on data and on data reported to the Treasury Department by banks (including Federal Reserve Banks) and securities dealers in the United States and on the 1984 benchmark survey of foreign portfolio investment in the United States.

3.16 LIABILITIES TO AND CLAIMS ON FOREIGNERS Reported by Banks in the United States Payable in Foreign Currencies[1]

Millions of dollars, end of period

Item	1987	1988	1989	1990			1991
				June	Sept.	Dec.	Mar.
1 Banks' own liabilities	55,438	74,980	67,835	68,650	69,827	69,275	64,019
2 Banks' own claims	51,271	68,983	65,127	66,680	68,064	66,108	67,405
3 Deposits	18,861	25,100	20,491	20,281	23,718	25,526	27,628
4 Other claims	32,410	43,884	44,636	46,399	44,346	40,582	39,777
5 Claims of banks' domestic customers[2]	551	364	3,507	2,612	2,843	6,563	7,357

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[1]
Payable in U.S. dollars

Millions of dollars, end of period

Holder and type of liability	1988	1989	1990	1990			1991			
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.[r]	Apr.[p]
1 **All foreigners**	**685,339**	**736,878**	**755,455**	**737,343**	**744,298**	**755,455**	**754,968**	**759,256r**	**748,964**	**731,871**
2 Banks' own liabilities	514,532	577,498	577,424	564,094	561,298	577,424	569,835	574,904r	568,761	560,121
3 Demand deposits	21,863	22,032	21,734	20,212	19,680	21,734	19,696	20,129r	20,207	19,722
4 Time deposits[2]	152,164	168,780	168,096	158,674	162,289	168,096	159,427	162,287	163,918	157,126
5 Other[3]	51,366	67,823	67,560	75,398	72,280	67,560	76,804	73,974r	71,635	73,515
6 Own foreign offices[4]	289,138	318,864	320,034	309,810	307,049	320,034	313,908	318,514r	313,001	309,758
7 Banks' custody liabilities[5]	170,807	159,380	178,031	173,250	183,000	178,031	185,132	184,352	180,203	171,750
8 U.S. Treasury bills and certificates[6]	115,056	91,100	98,179	94,821	101,243	98,179	105,801	105,302r	103,472	98,704
9 Other negotiable and readily transferable instruments[7]	16,426	19,526	17,408	17,680	18,294	17,408	17,886	18,181r	17,485	16,394
10 Other	39,325	48,754	62,444	60,748	63,464	62,444	61,445	60,869	59,246	56,651
11 **Nonmonetary international and regional organizations**[8]	**3,224**	**4,894**	**5,918**	**5,404**	**5,324**	**5,918**	**7,908**	**6,555**	**6,528**	**6,391**
12 Banks' own liabilities	2,527	3,279	4,540	4,369	3,179	4,540	6,431	4,092	4,665	5,214
13 Demand deposits	71	96	36	57	33	36	67	40	22	76
14 Time deposits[2]	1,183	927	1,038	885	773	1,038	1,587	1,672	1,914	1,951
15 Other[3]	1,272	2,255	3,467	3,427	2,373	3,467	4,776	2,381	2,729	3,187
16 Banks' custody liabilities[5]	698	1,616	1,378	1,034	2,145	1,378	1,478	2,462	1,863	1,176
17 U.S. Treasury bills and certificates[6]	57	197	364	248	1,077	364	423	1,620	1,103	275
18 Other negotiable and readily transferable instruments[7]	641	1,417	1,014	782	1,022	1,014	1,005	842	760	901
19 Other	0	2	0	5	46	0	50	0	0	0
20 **Official institutions**[9]	**135,241**	**113,481**	**117,988**	**117,137**	**123,390**	**117,988**	**123,970**	**125,755r**	**124,638**	**117,761**
21 Banks' own liabilities	27,109	31,108	34,698	39,893	38,065	34,698	37,558	38,848r	38,589	35,596
22 Demand deposits	1,917	2,196	1,940	2,121	1,784	1,940	1,686	1,577	1,645	1,631
23 Time deposits[2]	9,767	10,495	13,965	11,535	12,824	13,965	11,850	13,397r	14,046	13,555
24 Other[3]	15,425	18,417	18,793	26,237	23,457	18,793	24,022	23,873	22,898	20,410
25 Banks' custody liabilities[5]	108,132	82,373	83,290	77,244	85,325	83,290	86,413	86,908	86,048	82,165
26 U.S. Treasury bills and certificates[6]	103,722	76,985	78,493	72,457	80,220	78,493	82,520	82,611	82,484	79,302
27 Other negotiable and readily transferable instruments[7]	4,130	5,028	4,594	4,361	4,725	4,594	3,712	3,923	3,472	2,733
28 Other	280	361	203	427	380	203	180	374	92	130
29 **Banks**[10]	**459,523**	**515,275**	**537,076**	**514,636**	**519,067**	**537,076**	**524,635**	**530,711r**	**522,902**	**511,962**
30 Banks' own liabilities	409,501	454,273	458,053	436,852	438,014	458,053	446,155	451,053r	445,455	438,365
31 Unaffiliated foreign banks	120,362	135,409	138,018	127,041	130,965	138,018	132,247	132,539r	132,454	128,606
32 Demand deposits	9,948	10,279	10,048	8,989	8,996	10,048	8,992	9,508	10,039	9,052
33 Time deposits[2]	80,189	90,557	89,040	80,187	83,620	89,040	81,613	82,443r	84,085	79,227
34 Other[3]	30,226	34,573	38,930	37,866	38,349	38,930	41,641	40,588r	38,330	40,327
35 Own foreign offices[4]	289,138	318,864	320,034	309,810	307,049	320,034	313,908	318,514r	313,001	309,758
36 Banks' custody liabilities[5]	50,022	61,002	79,024	77,785	81,053	79,024	78,480	79,658	77,447	73,598
37 U.S. Treasury bills and certificates[6]	7,602	9,367	12,958	13,642	13,510	12,958	12,803	13,937	13,501	13,161
38 Other negotiable and readily transferable instruments[7]	5,725	5,124	5,356	5,840	5,841	5,356	6,129	6,498	6,403	6,136
39 Other	36,694	46,510	60,710	58,303	61,701	60,710	59,548	59,222	57,543	54,300
40 **Other foreigners**	**87,351**	**103,228**	**94,473**	**100,166**	**96,518**	**94,473**	**98,454**	**96,235r**	**94,896**	**95,757**
41 Banks' own liabilities	75,396	88,839	80,134	82,980	82,040	80,134	79,692	80,911r	80,051	80,946
42 Demand deposits	9,928	9,460	9,710	9,045	8,868	9,710	8,951	9,004r	8,500	8,963
43 Time deposits[2]	61,025	66,801	64,054	66,067	65,072	64,054	64,377	64,775	63,873	62,392
44 Other[3]	4,443	12,577	6,370	7,868	8,100	6,370	6,365	7,132r	7,678	9,592
45 Banks' custody liabilities[5]	11,956	14,389	14,339	17,186	14,477	14,339	18,762	15,324	14,845	14,810
46 U.S. Treasury bills and certificates[6]	3,675	4,551	6,363	8,476	6,436	6,363	10,055	7,133	6,384	5,966
47 Other negotiable and readily transferable instruments[7]	5,929	7,958	6,445	6,697	6,705	6,445	7,040	6,918r	6,850	6,624
48 Other	2,351	1,880	1,531	2,013	1,336	1,531	1,667	1,272	1,611	2,221
49 MEMO: Negotiable time certificates of deposit in custody for foreigners	6,425	7,203	7,022	6,199	6,466	7,022	6,963	6,718	7,157	7,269

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	1988	1989	1990	1990			1991			
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.[r]	Apr.[p]
1 **Total**	**685,339**	**736,878**	**755,455**	**737,343**	**744,298**	**755,455**	**754,968**	**759,256[r]**	**748,964**	**731,871**
2 **Foreign countries**	**682,115**	**731,984**	**749,537**	**731,940**	**738,974**	**749,537**	**747,059**	**752,701[r]**	**742,436**	**725,481**
3 Europe	231,912	237,501	254,960	245,718	247,225	254,960	247,883	250,367[r]	250,112	240,938
4 Austria	1,155	1,233	1,229	1,401	1,385	1,229	1,615	1,522[r]	1,494	1,129
5 Belgium-Luxembourg	10,022	10,648	12,407	12,207	11,510	12,407	12,382	12,559	12,238	12,405
6 Denmark	2,200	1,415	1,405	1,985	1,779	1,405	1,121	1,019	989	951
7 Finland	285	570	602	660	422	602	404	489	662	724
8 France	24,777	26,903	30,946	29,131	29,196	30,946	29,371	28,056[r]	28,211	26,765
9 Germany	6,772	7,578	7,386	8,438	8,196	7,386	8,262	9,604	8,988	8,461
10 Greece	672	1,028	934	993	949	934	895	797	747	808
11 Italy	14,599	16,169	17,736	16,732	16,051	17,736	16,167	17,515[r]	17,367	14,857
12 Netherlands	5,316	6,613	5,375	6,082	6,056	5,375	5,680	6,400[r]	6,204	6,939
13 Norway	1,559	2,401	2,358	1,875	2,330	2,358	2,181	2,078	2,121	1,114
14 Portugal	903	2,418	2,958	2,985	2,959	2,958	2,877	2,684	2,778	2,628
15 Spain	5,494	4,364	7,694	5,312	7,347	7,694	8,964	8,224	9,934	10,145
16 Sweden	1,284	1,491	1,837	1,706	2,304	1,837	1,256	710	1,159	731
17 Switzerland	34,199	34,496	36,915	34,239	34,031	36,915	35,570	37,209[r]	38,546	36,701
18 Turkey	1,012	1,818	1,169	1,451	1,358	1,169	1,124	1,195	1,480	1,500
19 United Kingdom	111,811	102,362	109,527	100,983	103,034	109,527	102,371	103,843[r]	102,973	101,345
20 Yugoslavia	529	1,474	928	1,753	1,571	928	1,030	959	848	1,034
21 Other Western Europe[1]	8,598	13,563	11,889	16,258	15,141	11,889	14,348	12,800	10,545	9,810
22 U.S.S.R	138	350	119	234	220	119	196	88	106	138
23 Other Eastern Europe[2]	591	608	1,546	1,294	1,388	1,546	2,071	2,614	2,722	2,755
24 Canada	21,062	18,865	20,332	19,654	20,679	20,332	19,215	23,836	23,445	23,254
25 Latin America and Caribbean	271,146	311,028	326,995	319,932	318,387	326,995	332,977	336,609[r]	326,719	325,991
26 Argentina	7,804	7,304	7,366	7,722	7,664	7,366	7,659	7,678	7,872	7,708
27 Bahamas	86,863	99,341	107,311	98,330	97,689	107,311	105,055	102,384[r]	96,435	96,284
28 Bermuda	2,621	2,884	2,809	2,482	2,518	2,809	3,101	3,035[r]	2,838	2,765
29 Brazil	5,314	6,351	5,853	5,915	6,470	5,853	5,945	6,274[r]	6,431	5,804
30 British West Indies	113,840	138,309	140,569	144,374	141,385	140,569	148,066	154,125[r]	150,319	150,447
31 Chile	2,936	3,212	3,145	3,170	3,422	3,145	3,188	3,064	2,995	3,122
32 Colombia	4,374	4,653	4,492	4,285	4,251	4,492	4,467	4,308	3,786	4,348
33 Cuba	10	10	11	49	9	11	18	8	7	8
34 Ecuador	1,379	1,391	1,379	1,314	1,310	1,379	1,359	1,332	1,319	1,260
35 Guatemala	1,195	1,312	1,541	1,485	1,478	1,541	1,564	1,580	1,617	1,571
36 Jamaica	269	209	257	219	228	257	224	256	268	233
37 Mexico	15,185	15,423	16,769	16,680	16,501	16,769	17,053	17,299[r]	17,558	17,654
38 Netherlands Antilles	6,420	6,310	7,381	7,101	7,350	7,381	7,100	6,941[r]	6,600	6,897
39 Panama	4,353	4,362	4,575	4,617	4,644	4,575	4,336	4,341[r]	4,506	4,294
40 Peru	1,671	1,984	1,295	1,360	1,327	1,295	1,347	1,323	1,364	1,428
41 Uruguay	1,898	2,284	2,520	2,512	2,446	2,520	2,595	2,641[r]	2,509	2,463
42 Venezuela	9,147	9,482	12,945	11,365	13,001	12,945	12,846	12,965[r]	13,168	12,735
43 Other	5,868	6,206	6,779	6,951	6,693	6,779	7,053	7,055	7,127	6,969
44 Asia	147,838	156,201	138,060	137,241	143,684	138,060	136,920	132,393[r]	133,028	126,724
China										
45 Mainland	1,895	1,773	2,421	2,173	2,493	2,421	2,866	2,720[r]	3,030	2,415
46 Taiwan	26,058	19,588	11,277	12,237	11,418	11,277	11,119	11,123[r]	11,285	10,983
47 Hong Kong	12,248	12,416	12,689	13,767	13,843	12,689	14,868	14,790[r]	15,745	16,100
48 India	699	780	1,225	953	1,116	1,225	1,464	1,628	1,174	986
49 Indonesia	1,180	1,281	1,238	1,261	1,261	1,238	1,191	1,719	1,941	1,309
50 Israel	1,461	1,243	2,767	921	3,075	2,767	2,823	2,509	2,965	2,849
51 Japan	74,015	81,184	68,290	67,925	69,137	68,290	64,182	61,092[r]	56,820	53,131
52 Korea	2,541	3,215	2,280	2,442	2,732	2,280	2,406	2,186[r]	2,213	2,887
53 Philippines	1,163	1,766	1,585	1,274	1,549	1,585	1,455	1,655	1,609	1,681
54 Thailand	1,236	2,093	1,443	1,448	1,681	1,443	2,228	2,148	2,403	2,571
55 Middle-East oil-exporting countries[3]	12,083	13,370	15,844	16,412	17,431	15,844	14,734	13,693[r]	15,642	14,655
56 Other	13,260	17,491	17,002	16,428	17,949	17,002	17,584	17,131	18,199	17,157
57 Africa	3,991	3,824	4,630	4,225	4,390	4,630	5,177	5,157	4,908	4,495
58 Egypt	911	686	1,425	1,099	996	1,425	1,476	1,416	1,449	927
59 Morocco	68	78	104	87	90	104	107	90	91	89
60 South Africa	437	206	228	235	283	228	212	317	312	220
61 Zaire	85	86	53	45	55	53	55	50	52	50
62 Oil-exporting countries[4]	1,017	1,121	1,110	1,050	1,288	1,110	1,508	1,528	1,369	1,434
63 Other	1,474	1,648	1,710	1,708	1,678	1,710	1,819	1,755	1,635	1,776
64 Other countries	6,165	4,564	4,560	5,169	4,610	4,560	4,888	4,339	4,225	4,078
65 Australia	5,293	3,867	3,807	4,371	3,804	3,807	3,882	3,433	3,131	3,118
66 All other	872	697	753	797	807	753	1,007	906	1,094	961
67 Nonmonetary international and regional organizations	3,224	4,894	5,918	5,404	5,324	5,918	7,908	6,555	6,528	6,391
68 International[5]	2,503	3,947	4,390	4,289	4,203	4,390	6,428	4,880	4,967	4,748
69 Latin American regional	589	684	1,048	627	809	1,048	975	1,235	1,170	913
70 Other regional[6]	133	263	479	487	312	479	506	440	391	730

1. Includes the Bank for International Settlements and Eastern European countries that are not listed in line 23.
2. Comprises Bulgaria, Czechoslovakia, 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[1] Payable in U.S. Dollars

Millions of dollars, end of period

Area and country	1988	1989	1990	1990 Oct.	1990 Nov.	1990 Dec.	1991 Jan.	1991 Feb.	1991 Mar.[r]	1991 Apr.[p]
1 **Total**	**491,165**	**534,492**	**512,323**	**495,593**	**505,352**	**512,323**	**497,293**	**509,812[r]**	**496,022**	**503,541**
2 **Foreign countries**	**489,094**	**530,630**	**507,529**	**491,309**	**500,202**	**507,529**	**494,672**	**506,061[r]**	**493,105**	**501,698**
3 Europe	116,928	119,025	113,737	103,631	107,189	113,737	108,431	107,661[r]	104,246	100,115
4 Austria	483	415	362	247	268	362	248	400	270	392
5 Belgium–Luxembourg	8,515	6,478	5,458	5,147	6,441	5,458	6,169	5,905	5,665	5,462
6 Denmark	483	582	497	489	842	497	567	472	598	750
7 Finland	1,065	1,027	1,047	814	861	1,047	1,083	1,364[r]	1,157	1,173
8 France	13,243	16,146	14,531	13,750	13,386	14,531	15,202	14,384[r]	14,915	13,886
9 Germany	2,329	2,865	3,449	3,242	3,634	3,449	3,562	3,620	3,305	3,235
10 Greece	433	788	729	729	720	729	653	652[r]	667	688
11 Italy	7,936	6,662	6,066	5,070	5,171	6,066	6,141	5,707[r]	6,644	5,380
12 Netherlands	2,541	1,904	1,736	1,711	1,849	1,736	1,938	2,108[r]	2,143	2,230
13 Norway	455	609	777	732	661	777	701	670	765	679
14 Portugal	261	376	304	444	368	304	345	292[r]	384	293
15 Spain	1,823	1,930	2,758	2,373	2,584	2,758	2,864	2,526	3,334	3,180
16 Sweden	1,977	1,773	2,073	2,577	2,251	2,073	2,145	2,336[r]	2,330	2,115
17 Switzerland	3,895	6,141	4,473	3,475	3,995	4,473	2,082	2,444[r]	3,165	3,238
18 Turkey	1,233	1,071	1,405	1,371	1,346	1,405	1,377	1,509	1,537	1,445
19 United Kingdom	65,706	65,527	65,312	58,267	59,919	65,312	60,548	60,397[r]	53,896	52,386
20 Yugoslavia	1,390	1,329	1,142	1,226	1,160	1,142	1,084	980	991	1,012
21 Other Western Europe[2]	1,152	1,302	587	667	619	587	705	851[r]	1,141	1,118
22 U.S.S.R.	1,255	1,179	530	825	653	530	505	501	781	904
23 Other Eastern Europe[3]	754	921	499	474	459	499	512	545	558	548
24 Canada	18,889	15,451	16,091	16,185	14,295	16,091	16,952	19,364	17,062	17,524
25 Latin America and Caribbean	214,264	230,438	230,043	217,247	228,593	230,043	229,577	237,532[r]	232,957	237,677
26 Argentina	11,826	9,270	6,874	7,028	7,024	6,874	6,727	6,601	6,535	6,427
27 Bahamas	66,954	77,921	76,504	71,934	71,026	76,504	78,334	81,148[r]	73,338	76,315
28 Bermuda	483	1,315	4,006	3,662	4,291	4,006	1,771	3,602[r]	3,823	4,645
29 Brazil	25,735	23,749	17,994	18,626	18,393	17,994	17,953	17,943	18,328	16,079
30 British West Indies	55,888	68,749	87,061	78,046	86,333	87,061	93,924	97,544[r]	100,812	103,558
31 Chile	5,217	4,353	3,271	3,372	3,373	3,271	3,227	3,239	3,173	3,100
32 Colombia	2,944	2,784	2,585	2,544	2,531	2,585	2,555	2,528	2,441	2,332
33 Cuba	1	1	0	0	1	0	0	0	0	0
34 Ecuador	2,075	1,688	1,387	1,487	1,499	1,387	1,361	1,361	1,325	1,326
35 Guatemala[4]	198	197	191	211	152	191	193	191	199	208
36 Jamaica[4]	212	297	238	262	265	238	243	171	224	196
37 Mexico	24,637	23,376	15,068	15,359	15,380	15,068	14,661	14,842[r]	15,077	15,590
38 Netherlands Antilles	1,306	1,921	7,998	3,310	7,386	7,998	2,199	1,604	1,278	1,501
39 Panama	2,521	1,740	1,471	1,463	1,449	1,471	1,534	1,502	1,500	1,475
40 Peru	1,013	771	663	667	730	663	659	694	700	673
41 Uruguay	910	929	786	794	787	786	767	626	588	620
42 Venezuela	10,733	9,652	2,611	7,102	6,585	2,611	2,118	2,254	2,168	2,209
43 Other Latin America and Caribbean	1,612	1,726	1,334	1,382	1,390	1,334	1,351	1,683	1,448	1,424
44 Asia	130,881	157,474	140,216	146,800	142,577	140,216	132,033	134,016[r]	131,273	138,932
China										
Mainland	762	634	620	639	689	620	565	497	723	641
46 Taiwan	4,184	2,776	1,934	1,061	1,586	1,934	1,776	1,475	1,264	1,612
47 Hong Kong	10,143	11,128	10,644	8,478	8,506	10,644	8,250	8,792	9,729	10,886
48 India	560	621	655	524	540	655	624	590	539	560
49 Indonesia	674	651	933	896	923	933	926	1,081	1,136	1,029
50 Israel	1,136	813	774	688	758	774	934	842	952	1,120
51 Japan	90,149	111,300	92,023	106,369	100,083	92,023	91,035	89,896[r]	84,614	91,042
52 Korea	5,213	5,323	5,737	5,533	5,533	5,737	5,980	6,007	6,217	6,163
53 Philippines	1,876	1,344	1,247	1,206	1,175	1,247	1,230	1,261	1,445	1,478
54 Thailand	848	1,140	1,573	1,444	1,523	1,573	1,587	1,791	1,764	1,662
55 Middle East oil-exporting countries[5]	6,213	10,149	10,984	11,098	10,947	10,984	9,109	12,096[r]	12,386	12,286
56 Other Asia	9,122	11,594	13,092	8,865	10,314	13,092	10,016	9,688[r]	10,503	10,452
57 Africa	5,718	5,890	5,445	5,601	5,705	5,445	5,439	5,424	5,488	5,355
58 Egypt	507	502	380	411	383	380	384	314	304	304
59 Morocco	511	559	513	534	519	513	514	511	538	538
60 South Africa	1,681	1,628	1,525	1,576	1,726	1,525	1,517	1,518	1,628	1,627
61 Zaire	17	16	16	19	19	16	17	21	17	18
62 Oil-exporting countries[6]	1,523	1,648	1,486	1,510	1,492	1,486	1,467	1,478	1,452	1,372
63 Other	1,479	1,537	1,525	1,551	1,566	1,525	1,539	1,582	1,547	1,497
64 Other countries	2,413	2,354	1,998	1,845	1,843	1,998	2,240	2,063	2,079	2,093
65 Australia	1,520	1,781	1,518	1,416	1,483	1,518	1,674	1,547	1,468	1,570
66 All other	894	573	479	429	360	479	566	517	611	524
67 Nonmonetary international and regional organizations[7]	2,071	3,862	4,793	4,284	5,151	4,793	2,621	3,751	2,917	1,844

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, 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[1]
Payable in U.S. Dollars

Millions of dollars, end of period

Type of claim	1988	1989	1990	1990			1991			
				Oct.	Nov.	Dec.	Jan.	Feb.r	Mar.r	Apr.p
1 **Total**	**538,689**	**593,087**	**581,614**	....	....	**581,614**	....	....	**558,593**	....
2 Banks' own claims on foreigners	491,165	534,492	512,323	495,593	505,352	512,323	497,293	509,812	496,022	503,541
3 Foreign public borrowers	62,658	60,511	41,927	46,714	46,903	41,927	38,870	43,638	44,305	41,128
4 Own foreign offices[2]	257,436	296,011	303,127	281,529	291,011	303,127	298,964	306,122	296,841	301,356
5 Unaffiliated foreign banks	129,425	134,885	119,690	124,833	121,447	119,690	117,647	116,561	110,473	112,287
6 Deposits	65,898	78,185	67,673	72,132	68,441	67,673	69,200	69,017	63,324	64,869
7 Other	63,527	56,700	52,017	52,701	53,006	52,017	48,446	47,544	47,149	47,419
8 All other foreigners	41,646	43,085	47,579	42,517	45,992	47,579	41,812	43,491	44,403	48,770
9 Claims of banks' domestic customers[3]	47,524	58,594	69,291	....	....	69,291	....	....	62,572	....
10 Deposits	8,289	13,019	17,272	....	....	17,272	....	....	15,324	....
11 Negotiable and readily transferable instruments[4]	25,700	30,983	33,430	....	....	33,430	....	....	26,731	....
12 Outstanding collections and other claims	13,535	14,592	18,588	....	....	18,588	....	....	20,516	....
13 MEMO: Customer liability on acceptances	19,596	12,899	13,583	....	....	13,583	....	....	11,766	....
Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States[5]	45,360	45,509	43,395	42,827	48,405	43,395	46,686r	42,184	41,550	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[1]
Payable in U.S. Dollars

Millions of dollars, end of period

Maturity; by borrower and area	1987	1988	1989	1990			1991
				June	Sept.	Dec.	Mar.p
1 **Total**	**235,130**	**233,184**	**238,123**	**208,443**	**213,898**	**208,026**	**198,825**
By borrower							
2 Maturity of 1 year or less[2]	163,997	172,634	178,346	159,164	166,687	168,085	157,347
3 Foreign public borrowers	25,889	26,562	23,916	20,778	21,770	20,717	21,110
4 All other foreigners	138,108	146,071	154,430	138,387	144,917	147,368	136,237
5 Maturity over 1 year[2]	71,133	60,550	59,776	49,279	47,211	39,941	41,478
6 Foreign public borrowers	38,625	35,291	36,014	27,961	26,213	20,928	22,811
7 All other foreigners	32,507	25,259	23,762	21,318	20,998	19,013	18,667
By area							
Maturity of 1 year or less[2]							
8 Europe	59,027	55,909	53,913	49,312	51,579	49,235	49,502
9 Canada	5,680	6,282	5,910	5,720	5,520	5,439	5,894
10 Latin America and Caribbean	56,535	57,991	53,003	44,332	43,941	49,314	42,189
11 Asia	35,919	46,224	57,755	51,126	56,366	55,785	53,826
12 Africa	2,833	3,337	3,225	2,991	2,951	3,040	3,016
13 All other[3]	4,003	2,891	4,541	5,683	6,330	5,273	2,919
Maturity of over 1 year[2]							
14 Europe	6,696	4,666	4,121	4,201	4,426	3,871	4,368
15 Canada	2,661	1,922	2,353	2,819	3,033	3,291	3,387
16 Latin America and Caribbean	53,817	47,547	45,816	33,189	31,295	25,975	24,948
17 Asia	3,830	3,613	4,172	5,866	5,646	3,869	5,424
18 Africa	1,747	2,301	2,630	2,739	2,544	2,374	2,417
19 All other[3]	2,381	501	684	465	266	561	934

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[1,2]

Billions of dollars, end of period

Area or country	1987	1988	1989 Mar.	1989 June	1989 Sept.	1989 Dec.	1990 Mar.	1990 June	1990 Sept.	1990 Dec.	1991 Mar.
1 **Total**	**382.4**	**346.3**	**346.3**	**340.0**	**346.5**	**338.8**	**334.1**	**322.2**	**332.8**	**318.6**	**325.8r**
2 G-10 countries and Switzerland	159.7	152.7	145.5	145.1	146.4	152.9	146.9	140.0	145.2	133.7	129.7r
3 Belgium-Luxembourg	10.0	9.0	8.6	7.8	6.9	6.3	6.6	6.2	6.5	5.9	6.1
4 France	13.7	10.5	11.2	10.8	11.1	11.7	10.5	10.3	11.1	10.4	9.7
5 Germany	12.6	10.3	10.2	10.6	10.4	10.5	11.2	11.2	11.2	10.7	8.7
6 Italy	7.5	6.8	5.2	6.1	6.8	7.4	6.0	5.4	4.5	5.0	4.0r
7 Netherlands	4.1	2.7	2.8	2.8	2.4	3.1	3.1	2.7	3.8	2.9	3.3
8 Sweden	2.1	1.8	2.3	1.8	2.0	2.0	2.1	2.3	2.3	2.1	2.0
9 Switzerland	5.6	5.4	5.1	5.4	6.1	7.1	6.3	6.4	5.7	4.7	3.6r
10 United Kingdom	68.8	66.2	65.6	64.5	63.7	67.2	64.0	59.9	62.7	60.9	62.6r
11 Canada	5.5	5.0	4.0	5.1	5.9	5.4	4.8	5.2	5.1	5.9	6.7
12 Japan	29.8	34.9	30.5	30.2	31.0	32.2	32.4	30.4	32.4	25.1	22.9r
13 Other developed countries	26.4	21.0	21.1	21.2	21.0	20.7	23.1	22.6	23.2	22.8	23.1
14 Austria	1.9	1.5	1.4	1.7	1.5	1.5	1.5	1.5	1.6	1.4	1.4
15 Denmark	1.7	1.1	1.1	1.4	1.1	1.1	1.1	1.1	1.1	1.1	.9
16 Finland	1.2	1.1	1.0	1.0	1.1	1.0	1.1	.9	.8	.7	1.0
17 Greece	2.0	1.8	2.1	2.3	2.4	2.5	2.6	2.7	2.8	2.7	2.5
18 Norway	2.2	1.8	1.6	1.8	1.4	1.4	1.7	1.4	1.5	1.6	1.5
19 Portugal	.6	.4	.4	.6	.4	.4	.4	.8	.6	.6	.6
20 Spain	8.0	6.2	6.6	6.2	6.9	7.1	8.3	7.9	8.5	8.4	9.0
21 Turkey	2.0	1.5	1.3	1.1	1.2	1.2	1.3	1.4	1.6	1.7	1.7
22 Other Western Europe	1.6	1.3	1.1	1.1	1.0	.7	1.0	1.1	.7	.9	.8
23 South Africa	2.9	2.4	2.2	2.1	2.1	2.0	2.0	1.9	1.9	1.8	1.8
24 Australia	2.4	1.8	2.4	1.9	2.1	1.6	2.1	1.9	2.0	1.9	1.9
25 OPEC countries[3]	17.4	16.6	16.2	16.1	16.2	17.1	15.5	15.3	14.4	13.1	17.2
26 Ecuador	1.9	1.7	1.6	1.5	1.5	1.3	1.2	1.1	1.1	1.0	.9
27 Venezuela	8.1	7.9	7.9	7.5	7.4	7.0	6.1	6.0	6.0	5.0	5.1
28 Indonesia	1.9	1.7	1.7	1.9	2.0	2.0	2.1	2.0	2.3	2.7	2.8
29 Middle East countries	3.6	3.4	3.3	3.4	3.5	5.0	4.3	4.4	3.3	2.8	6.7
30 African countries	1.9	1.9	1.7	1.6	1.9	1.7	1.8	1.8	1.7	1.7	1.7
31 Non-OPEC developing countries	97.8	85.3	85.9	83.4	81.2	77.5	68.8	66.6	67.2	65.5	65.9r
Latin America											
32 Argentina	9.5	9.0	8.5	7.9	7.6	6.3	5.5	5.1	4.9	4.9	4.7r
33 Brazil	24.7	22.4	22.8	22.1	20.9	19.0	17.5	16.7	15.4	14.4	14.0
34 Chile	6.9	5.6	5.7	5.2	4.9	4.6	4.3	3.7	3.6	3.5	3.6
35 Colombia	2.0	2.1	1.9	1.7	1.6	1.8	1.8	1.7	1.8	1.8	1.7
36 Mexico	23.5	18.8	18.3	17.7	17.2	17.7	12.7	12.6	13.1	13.2	13.1
37 Peru	1.1	.8	.7	.6	.6	.6	.5	.5	.5	.5	.5
38 Other Latin America	2.8	2.6	2.7	2.6	2.9	2.8	2.7	2.3	2.4	2.3	2.3
Asia											
China											
39 Mainland	.3	.3	.5	.3	.3	.3	.3	.2	.2	.2	.4r
40 Taiwan	8.2	3.7	4.9	5.2	5.0	4.5	3.8	3.6	4.0	3.5	3.6r
41 India	1.9	2.1	2.6	2.4	2.7	3.1	3.5	3.6	3.6	3.3	3.5
42 Israel	1.0	1.2	.9	.8	.7	.7	.6	.7	.6	.5	.5
43 Korea (South)	5.0	6.1	6.1	6.6	6.5	5.9	5.3	5.6	6.2	6.2	6.7
44 Malaysia	1.5	1.6	1.7	1.6	1.7	1.7	1.8	1.8	1.8	1.9	2.0
45 Philippines	5.2	4.5	4.4	4.4	4.0	4.1	3.7	3.9	3.9	3.8	3.7
46 Thailand	.7	1.1	1.0	1.0	1.3	1.3	1.1	1.3	1.5	1.5	1.6r
47 Other Asia	.7	.9	.8	.8	1.0	1.0	1.2	1.1	1.6	1.7	2.1
Africa											
48 Egypt	.6	.4	.5	.6	.5	.4	.4	.5	.4	.4	.4
49 Morocco	.9	.9	.9	.9	.8	.9	.9	.9	.9	.8	.8
50 Zaire	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
51 Other Africa[4]	1.3	1.1	1.1	1.1	1.0	1.0	.9	.8	.8	1.0	.8
52 Eastern Europe	3.2	3.6	3.5	3.4	3.5	3.5	3.4	2.9	2.7	2.3	2.0
53 U.S.S.R.	.3	.7	.7	.6	.8	.7	.8	.4	.4	.2	.3
54 Yugoslavia	1.8	1.8	1.7	1.7	1.7	1.6	1.4	1.4	1.3	1.2	1.0
55 Other	1.1	1.1	1.1	1.1	1.1	1.3	1.2	1.1	1.1	.9	.7
56 Offshore banking centers	54.5	44.2	48.7	43.2	49.2	36.6	42.9	40.1	41.8	40.5	49.0r
57 Bahamas	17.3	11.0	15.8	11.0	11.4	5.5	9.2	8.5	8.9	2.8	9.1r
58 Bermuda	.6	.9	1.1	.7	1.3	1.7	.9	2.2	4.0	4.3	4.1r
59 Cayman Islands and other British West Indies	13.5	12.9	12.2	10.8	15.3	9.0	10.9	8.5	9.0	10.0	12.9r
60 Netherlands Antilles	1.2	1.0	.9	1.0	1.1	2.3	2.6	2.3	2.2	7.9	1.1
61 Panama[5]	3.7	2.5	2.2	1.9	1.5	1.4	1.3	1.4	1.5	1.4	1.6
62 Lebanon	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1
63 Hong Kong	11.2	9.6	9.6	10.4	10.7	9.7	9.8	10.0	8.7	7.4	11.3
64 Singapore	7.0	6.1	6.8	7.3	7.8	7.0	8.0	7.0	7.5	6.4	8.7
65 Others[6]	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
66 Miscellaneous and unallocated[7]	23.2	22.6	25.0	27.4	28.7	30.3	33.3	34.5	38.1	40.6	38.5

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[1]

Millions of dollars, end of period

	Type, and area or country	1987	1988	1989	1989 Sept.	1989 Dec.	1990 Mar.	1990 June	1990 Sept.	1990 Dec.
1	**Total**	**28,302**	**32,952**	**38,653**	**36,544**	**38,653**	**38,832**	**39,642**	**44,557**	**41,632r**
2	Payable in dollars	22,785	27,335	33,808	31,683	33,808	34,463	35,090	39,431	37,334r
3	Payable in foreign currencies	5,517	5,617	4,846	4,861	4,846	4,369	4,552	5,126	4,298r
	By type									
4	Financial liabilities	12,424	14,507	18,365	17,141	18,365	17,928	19,495	20,484	17,358r
5	Payable in dollars	8,643	10,608	14,462	13,289	14,462	14,635	16,055	16,644	14,206r
6	Payable in foreign currencies	3,781	3,900	3,903	3,852	3,903	3,293	3,441	3,840	3,152r
7	Commercial liabilities	15,878	18,445	20,288	19,403	20,288	20,904	20,147	24,073	24,274r
8	Trade payables	7,305	6,505	7,588	6,906	7,588	7,434	6,881	9,956	10,031r
9	Advance receipts and other liabilities	8,573	11,940	12,700	12,497	12,700	13,470	13,266	14,118	14,243
10	Payable in dollars	14,142	16,727	19,345	18,394	19,345	19,828	19,036	22,787	23,128r
11	Payable in foreign currencies	1,737	1,717	943	1,009	943	1,076	1,111	1,286	1,147r
	By area or country									
	Financial liabilities									
12	Europe	8,320	9,962	11,609	11,213	11,609	11,050	11,883	11,345	9,541r
13	Belgium-Luxembourg	213	289	340	308	340	318	332	350	344
14	France	382	359	258	242	258	277	196	503	638r
15	Germany	551	699	521	592	521	482	601	660	630r
16	Netherlands	866	880	947	855	947	901	934	948	973r
17	Switzerland	558	1,033	541	799	541	529	552	633	576
18	United Kingdom	5,557	6,533	8,741	8,207	8,741	8,256	8,741	7,539	5,844r
19	Canada	360	388	573	575	573	476	345	357	215r
20	Latin America and Caribbean	1,189	839	1,268	1,367	1,268	1,814	2,573	3,394	3,239
21	Bahamas	318	184	157	186	157	272	249	368	344
22	Bermuda	0	0	17	7	17	0	0	0	0
23	Brazil	25	0	0	0	0	0	0	0	0
24	British West Indies	778	645	635	743	635	1,061	1,782	2,409	2,274
25	Mexico	13	1	6	4	6	5	4	4	5
26	Venezuela	0	0	0	0	0	0	0	0	4
27	Asia	2,451	3,312	4,814	3,886	4,814	4,483	4,636	4,906	3,952r
28	Japan	2,042	2,563	3,963	3,130	3,963	3,445	3,434	3,771	2,773r
29	Middle East oil-exporting countries[2]	8	3	2	2	2	3	5	4	5
30	Africa	4	2	2	4	2	3	3	2	2
31	Oil-exporting countries[3]	1	0	0	2	0	0	1	0	0
32	All other[4]	100	4	100	97	100	102	55	479	409
	Commercial liabilities									
33	Europe	5,516	7,319	8,918	8,335	8,918	9,165	8,343	9,733	10,280r
34	Belgium-Luxembourg	132	158	179	137	179	233	297	248	285
35	France	426	455	871	806	871	882	929	1,191	1,251
36	Germany	909	1,699	1,365	1,185	1,365	1,145	962	1,023	1,235
37	Netherlands	423	587	699	548	699	688	607	701	838
38	Switzerland	559	417	621	531	621	583	607	708	762r
39	United Kingdom	1,599	2,079	2,648	2,717	2,648	2,954	2,466	2,804	2,821r
40	Canada	1,301	1,217	1,124	1,189	1,124	1,150	1,179	1,266	1,290
41	Latin America and Caribbean	864	1,090	1,187	1,086	1,187	1,304	1,278	1,554	1,594
42	Bahamas	18	49	41	27	41	37	22	18	12
43	Bermuda	168	286	308	305	308	516	412	371	538
44	Brazil	46	95	100	113	100	116	106	126	137
45	British West Indies	19	34	27	30	27	18	29	42	30
46	Mexico	189	217	304	220	304	241	285	506	420
47	Venezuela	162	114	154	107	154	85	119	120	121
48	Asia	6,565	6,915	7,188	7,088	7,188	7,015	7,073	8,797	8,925r
49	Japan	2,578	3,094	2,915	2,676	2,915	2,745	3,182	3,189	3,606
50	Middle East oil-exporting countries[2,5]	1,964	1,385	1,401	1,442	1,401	1,393	1,125	2,321	1,701
51	Africa	574	576	844	648	844	753	885	1,315	789
52	Oil-exporting countries[3]	135	202	307	255	307	263	277	593	422
53	All other[4]	1,057	1,328	1,027	1,057	1,027	1,517	1,390	1,408	1,397

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[1]

Millions of dollars, end of period

	Type, and area or country	1987	1988	1989	1989		1990			
					Sept.	Dec.	Mar.	June	Sept.	Dec.
1	**Total**	**30,964**	**34,035**	**31,437**	**32,088**	**31,437**	**29,815**	**31,577**	**30,903**	**33,503[r]**
2	Payable in dollars	28,502	31,654	29,106	29,806	29,106	27,687	29,265	28,504	31,057[r]
3	Payable in foreign currencies	2,462	2,381	2,330	2,282	2,330	2,128	2,312	2,399	2,445
	By type									
4	Financial claims	20,363	21,869	17,689	19,135	17,689	16,558	18,035	16,572	18,109[r]
5	Deposits	14,894	15,643	10,400	12,154	10,400	10,451	9,869	10,303	11,473[r]
6	Payable in dollars	13,765	14,544	9,473	11,278	9,473	9,583	8,799	9,110	10,504[r]
7	Payable in foreign currencies	1,128	1,099	927	877	927	868	1,070	1,193	969
8	Other financial claims	5,470	6,226	7,289	6,981	7,289	6,108	8,166	6,269	6,636[r]
9	Payable in dollars	4,656	5,450	6,535	6,073	6,535	5,420	7,433	5,616	5,769[r]
10	Payable in foreign currencies	814	777	754	908	754	688	733	652	866
11	Commercial claims	10,600	12,166	13,748	12,953	13,748	13,257	13,542	14,331	15,394[r]
12	Trade receivables	9,535	11,091	12,140	11,472	12,140	11,635	11,821	12,518	13,454[r]
13	Advance payments and other claims	1,065	1,075	1,608	1,481	1,608	1,622	1,721	1,813	1,940
14	Payable in dollars	10,081	11,660	13,099	12,455	13,099	12,684	13,034	13,778	14,784[r]
15	Payable in foreign currencies	519	505	650	498	650	573	508	554	610
	By area or country									
	Financial claims									
16	Europe	9,531	10,279	7,040	7,528	7,040	6,964	9,604	7,950	8,005[r]
17	Belgium-Luxembourg	7	18	28	166	28	22	126	27	76
18	France	332	203	153	173	153	198	141	143	366
19	Germany	102	120	192	120	192	505	93	97	371
20	Netherlands	350	348	303	292	303	315	332	315	333
21	Switzerland	65	218	95	111	95	122	137	176	325[r]
22	United Kingdom	8,467	9,039	6,035	6,419	6,035	5,587	8,556	6,971	6,276[r]
23	Canada	2,844	2,325	1,892	2,359	1,892	1,758	2,035	1,994	2,887
24	Latin America and Caribbean	7,012	8,160	7,590	8,315	7,590	6,984	5,479	5,666	5,751
25	Bahamas	1,994	1,846	1,516	1,699	1,516	1,662	992	977	1,261
26	Bermuda	7	19	7	33	7	4	3	4	3
27	Brazil	63	47	224	70	224	79	84	70	68
28	British West Indies	4,433	5,763	5,431	6,125	5,431	4,824	4,003	4,215	4,031
29	Mexico	172	151	94	105	94	152	153	158	160
30	Venezuela	19	21	20	36	20	21	20	23	25
31	Asia	879	844	831	826	831	763	815	733	1,213[r]
32	Japan	605	574	439	460	439	416	473	450	875[r]
33	Middle East oil-exporting countries[2]	8	5	8	7	8	7	6	9	8
34	Africa	65	106	140	75	140	67	62	49	37
35	Oil-exporting countries[3]	7	10	12	8	12	11	8	7	0
36	All other[4]	33	155	195	31	195	23	41	179	215
	Commercial claims									
37	Europe	4,180	5,181	6,168	5,429	6,168	6,026	6,042	6,428	7,109[r]
38	Belgium-Luxembourg	178	189	241	220	241	219	208	189	211[r]
39	France	650	672	956	829	956	958	908	1,140	1,298[r]
40	Germany	562	669	687	686	687	699	662	638	806[r]
41	Netherlands	133	212	478	396	478	450	475	491	549
42	Switzerland	185	344	305	222	305	270	235	300	302
43	United Kingdom	1,073	1,324	1,572	1,398	1,572	1,690	1,586	1,679	1,800[r]
44	Canada	936	983	1,058	1,278	1,058	1,121	1,125	1,135	1,046[r]
45	Latin America and Caribbean	1,930	2,241	2,177	2,147	2,177	2,061	2,204	2,392	2,317[r]
46	Bahamas	19	36	57	10	57	22	17	25	14
47	Bermuda	170	230	323	271	323	243	284	340	249
48	Brazil	226	299	292	239	292	231	234	252	321[r]
49	British West Indies	26	22	36	33	36	38	46	35	39
50	Mexico	368	461	509	509	509	525	581	649	645[r]
51	Venezuela	283	227	147	189	147	188	223	223	191
52	Asia	2,915	2,993	3,538	3,316	3,538	3,257	3,419	3,575	4,038[r]
53	Japan	1,158	946	1,184	1,176	1,184	1,061	1,080	1,211	1,430[r]
54	Middle East oil-exporting countries[2]	450	453	515	410	515	432	414	403	459
55	Africa	401	435	418	399	418	425	390	372	488
56	Oil-exporting countries[3]	144	122	107	87	107	89	98	71	67
57	All other[4]	238	333	389	383	389	367	361	429	396[r]

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	1989	1990	1991 Jan.–Apr.	1990 Oct.	1990 Nov.	1990 Dec.	1991 Jan.	1991 Feb.	1991 Mar.	1991 Apr.p
	U.S. corporate securities									
STOCKS										
1 Foreign purchases	214,061	173,227	74,260	11,633	12,551	13,316	10,241	21,691r	21,763r	20,565
2 Foreign sales	204,114	188,373	68,477	15,434	13,368	14,573	11,048	20,615r	19,393	17,421
3 Net purchases, or sales (−)	**9,946**	**−15,146**	**5,783**	**−3,801**	**−817**	**−1,257**	**−807**	**1,076r**	**2,370r**	**3,143**
4 Foreign countries	**10,180**	**−15,218**	**5,647**	**−3,759**	**−812**	**−1,267**	**−808**	**1,020r**	**2,369r**	**3,066**
5 Europe	481	−8,498	723	−1,415	−582	−487	−610	−1,245r	846r	1,732
6 France	−708	−1,234	57	−159	−80	−49	−24	27	100	−45
7 Germany	−830	−368	−305	−87	−14	−144	−114	−204	0	13
8 Netherlands	79	−398	−98	−61	21	−46	−142	−104	119	29
9 Switzerland	−3,277	−2,867	−257	−213	−169	−263	−222	−943	357	552
10 United Kingdom	3,691	−2,992	836	−687	−282	149	−93	27r	121r	781
11 Canada	−881	892	891	155	216	279	24	469r	284	113
12 Latin America and Caribbean	3,042	−1,337	1,305	−357	292	−280	233	937	3	131
13 Middle East[1]	3,531	−2,435	184	−558	−430	−251	−279	675	−30	−182
14 Other Asia	3,577	−3,477	2,602	−1,517	−420	−406	−196	432	1,223	1,144
15 Japan	3,330	−2,891	437	−1,135	−194	−382	−271	−366	−2	1,076
16 Africa	131	−63	79	−31	−5	−14	33	31	16	0
17 Other countries	299	−298	−137	−35	117	−108	−13	−279	28	127
18 Nonmonetary international and regional organizations	**−234**	**71**	**136**	**−42**	**−5**	**9**	**2**	**56**	**1**	**78**
BONDS[2]										
19 Foreign purchases	120,550	118,464	42,462	8,842	11,205	9,943	8,859	8,468	14,807r	10,328
20 Foreign sales	87,376	101,571	37,594	7,673	7,754	7,890	8,575	9,269	10,613r	9,138
21 Net purchases, or sales (−)	**33,174**	**16,892**	**4,868**	**1,169**	**3,452**	**2,052**	**284**	**−801**	**4,194r**	**1,190**
22 Foreign countries	**32,821**	**17,348**	**4,770**	**1,405**	**3,456**	**2,055**	**103**	**−723**	**4,093r**	**1,297**
23 Europe	19,064	10,231	3,244	428	2,046	1,088	−130	−1,065	3,271r	1,168
24 France	372	373	547	−74	24	39	31	68	392r	56
25 Germany	−238	−377	379	−29	−59	−41	−54	78	238r	117
26 Netherlands	850	172	152	35	52	110	47	1	20	84
27 Switzerland	−511	392	441	−193	148	45	360	−217	318r	−21
28 United Kingdom	18,123	10,429	1,545	371	1,727	1,406	−102	−885	1,633r	900
29 Canada	1,116	1,906	808	127	93	−85	71	106	385	246
30 Latin America and Caribbean	3,686	4,279	962	282	343	495	−17	439	351	188
31 Middle East[1]	−182	76	29	−10	−35	74	69	−2	−13	−25
32 Other Asia	9,025	1,104	−287	628	1,033	486	131	−209	81r	−291
33 Japan	6,292	747	26	386	812	399	308	−214	162r	−230
34 Africa	56	96	10	2	6	−9	−15	10	7	8
35 Other countries	57	−344	5	−53	−30	7	−5	−2	10	3
36 Nonmonetary international and regional organizations	**353**	**−455**	**98**	**−237**	**−4**	**−2**	**181**	**−78**	**102**	**−107**
	Foreign securities									
37 Stocks, net purchases, or sales (−)[3]	−13,120	−8,729	−9,408	−319	1,068	−1,831	−404	−3,177	−3,305	−2,522
38 Foreign purchases	109,792	122,532	35,821	9,282	10,060	7,244	6,230	10,561	11,095	7,935
39 Foreign sales[3]	122,912	131,261	45,229	9,601	8,993	9,075	6,634	13,738	14,400	10,457
40 Bonds, net purchases, or sales (−)	−5,943	−22,294	−3,677	−2,791	165	−4,771	−173	−1,945	−991	−568
41 Foreign purchases	234,320	314,228	127,817	35,235	32,837	33,372	27,138	37,202	40,161	23,316
42 Foreign sales	240,263	336,522	131,493	38,026	32,671	38,143	27,312	39,146	41,152	23,883
43 Net purchases, or sales (−), of stocks and bonds	**−19,063**	**−31,023**	**−13,084**	**−3,110**	**1,233**	**−6,602**	**−577**	**−5,122**	**−4,296**	**−3,090**
44 Foreign countries	**−19,101**	**−28,349**	**−11,761**	**−2,312**	**1,207**	**−5,860**	**−538**	**−5,166**	**−2,845**	**−3,213**
45 Europe	−17,721	−7,752	−2,735	−911	2,017	−919	342	−3,118	−328r	369
46 Canada	−4,180	−7,374	−3,663	−893	−1,740	−659	−573	−797	3	−2,295
47 Latin America and Caribbean	426	−8,960	464	262	283	−2,811	351	314	114	−316
48 Asia	2,532	−3,885	−6,103	−687	706	−1,571	−792	−1,811	−2,502	−998
49 Africa	93	−137	85	4	−69	28	22	30	2	31
50 Other countries	−251	−240	191	−87	11	73	112	216	−134r	−4
51 Nonmonetary international and regional organizations	**38**	**−2,673**	**−1,323**	**−798**	**25**	**−742**	**−39**	**44**	**−1,451**	**123**

1. Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
2. Includes state and local government securities, and securities of U.S. government agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.
3. As a result of the merger of a U.S. and U.K. company in July 1989, the former stockholders of the U.S. company received $5,453 million in shares of the new combined U.K. company. This transaction is not reflected in the data above.

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

Millions of dollars

Country or area	1989	1990	1991 Jan.–Apr.	1990 Oct.	1990 Nov.	1990 Dec.	1991 Jan.	1991 Feb.	1991 Mar.[r]	1991 Apr.[p]
	Transactions, net purchases or sales (–) during period[1]									
1 **Estimated total**[2]	**54,203**	**19,930**	**3,974**	**–1,066**	**5,848**	**6,531**	**2,978**	**13,230[r]**	**–15,264**	**3,030**
2 Foreign countries[2]	52,301	20,245	4,585	–1,051	5,538	6,541	4,610	11,770[r]	–14,446	2,651
3 Europe[2]	36,286	19,096	401	245	2,070	4,461	3,356	2,933	–4,535	–1,353
4 Belgium–Luxembourg	1,048	–2	561	72	–68	–105	260	149	115	37
5 Germany[2]	7,904	5,732	–6,123	580	1,677	571	–542	–1,691	–3,340	–549
6 Netherlands	–1,141	1,012	–684	–454	–249	625	300	–85	–607	–292
7 Sweden	693	1,142	–1,272	163	276	721	–661	43	–244	–410
8 Switzerland[2]	1,098	112	156	619	–6	200	170	139	470	–622
9 United Kingdom	20,198	–1,309	3,554	–1,740	–1,625	244	2,829	–54	513	265
10 Other Western Europe	6,508	12,388	4,199	1,004	2,069	2,204	995	4,432	–1,442	214
11 Eastern Europe	–21	13	11	0	–5	0	6	0	0	5
12 Canada	698	–4,558	–218	–637	–468	155	–795	–171	182	566
13 Latin America and Caribbean	464	15,587	4,014	4,731	4,316	1,610	–5,150	3,110	430	5,623
14 Venezuela	311	–50	–146	–2	49	1	–153	–1	6	2
15 Other Latin America and Caribbean	–322	4,880	5,415	646	978	1,208	–592	1,901	1,074	3,031
16 Netherlands Antilles	475	10,757	–1,256	4,086	3,290	401	–4,405	1,210	–650	2,590
17 Asia	13,297	–11,047	374	–5,192	–930	–72	7,019	5,517[r]	–9,984	–2,179
18 Japan	1,681	–14,880	–6,236	–4,059	–1,153	–2,407	2,244	1,915	–7,016	–3,379
19 Africa	116	313	204	83	8	–3	78	110	0	16
20 All other	1,439	855	–190	–281	543	389	102	269	–540	–22
21 Nonmonetary international and regional organizations	1,902	–316	–612	–15	310	–10	–1,633	1,461	–819	379
22 International	1,473	–191	–1,141	–100	159	–125	–1,571	1,104	–845	171
23 Latin America regional	231	–2	184	–59	0	92	–202	156	5	225
Memo										
24 Foreign countries[2]	52,301	20,245	4,585	–1,051	5,538	6,541	4,610	11,770[r]	–14,446	2,651
25 Official institutions	26,840	23,916	–873	1,375	4,771	7,880	2,541	7,317	–11,691	959
26 Other foreign[2]	25,461	–3,671	5,458	–2,426	767	–1,339	2,069	4,453[r]	–2,755	1,692
Oil-exporting countries										
27 Middle East[3]	8,148	–387	–830	–1,247	–878	1,014	523	644	–1,485	–513
28 Africa[4]	–1	0	20	0	0	0	0	21	–6	5

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 June 30, 1991		Country	Rate on June 30, 1991		Country	Rate on June 30, 1991	
	Percent	Month effective		Percent	Month effective		Percent	Month effective
Austria	6.5	Oct. 1989	France[1]	9.0	Mar. 1990	Norway	10.50	July 1990
Belgium	7.5	June 1991	Germany, Fed. Rep. of	6.50	Feb. 1991	Switzerland	6.0	Oct. 1989
Canada	8.90	June 1991	Italy	11.5	May 1991	United Kingdom[2]	....	....
Denmark	9.50	Jan. 1991	Japan	6.0	Aug. 1990			
			Netherlands	7.75	Feb. 1991			

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	1988	1989	1990	1990	1991					
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June
1 Eurodollars	7.85	9.16	8.16	7.87	7.23	6.60	6.44	6.11	5.94	6.08
2 United Kingdom	10.28	13.87	14.73	13.75	13.91	13.20	12.33	11.90	11.48	11.21
3 Canada	9.63	12.20	13.00	11.95	11.13	10.37	9.97	9.67	9.12	8.83
4 Germany	4.28	7.04	8.41	9.17	9.25	8.96	8.99	9.08	8.98	8.95
5 Switzerland	2.94	6.83	8.71	8.65	8.44	7.81	8.17	8.26	8.10	7.89
6 Netherlands	4.72	7.28	8.57	9.27	9.31	9.01	9.04	9.11	9.05	9.08
7 France	7.80	9.27	10.20	10.14	10.14	9.64	9.34	9.21	9.13	9.59
8 Italy	11.04	12.44	12.11	13.45	13.13	13.31	12.52	11.90	11.46	11.48
9 Belgium	6.69	8.65	9.70	9.81	9.91	9.51	9.28	9.20	9.00	9.08
10 Japan	4.43	5.39	7.75	8.27	8.18	8.01	8.09	7.96	7.82	7.79

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

3.28 FOREIGN EXCHANGE RATES[1]

Currency units per dollar

Country/currency	1988	1989	1990	1991					
				Jan.	Feb.	Mar.	Apr.	May	June
1 Australia/dollar[2]	78.409	79.186	78.069	77.930	78.351	77.107	77.947	77.427	75.982
2 Austria/schilling	12.357	13.236	11.331	10.616	10.416	11.341	11.977	12.104	12.538
3 Belgium/franc	36.785	39.409	33.424	31.088	30.475	33.206	35.017	35.363	36.689
4 Canada/dollar	1.2306	1.1842	1.1668	1.1560	1.1549	1.1572	1.1535	1.1499	1.1439
5 China, P.R./yuan	3.7314	3.7673	4.7921	5.2352	5.2352	5.2352	5.2767	5.3257	5.3667
6 Denmark/krone	6.7412	7.3210	6.1899	5.8115	5.6953	6.1886	6.5163	6.5793	6.8634
7 Finland/markka	4.1933	4.2963	3.8300	3.6431	3.5941	3.8512	3.9925	4.0431	4.2189
8 France/franc	5.9595	6.3802	5.4467	5.1253	5.0398	5.4862	5.7540	5.8282	6.0483
9 Germany/deutsche mark	1.7570	1.8808	1.6166	1.5091	1.4805	1.6122	1.7027	1.7199	1.7828
10 Greece/drachma	142.00	162.60	158.59	159.70	158.82	174.16	184.76	188.14	195.03
11 Hong Kong/dollar	7.8072	7.8008	7.7899	7.7950	7.7943	7.7911	7.7939	7.7798	7.7341
12 India/rupee	13.900	16.213	17.492	18.339	18.860	19.243	19.906	20.519	21.062
13 Ireland/punt[2]	152.49	141.80	165.76	168.68	179.81	157.43	157.12	155.68	142.66
14 Italy/lira	1,302.39	1,372.28	1,198.27	1,134.38	1,111.19	1,201.96	1,261.57	1,275.67	1,325.09
15 Japan/yen	128.17	138.07	145.00	133.70	130.54	137.39	137.11	138.22	139.75
16 Malaysia/ringgit	2.6190	2.7079	2.7057	2.7140	2.6969	2.7418	2.7498	2.7573	2.7810
17 Netherlands/guilder	1.9778	2.1219	1.8215	1.7015	1.6689	1.8174	1.9186	1.9379	2.0085
18 New Zealand/dollar[2]	65.560	59.561	59.619	59.476	60.120	59.389	58.909	58.647	57.645
19 Norway/krone	6.5243	6.9131	6.2541	5.8993	5.7919	6.2899	6.6198	6.6953	6.9542
20 Portugal/escudo	144.27	157.53	142.70	134.43	130.45	140.97	148.00	149.59	156.37
21 Singapore/dollar	2.0133	1.9511	1.8134	1.7455	1.7180	1.7589	1.7688	1.7688	1.7782
22 South Africa/rand	2.2770	2.6214	2.5885	2.5643	2.5412	2.6636	2.7325	2.7975	2.8625
23 South Korea/won	734.52	674.29	710.64	720.83	723.97	727.73	728.36	727.99	727.97
24 Spain/peseta	116.53	118.44	101.96	95.08	92.61	100.21	105.08	106.45	111.18
25 Sri Lanka/rupee	31.820	35.947	40.078	40.300	40.598	40.750	40.836	40.988	41.211
26 Sweden/krona	6.1370	6.4559	5.9231	5.6345	5.5516	5.9081	6.1145	6.1578	6.4235
27 Switzerland/franc	1.4643	1.6369	1.3901	1.2714	1.2685	1.3918	1.4399	1.4574	1.5297
28 Taiwan/dollar	28.636	26.407	26.918	27.197	27.109	27.311	27.333	27.282	27.166
29 Thailand/baht	25.312	25.725	25.609	25.244	25.141	25.447	25.578	25.645	25.766
30 United Kingdom/pound[2]	178.13	163.82	178.41	193.46	196.41	182.14	174.97	172.38	164.97
MEMO									
31 United States/dollar[3]	92.72	98.60	89.09	83.51	82.12	88.12	91.41	92.29	95.18

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
e	Estimated
p	Preliminary
r	Revised (Notation appears on column heading when about half of the figures in that column are changed.)
*	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)
0	Calculated to be zero
n.a.	Not available
n.e.c.	Not elsewhere classified
IPCs	Individuals, partnerships, and corporations
REITs	Real estate investment trusts
RPs	Repurchase agreements
SMSAs	Standard metropolitan statistical areas
. . .	Cell not applicable

General Information

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

"U.S. government securities" may include guaranteed issues of U.S. government agencies (the flow of funds figures also include not fully guaranteed issues) as well as direct obligations of the Treasury. "State and local government" also includes municipalities, special districts, and other political subdivisions.

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

STATISTICAL RELEASES—List Published Semiannually, with Latest BULLETIN *Reference*

SPECIAL TABLES—Published Irregularly, with Latest BULLETIN *Reference*

Special tables follow.

4.20 DOMESTIC AND FOREIGN OFFICES, Insured Commercial Bank Assets and Liabilities[1,2]
Consolidated Report of Condition, March 31, 1991

Millions of dollars

Item	Total	Banks with foreign offices			Banks with domestic offices only	
		Total	Foreign	Domestic	Over 100	Under 100
1 **Total assets**[6]	**3,336,907**	**1,866,718**	**425,416**	**1,518,631**	**1,100,422**	**364,924**
2 Cash and balances due from depository institutions	259,206	177,042	87,071	89,971	59,254	22,623
3 Cash items in process of collection, unposted debits, and currency and coin	n.a.	65,682	1,696	63,986	28,457	n.a.
4 Cash items in process of collection and unposted debits	n.a.	n.a.	n.a.	50,707	19,423	n.a.
5 Currency and coin	n.a.	n.a.	n.a.	13,279	9,034	n.a.
6 Balances due from depository institutions in the United States	n.a.	30,808	20,609	10,199	18,232	n.a.
7 Balances due from banks in foreign countries and foreign central banks	n.a.	67,579	64,674	2,905	2,986	n.a.
8 Balances due from Federal Reserve Banks	n.a.	12,973	93	12,881	9,579	n.a.
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.	n.a.	6,512	12,952	8,008
10 **Total securities, loans and lease financing receivables, net**	**2,797,265**	**1,481,197**	n.a.	n.a.	**985,465**	**326,708**
11 Total securities, book value	622,646	257,095	31,411	225,684	250,255	114,677
12 U.S. Treasury securities and U.S. government agency and corporation obligations	447,008	171,697	3,461	168,236	184,895	89,969
13 U.S. Treasury securities	n.a.	47,420	1,374	46,046	75,184	n.a.
14 U.S. government agency and corporation obligations	n.a.	124,277	2,087	122,191	109,710	n.a.
15 All holdings of U.S. government-issued or guaranteed certificates of participation in pools of residential mortgages	154,025	81,579	1,382	80,198	51,274	21,171
16 All other	n.a.	42,698	705	41,993	58,436	n.a.
17 Securities issued by states and political subdivisions in the United States	79,923	27,052	850	26,202	37,181	15,690
18 Other domestic debt securities	n.a.	27,521	1,711	25,810	24,008	n.a.
19 All holdings of private certificates of participation in pools of residential mortgages	3,095	1,366	0	1,366	1,469	260
20 *All other domestic debt securities*	56,178	26,154	1,711	24,443	22,539	7,485
21 Foreign debt securities	n.a.	26,120	24,272	1,848	356	n.a.
22 Equity securities	9,804	4,706	1,118	3,588	3,815	1,274
23 Marketable	4,254	1,271	135	1,136	2,036	947
24 Investments in mutual funds	2,437	453	18	435	1,115	869
25 Other	2,194	959	117	841	1,078	157
26 Less: Net unrealized loss	377	140	0	140	157	79
27 Other equity securities	5,550	3,435	982	2,453	1,779	327
28 Federal funds sold and securities purchased under agreements to resell	148,568	71,139	438	70,702	53,817	23,484
29 Federal funds sold	125,200	54,237	n.a.	n.a.	47,746	23,088
30 Securities purchased under agreements to resell	23,368	16,902	n.a.	n.a.	6,071	396
31 Total loans and lease financing receivables, gross	2,093,415	1,195,597	207,443	988,155	701,010	193,565
32 LESS: Unearned income on loans	12,437	5,088	1,355	3,733	5,595	1,754
33 Total loans and leases (net of unearned income)	2,080,977	1,190,509	206,088	984,421	695,415	191,811
34 LESS: Allowance for loan and lease losses	54,685	37,305	n.a.	n.a.	14,021	3,264
35 LESS: Allocated transfer risk reserves	242	241	n.a.	n.a.	0	1
36 EQUALS: Total loans and leases, net	2,026,051	1,152,963	n.a.	n.a.	681,394	188,547
Total loans, gross, by category						
37 Loans secured by real estate	832,214	413,695	26,164	387,531	320,600	97,963
38 Construction and land development	n.a.	n.a.	n.a.	77,522	37,405	6,498
39 Farmland	n.a.	n.a.	n.a.	2,015	5,856	9,594
40 1–4 family residential properties	n.a.	n.a.	n.a.	187,372	162,796	54,502
41 Revolving, open-end loans, extended under lines of credit	n.a.	n.a.	n.a.	33,908	25,774	3,153
42 All other loans	n.a.	n.a.	n.a.	153,464	137,023	51,350
43 Multifamily (5 or more) residential properties	n.a.	n.a.	n.a.	10,938	9,253	1,807
44 *Nonfarm nonresidential properties*	n.a.	n.a.	n.a.	109,683	105,290	25,561
45 Loans to depository institutions	50,913	39,911	16,731	23,180	10,428	319
46 To commercial banks in the United States	n.a.	18,647	520	18,128	9,967	n.a.
47 To other depository institutions in the United States	n.a.	1,669	98	1,572	437	n.a.
48 To banks in foreign countries	n.a.	19,595	16,114	3,481	24	n.a.
49 Loans to finance agricultural production and other loans to farmers	32,242	5,259	252	5,007	9,038	17,945
50 Commercial and industrial loans	603,443	425,689	101,620	324,068	141,494	36,230
51 To U.S. addressees (domicile)	n.a.	346,199	23,802	322,398	141,078	n.a.
52 To non-U.S. addressees (domicile)	n.a.	79,489	77,819	1,671	417	n.a.
53 Acceptances of other banks	3,996	1,165	478	687	1,457	1,374
54 U.S. banks	n.a.	608	82	526	n.a.	n.a.
55 Foreign banks	n.a.	557	395	161	n.a.	n.a.
56 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	389,488	159,616	16,097	143,519	190,688	36,184
57 Credit cards and related plans	131,686	49,810	n.a.	n.a.	76,502	2,378
58 Other (includes single payment and installment)	257,802	109,806	n.a.	n.a.	114,186	33,806
59 Obligations (other than securities) of states and political subdivisions in the U.S. (includes nonrated industrial development obligations)	32,911	19,170	276	18,894	12,328	1,413
60 Taxable	1,525	1,097	147	949	377	52
61 Tax-exempt	31,386	18,074	129	17,944	11,951	1,361
62 All other loans	111,228	100,665	42,034	58,630	8,925	1,639
63 Loans to foreign governments and official institutions	n.a.	24,685	23,399	1,286	108	n.a.
64 Other loans	n.a.	75,979	18,635	57,344	8,817	n.a.
65 Loans for purchasing and carrying securities	n.a.	n.a.	n.a.	11,823	1,497	n.a.
66 All other loans	n.a.	n.a.	n.a.	45,521	7,320	n.a.
67 Lease financing receivables	36,978	30,429	3,791	26,638	6,051	499
68 Assets held in trading accounts	53,921	52,228	27,034	25,042	1,501	192
69 Premises and fixed assets (including capitalized leases)	50,961	27,629	n.a.	n.a.	17,160	6,104
70 Other real estate owned	24,187	14,115	n.a.	n.a.	7,834	2,239
71 Investments in unconsolidated subsidiaries and associated companies	2,926	2,499	n.a.	n.a.	375	53
72 Customers' liability on acceptances outstanding	19,147	18,751	n.a.	n.a.	378	18
73 Net due from own foreign offices, Edge and agreement subsidiaries, and IBFs	n.a.	n.a.	n.a.	47,504	n.a.	n.a.
74 Intangible assets	11,088	6,614	n.a.	n.a.	4,068	366
75 Other assets	118,204	86,642	n.a.	n.a.	24,388	6,622

4.20—Continued

Item	Total	Banks with foreign offices			Banks with domestic offices only	
		Total	Foreign	Domestic	Over 100	Under 100
76 **Total liabilities, limited-life preferred stock, and equity capital**	**3,336,907**	**1,866,718**	n.a.	n.a.	**1,100,422**	**364,924**
77 **Total liabilities**[7]	**3,114,627**	**1,760,353**	**425,487**	**1,412,195**	**1,017,891**	**332,009**
78 Limited-life preferred stock	6	0	n.a.	n.a.	4	2
79 Total deposits	2,596,936	1,361,080	305,074	1,056,006	907,293	324,159
80 Individuals, partnerships, and corporations	n.a.	n.a.	182,958	973,152	844,460	298,215
81 U.S. government	n.a.	n.a.	n.a.	4,323	1,827	584
82 States and political subdivisions in the United States	n.a.	n.a.	n.a.	37,743	44,350	21,341
83 Commercial banks in the United States	n.a.	n.a.	n.a.	20,412	7,949	1,182
84 Other depository institutions in the United States	n.a.	n.a.	n.a.	4,957	2,966	960
85 Banks in foreign countries	n.a.	n.a.	n.a.	7,100	126	n.a.
86 Foreign governments and official institutions	n.a.	20,276	19,175	1,100	50	n.a.
87 Certified and official checks	15,622	8,218	999	7,220	5,564	1,831
88 All other[8]			101,942	n.a.	n.a.	47
89 Total transaction accounts				302,380	225,821	81,884
90 Individuals, partnerships, and corporations				255,349	200,681	72,863
91 U.S. government				3,369	1,582	482
92 States and political subdivisions in the United States				9,154	11,030	5,907
93 Commercial banks in the United States				16,404	5,680	589
94 Other depository institutions in the United States				3,628	1,173	198
95 Banks in foreign countries				6,464	103	n.a.
96 Foreign governments and official institutions				792	9	n.a.
97 Certified and official checks				7,220	5,564	1,831
98 All other				n.a.	n.a.	14
99 Demand deposits (included in total transaction accounts)				219,979	131,623	40,505
100 Individuals, partnerships, and corporations				175,624	112,863	35,731
101 U.S. government				3,329	1,554	469
102 States and political subdivisions in the United States				6,576	4,705	1,681
103 Commercial banks in the United States				16,404	5,678	588
104 Other depository institutions in the United States	n.a.	n.a.	n.a.	3,582	1,147	191
105 Banks in foreign countries				6,453	103	n.a.
106 Foreign governments and official institutions				791	9	n.a.
107 Certified and official checks				7,220	5,564	1,831
108 All other				n.a.	n.a.	14
109 Total nontransaction accounts				753,626	681,472	242,275
110 Individuals, partnerships, and corporations				717,803	643,779	225,352
111 U.S. government				953	245	102
112 States and political subdivisions in the United States				28,589	33,320	15,434
113 Commercial banks in the United States				4,008	2,269	593
114 U.S. branches and agencies of foreign banks				299	429	n.a.
115 Other commercial banks in the United States				3,709	1,841	n.a.
116 Other depository institutions in the United States				1,328	1,793	762
117 Banks in foreign countries				636	24	n.a.
118 Foreign branches of other U.S. banks				12	19	n.a.
119 Other banks in foreign countries				623	5	n.a.
120 Foreign governments and official institutions				308	41	n.a.
121 All other				n.a.	n.a.	32
122 Federal funds purchased and securities sold under agreements to repurchase	241,522	175,891	1,239	174,652	62,942	2,689
123 Federal funds purchased	149,291	113,797	n.a.	n.a.	34,464	1,030
124 Securities sold under agreements to repurchase	92,231	62,093	n.a.	n.a.	28,478	1,659
125 Demand notes issued to the U.S. Treasury	n.a.	n.a.	n.a.	16,564	3,984	341
126 Other borrowed money	112,988	87,475	34,072	53,403	24,754	759
127 Banks liability on acceptances executed and outstanding	19,259	18,864	3,599	15,265	378	18
128 Notes and debentures subordinated to deposits	23,924	22,469	n.a.	n.a.	1,346	144
129 Net due to own foreign offices, Edge and agreement subsidiaries, and IBFs	n.a.	n.a.	n.a.	29,825	n.a.	n.a.
130 All other liabilities	99,108	78,010	n.a.	n.a.	17,196	3,899
131 Total equity capital[9]	222,274	106,365	n.a.	n.a.	82,527	32,912
MEMO						
132 Holdings of commercial paper included in total loans, gross		694	309	384	2,800	n.a.
133 Total individual retirement accounts (IRA) and Keogh plan accounts				60,774	57,614	18,529
134 Total brokered deposits				48,835	20,457	812
135 Total brokered retail deposits				26,591	15,682	764
136 Issued in denominations of $100,000 or less				3,371	4,582	546
137 Issued in denominations greater than $100,000 and participated out by the broker in shares of $100,000 or less				23,220	11,100	218
Savings deposits						
138 Money market deposit accounts (MMDAs)				207,754	144,030	36,254
139 Other savings deposits (excluding MMDAs)				93,938	85,232	28,395
140 Total time deposits of less than $100,000				260,371	324	139,847
141 Time certificates of deposit of $100,000 or more	n.a.	n.a.	n.a.	161,414	124,524	36,573
142 Open-account time deposits of $100,000 or more				30,150	3,951	1,205
143 All NOW accounts (including Super NOW)				81,604	92,647	40,175
144 Total time and savings deposits				836,027	775,670	283,654
Quarterly averages						
145 Total loans				967,038	690,872	190,051
146 Obligations (other than securities) of states and political subdivisions in the United States				19,436	12,380	n.a.
147 Transaction accounts in domestic offices (NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)				80,993	92,561	40,844
Nontransaction accounts in domestic offices						
148 Money market deposit accounts (MMDAs)				204,334	140,863	35,718
149 Other savings deposits				90,216	82,663	27,515
150 Time certificates of deposit of $100,000 or more				168,833	125,241	36,163
151 All other time deposits				292,513	328,432	140,560
152 Number of banks	12,224	227	n.a.	n.a.	2,797	9,200

Footnotes appear at the end of table 4.22

4.21 DOMESTIC OFFICES, Insured Commercial Banks with Assets of $100 Million or more or with foreign offices[1,2,6] Consolidated Report of Condition, March 31, 1991

Millions of dollars

	Item	Total	Members			Nonmembers
			Total	National	State	
1	**Total assets**[6]	**2,619,053**	**2,033,164**	**1,633,885**	**399,279**	**585,889**
2	Cash and balances due from depository institutions	149,225	119,657	98,851	20,806	29,568
3	Cash items in process of collection and unposted debits	70,130	61,708	51,491	10,217	8,422
4	Currency and coin	22,312	18,184	15,195	2,989	4,129
5	Balances due from depository institutions in the United States	28,430	17,638	14,715	2,923	10,792
6	Balances due from banks in foreign countries and foreign central banks	5,891	4,606	3,620	986	1,286
7	Balances due from Federal Reserve Banks	22,460	17,522	13,830	3,692	4,938
8	**Total securities, loans and lease financing receivables, (net of unearned income)**	**2,280,294**	**1,753,162**	**1,425,712**	**327,450**	**527,131**
9	Total securities, book value	475,939	352,230	271,753	80,477	123,709
10	U.S. Treasury securities	121,230	81,689	64,794	16,896	39,541
11	U.S. government agency and corporation obligations	231,901	182,260	142,700	39,560	49,641
12	All holdings of U.S. government-issued or guaranteed certificates of participation in pools of residential mortgages	131,472	109,017	86,690	22,326	22,455
13	All other	100,429	73,243	56,009	17,234	27,186
14	Securities issued by states and political subdivisions in the United States	63,383	47,013	35,226	11,787	16,371
15	Other domestic debt securities	49,818	35,642	24,990	10,652	14,176
16	All holdings of private certificates of participation in pools of residential mortgages	2,835	1,885	1,636	250	950
17	All other	46,982	33,757	23,355	10,402	13,225
18	Foreign debt securities	2,204	1,641	893	748	563
19	Equity securities	7,403	3,985	3,150	835	3,418
20	Marketable	3,172	899	669	230	2,273
21	Investments in mutual funds	1,550	612	539	74	938
22	Other	1,920	351	172	180	1,568
23	Less: Net unrealized loss	298	65	42	23	233
24	Other equity securities	4,231	3,086	2,482	605	1,145
25	Federal funds sold and securities purchased under agreements to resell[10]	124,518	98,115	78,133	19,982	26,403
26	Federal funds sold	47,746	30,342	26,595	3,747	17,404
27	Securities purchased under agreements to resell	6,071	3,361	2,497	864	2,709
28	Total loans and lease financing receivables, gross	1,689,165	1,309,590	1,081,377	228,214	379,574
29	Less: Unearned income on loans	9,328	6,773	5,551	1,222	2,555
30	Total loans and leases (net of unearned income)	1,679,836	1,302,817	1,075,825	226,992	377,019
	Total loans, gross, by category					
31	Loans secured by real estate	708,131	531,604	452,322	79,282	176,527
32	Construction and land development	114,927	90,047	74,340	15,707	24,881
33	Farmland	7,871	4,979	4,319	660	2,892
34	1–4 family residential properties	350,169	262,771	225,073	37,698	87,398
35	Revolving, open-end and extended under lines of credit	59,682	46,137	38,733	7,403	13,545
36	All other loans	290,487	216,634	186,340	30,294	73,852
37	Multifamily (5 or more) residential properties	20,191	14,785	12,665	2,120	5,406
38	Nonfarm nonresidential properties	214,973	159,022	135,926	23,097	55,951
39	Loans to commercial banks in the United States	28,095	19,258	14,861	4,398	8,836
40	Loans to other depository institutions in the United States	2,009	1,789	1,743	46	220
41	Loans to banks in foreign countries	3,505	3,434	1,826	1,609	70
42	Loans to finance agricultural production and other loans to farmers	14,045	10,158	9,185	972	3,888
43	Commercial and industrial loans	465,563	380,033	303,695	76,338	85,530
44	To U.S. addressees (domicile)	463,475	378,258	302,363	75,896	85,217
45	To non-U.S. addressees (domicile)	2,088	1,775	1,332	442	313
46	Acceptances of other banks[11]	2,144	1,429	1,148	281	715
47	Of U.S. banks	1,175	886	678	208	289
48	Of foreign banks	205	154	147	6	52
49	Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	334,207	246,043	209,014	37,029	88,164
50	Credit cards and related plans	76,502	43,460	40,882	2,578	33,042
51	Other (includes single payment and installment)	114,186	69,964	59,407	10,556	44,222
52	Loans to foreign governments and official institutions	1,394	1,334	1,045	289	60
53	Obligations (other than securities) of states and political subdivisions in the United States	31,222	25,934	19,542	6,392	5,288
54	Taxable	1,326	1,144	873	271	182
55	Tax-exempt	29,896	24,790	18,669	6,121	5,106
56	Other loans	66,162	60,780	43,876	16,904	5,382
57	Loans for purchasing and carrying securities	13,320	12,111	7,413	4,697	1,210
58	All other loans	52,841	48,670	36,463	12,207	4,172
59	Lease financing receivables	32,689	27,794	23,121	4,673	4,895
60	Customers' liability on acceptances outstanding	15,353	13,967	10,568	3,399	1,386
61	Net due from own foreign offices, Edge and agreement subsidiaries, and IBFs	47,504	42,199	20,623	21,576	5,305
62	Remaining assets	174,182	146,378	98,754	47,624	27,804

4.21—Continued

Item	Total	Members			Nonmembers
		Total	National	State	
63 **Total liabilities and equity capital**	**2,619,053**	**2,033,164**	**1,633,885**	**399,279**	**585,889**
64 **Total liabilities**[4]	**2,430,087**	**1,890,605**	**1,521,138**	**369,467**	**539,481**
65 Total deposits	1,963,299	1,499,660	1,234,221	265,440	463,639
66 Individuals, partnerships, and corporations	1,817,612	1,385,772	1,142,091	243,681	431,840
67 U.S. government	6,150	5,381	4,625	755	769
68 States and political subdivisions in the United States	82,093	60,317	50,071	10,247	21,775
69 Commercial banks in the United States	28,361	25,002	20,086	4,915	3,359
70 Other depository institutions in the United States	7,923	5,842	5,128	714	2,081
71 Banks in foreign countries	7,226	6,508	3,810	2,698	718
72 Foreign governments and official institutions	1,150	1,028	564	464	122
73 Certified and official checks	12,784	9,811	7,846	1,965	2,973
74 Total transaction accounts	528,201	418,816	341,021	77,795	109,386
75 Individuals, partnerships, and corporations	456,030	357,524	292,497	65,026	98,506
76 U.S. government	4,951	4,276	3,669	607	675
77 States and political subdivisions in the United States	20,183	16,081	13,184	2,897	4,103
78 Commercial banks in the United States	22,083	20,264	16,456	3,808	1,819
79 Other depository institutions in the United States	4,801	3,953	3,380	573	849
80 Banks in foreign countries	6,567	6,150	3,665	2,485	417
81 Foreign governments and official institutions	801	758	324	433	44
82 Certified and official checks	12,784	9,811	7,846	1,965	2,973
83 Demand deposits (included in total transaction accounts)	351,602	285,169	228,596	56,573	66,433
84 Individuals, partnerships, and corporations	288,487	230,520	185,610	44,910	57,967
85 U.S. government	4,883	4,232	3,629	603	651
86 States and political subdivisions in the United States	11,282	9,540	7,743	1,797	1,742
87 Commercial banks in the United States	22,081	20,263	16,455	3,808	1,818
88 Other depository institutions in the United States	4,729	3,897	3,324	573	833
89 Banks in foreign countries	6,555	6,148	3,665	2,484	407
90 Foreign governments and official institutions	800	757	324	433	43
91 Certified and official checks	12,784	9,811	7,846	1,965	2,973
92 Total nontransaction accounts	1,435,098	1,080,845	893,200	187,645	354,253
93 Individuals, partnerships, and corporations	1,361,582	1,028,248	849,593	178,655	333,334
94 U.S. government	1,199	1,104	956	148	94
95 States and political subdivisions in the United States	61,909	44,237	36,887	7,350	17,673
96 Commercial banks in the United States	6,277	4,738	3,630	1,108	1,540
97 U.S. branches and agencies of foreign banks	728	201	73	128	527
98 Other commercial banks in the United States	5,549	4,537	3,558	980	1,012
99 Other depository institutions in the United States	3,122	1,890	1,748	141	1,232
100 Banks in foreign countries	659	358	145	213	302
101 Foreign branches of other U.S. banks	31	26	13	13	6
102 Other banks in foreign countries	628	332	132	200	296
103 Foreign governments and official institutions	349	270	240	31	78
104 Federal funds purchased and securities sold under agreements to repurchase[12]	237,593	202,859	145,248	57,612	34,734
105 Federal funds purchased	34,464	24,823	21,357	3,467	9,641
106 Securities sold under agreements to repurchase	28,478	14,388	12,071	2,316	14,090
107 Demand notes issued to the U.S. Treasury	20,549	18,663	13,164	5,498	1,886
108 Other borrowed money	78,156	55,940	43,290	12,651	22,216
109 Banks liability on acceptances executed and outstanding	15,643	14,257	10,827	3,429	1,386
110 Notes and debentures subordinated to deposits	1,346	868	811	58	477
111 Net due to own foreign offices, Edge and agreement subsidiaries, and IBFs	29,825	25,142	23,240	1,902	4,683
112 Remaining liabilities	113,501	98,357	73,577	24,780	15,144
113 **Total equity capital**[9]	**188,966**	**142,559**	**112,747**	**29,812**	**46,407**
MEMO					
114 Holdings of commercial paper included in total loans, gross	3,184	1,399	1,370	29	1,785
115 Total individual retirement accounts (IRA) and Keogh plan accounts	118,388	91,061	75,591	15,470	27,327
116 Total brokered deposits	69,292	51,252	43,876	7,376	18,040
117 Total brokered retail deposits	42,273	29,804	25,634	4,171	12,469
118 Issued in denominations of $100,000 or less	7,953	3,117	2,698	419	4,836
119 Issued in denominations greater than $100,000 and participated out by the broker in shares of $100,000 or less	34,320	26,687	22,936	3,751	7,633
Savings deposits					
120 Money market deposit accounts (MMDAs)	351,785	278,251	230,114	48,136	73,534
121 Other savings accounts	179,170	138,676	103,494	35,182	40,494
122 Total time deposits of less than $100,000	584,106	429,484	365,137	64,347	154,622
123 Time certificates of deposit of $100,000 or more	285,937	206,530	177,431	29,099	79,408
124 Open-account time deposits of $100,000 or more	34,100	27,904	17,023	10,881	6,197
125 All NOW accounts (including Super NOW accounts)	174,251	132,181	111,073	21,108	42,070
126 Total time and savings deposits	1,611,697	1,214,492	1,005,625	208,867	397,205
Quarterly averages					
127 Total loans	1,657,910	1,284,717	1,058,238	226,479	373,192
128 Obligations (other than securities) of states and political subdivisions in the United States	31,816	26,511	19,557	6,954	5,305
129 Transaction accounts (NOW accounts, ATS accounts, and telephone preauthorized transfer accounts)	173,555	131,619	110,670	20,949	41,936
Nontransaction accounts					
130 Money market deposit accounts (MMDAs)	345,197	273,634	225,199	48,434	71,563
131 Other savings deposits	172,879	133,503	99,632	33,871	39,376
132 Time certificates of deposits of $100,000 or more	294,074	213,880	183,611	30,270	80,194
133 All other time deposits	620,944	461,843	386,074	75,769	159,101
134 Number of banks	3,024	1,639	1,378	261	1,385

Footnotes appear at the end of table 4.22

4.22 DOMESTIC OFFICES, Insured Commercial Bank Assets and Liabilities[1,2,6]
Consolidated Report of Condition, March 31, 1991

Millions of dollars

Item	Total	Members			Nonmembers
		Total	National	State	
1 **Total assets**[6]	**2,983,977**	**2,176,907**	**1,747,649**	**429,258**	**807,069**
2 Cash and balances due from depository institutions	171,848	128,849	106,305	22,544	42,998
3 Currency and coin	25,313	19,377	16,154	3,223	5,936
4 Noninterest-bearing balances due from commercial banks	27,472	15,316	12,385	2,930	12,156
5 Other	119,062	94,156	77,765	16,391	24,906
6 **Total securities, loans, and lease financing receivables (net of unearned income)**	**2,610,266**	**1,882,845**	**1,528,126**	**354,719**	**727,421**
7 Total securities, book value	590,616	396,850	308,125	88,726	193,766
8 U.S. Treasury securities and U.S. government agency and corporation obligations	443,100	299,285	236,368	62,918	143,815
9 Securities issued by states and political subdivisions in the United States	79,073	52,699	39,761	12,937	26,375
10 Other debt securities	59,766	40,316	28,386	11,930	19,450
11 All holdings of private certificates of participation in pools of residential mortgages	3,095	2,001	1,712	288	1,095
12 All other	56,836	38,481	26,840	11,642	18,355
13 Equity securities	8,677	4,550	3,610	941	4,127
14 Marketable	4,118	1,229	950	279	2,889
15 Investments in mutual funds	2,419	941	821	120	1,477
16 Other	2,076	379	193	186	1,697
17 Less: Net unrealized loss	377	91	64	27	285
18 Other equity securities	4,558	3,321	2,660	662	1,237
19 Federal funds sold and securities purchased under agreements to resell[10]	148,002	108,619	86,525	22,094	39,383
20 Federal funds sold	70,834	40,634	34,785	5,849	30,201
21 Securities purchased under agreements to resell	6,467	3,574	2,699	874	2,893
22 Total loans and lease financing receivables, gross	1,882,730	1,384,861	1,139,578	245,284	497,869
23 LESS: Unearned income on loans	11,082	7,486	6,102	1,384	3,597
24 Total loans and leases (net of unearned income)	1,871,648	1,377,376	1,133,476	243,900	494,272
Total loans, gross, by category					
25 Loans secured by real estate	806,094	569,207	481,269	87,937	236,887
26 Construction and land development	121,426	92,818	76,355	16,462	28,608
27 Farmland	17,465	8,028	6,775	1,253	9,437
28 1–4 family residential properties	404,671	283,846	241,193	42,653	120,825
29 Revolving, open-end loans, and extended under lines of credit	62,835	47,516	39,736	7,780	15,319
30 All other loans	341,836	236,330	201,457	34,873	105,506
31 Multifamily (5 or more) residential properties	21,998	15,446	13,175	2,271	6,552
32 Nonfarm nonresidential properties	240,534	169,069	143,771	25,298	71,465
33 Loans to depository institutions	33,927	24,654	18,551	6,104	9,273
34 Loans to finance agricultural production and other loans to farmers	31,990	16,327	14,142	2,185	15,663
35 Commercial and industrial loans	501,793	394,972	314,919	80,052	106,821
36 Acceptances of other banks	3,519	2,007	1,659	348	1,512
37 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	370,391	260,575	220,478	40,098	109,816
38 Credit cards and related plans	78,880	44,659	41,974	2,685	34,221
39 Other (includes single payment installment)	147,991	83,297	69,779	13,517	64,695
40 Obligations (other than securities) of states and political subdivisions in the United States	32,635	26,428	19,947	6,481	6,207
41 Taxable	1,378	1,163	889	274	215
42 Tax-exempt	31,257	25,265	19,058	6,207	5,992
43 All other loans	69,194	62,734	45,353	17,381	6,461
44 Lease financing receivables	33,188	27,958	23,260	4,698	5,230
45 Customers' liability on acceptances outstanding	15,371	13,981	10,582	3,400	1,390
46 Net due from own foreign offices, Edge and agreement subsidiaries, and IBFs	47,584	42,279	20,704	21,576	5,305
47 Remaining assets	186,492	151,231	102,636	48,595	35,260
48 **Total liabilities and equity capital**	**2,983,977**	**2,176,907**	**1,747,649**	**429,258**	**807,069**
49 **Total liabilities**[4]	**2,762,096**	**2,021,659**	**1,625,000**	**396,658**	**740,437**
50 Total deposits	2,287,458	1,627,087	1,335,230	291,857	660,372
51 Individuals, partnerships, and corporations	2,115,827	1,503,283	1,235,171	268,112	612,544
52 U.S. government	6,734	5,622	4,826	795	1,112
53 States and political subdivisions in the United States	103,433	68,071	56,441	11,630	35,363
54 Commercial banks in the United States	29,543	25,772	20,544	5,228	3,771
55 Other depository institutions in the United States	8,883	6,183	5,399	785	2,700
56 Certified and official checks	14,615	10,591	8,451	2,140	4,024
57 All other	8,423	7,565	4,398	3,166	858
58 Total transaction accounts	610,085	452,335	368,018	84,317	157,750
59 Individuals, partnerships, and corporations	528,893	387,317	316,564	70,754	141,576
60 U.S. government	5,433	4,484	3,851	633	949
61 States and political subdivisions in the United States	26,090	18,182	14,953	3,229	7,908
62 Commercial banks in the United States	22,672	20,802	16,752	4,050	1,870
63 Other depository institutions in the United States	5,000	4,041	3,452	589	958
64 Certified and official checks	14,615	10,591	8,451	2,140	4,024
65 All other	7,382	6,918	3,995	2,923	464
66 Demand deposits (included in total transaction accounts)	392,107	302,344	242,239	60,104	89,764
67 Individuals, partnerships, and corporations	324,219	245,480	197,591	47,888	78,739
68 U.S. government	5,352	4,438	3,809	629	914
69 States and political subdivisions in the United States	12,962	10,137	8,249	1,888	2,826
70 Commercial banks in the United States	22,670	20,801	16,751	4,050	1,869
71 Other depository institutions in the United States	4,920	3,982	3,393	589	938
72 Certified and official checks	14,615	10,591	8,451	2,140	4,024
73 All other	7,370	6,916	3,995	2,921	454
74 Total nontransaction accounts	1,677,373	1,174,751	967,211	207,540	502,622
75 Individuals, partnerships, and corporations	1,586,934	1,115,966	918,607	197,359	470,968
76 U.S. government	1,301	1,137	975	162	163
77 States and political subdivisions in the United States	77,343	49,889	41,487	8,401	27,455
78 Commercial banks in the United States	6,870	4,970	3,792	1,178	1,900
79 Other depository institutions in the United States	3,884	2,142	1,947	195	1,742
80 All other	1,040	647	403	244	394

4.22—Continued

Item	Total	Members Total	Members National	Members State	Nonmembers
81 Federal funds purchased and securities sold under agreements to repurchase[12]	240,283	204,198	146,199	58,000	36,084
82 Federal funds purchased	35,494	25,416	21,713	3,702	10,078
83 Securities sold under agreements to repurchase	30,137	15,134	12,666	2,468	15,003
84 Demand notes issued to the U.S. Treasury	20,889	18,803	13,279	5,524	2,087
85 Other borrowed money	78,915	56,419	43,710	12,709	22,496
86 Banks liability on acceptances executed and outstanding	15,661	14,271	10,841	3,430	1,390
87 Notes and debentures subordinated to deposits	1,490	930	865	66	560
88 Net due to own foreign offices, Edge and agreement subsidiaries, and IBFs	29,825	25,142	23,240	1,902	4,683
89 Remaining liabilities	117,400	99,951	74,877	25,074	17,450
90 Total equity capital[9]	**221,881**	**155,249**	**122,649**	**32,600**	**66,632**
MEMO					
91 Assets held in trading accounts[13]	26,735	25,386	15,350	10,035	1,350
92 U.S. Treasury securities	11,324	11,004	4,964	6,040	321
93 U.S. government agency corporation obligations	2,852	2,733	2,388	345	119
94 Securities issued by states and political subdivisions in the United States	955	920	696	224	35
95 Other bonds, notes, and debentures	746	626	274	352	120
96 Certificates of deposit	1,324	1,309	536	774	15
97 Commercial paper	90	90	90	0	0
98 Bankers acceptances	3,192	3,027	1,952	1,075	165
99 Other	5,415	5,264	4,097	1,168	151
100 Total individual retirement accounts (IRA) and Keogh plan accounts	136,917	98,112	81,204	16,908	38,805
101 Total brokered deposits	70,104	51,432	43,991	7,441	18,672
102 Total brokered retail deposits	43,038	29,977	25,747	4,230	13,060
103 Issued in denominations of $100,000 or less	8,499	3,248	2,783	465	5,251
104 Issued in denominations greater than $100,000 and participated out by the broker in shares of $100,000 or less	34,539	26,729	22,964	3,765	7,809
Savings deposits					
105 Money market deposit accounts (MMDAs)	388,039	293,822	242,456	51,366	94,216
106 Other savings deposits	207,565	149,867	112,309	37,559	57,698
107 Total time deposits of less than $100,000	723,952	481,416	406,008	75,408	242,537
108 Time certificates of deposit of $100,000 or more	322,511	221,310	189,063	32,246	101,201
109 Open-account time deposits of $100,000 or more	35,306	28,336	17,375	10,961	6,970
110 All NOW accounts (including Super NOW)	214,426	148,150	124,136	24,014	66,276
111 Total time and savings deposits	1,895,351	1,324,743	1,092,990	231,753	570,608
Quarterly averages					
112 Total loans	1,847,960	1,358,776	1,115,585	243,191	489,184
113 Transaction accounts (NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)	214,398	147,753	123,842	23,911	66,645
Nontransaction accounts					
114 Money market deposit accounts (MMDAs)	380,914	289,003	237,401	51,603	91,911
115 Other savings deposits	200,394	144,343	108,163	36,180	56,051
116 Time certificates of deposit of $100,000 or more	330,237	228,487	195,097	33,390	101,750
117 All other time deposits	761,504	514,023	427,197	86,826	247,482
118 Number of banks	12,224	4,953	3,959	994	7,271

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.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, February 4–8, 1991[1]

A. Commercial and Industrial Loans

Characteristic	Amount of loans (thousands of dollars)	Average size (thousands of dollars)	Weighted average maturity[2]	Loan rate (percent)		Loans secured by collateral (percent)	Loans made under commitment (percent)	Participation loans (percent)	Most common base pricing rate[5]
			Days	Weighted average effective[3]	Standard error[4]				
ALL BANKS									
1 Overnight[6]	9,719,619	6,809	*	7.19	.19	9.6	68.1	9.6	Fed funds
2 One month and under (excluding overnight)	8,563,772	846	20	8.06	.18	30.0	87.1	15.1	Other
3 Fixed rate	6,729,844	1,116	20	7.89	.25	27.0	84.6	15.5	Other
4 Floating rate	1,833,933	448	21	8.69	.21	40.7	96.3	13.9	Foreign
5 Over one month and under a year	9,836,975	131	164	9.00	.16	50.4	80.8	11.7	Prime
6 Fixed rate	3,341,492	111	130	8.42	.25	38.6	67.5	13.0	Other
7 Floating rate	6,495,483	145	182	9.29	.19	56.5	87.6	11.0	Prime
8 Demand[7]	16,364,334	240	*	9.03	.16	62.4	74.1	6.9	Prime
9 Fixed rate	2,385,222	690	*	7.84	.25	30.4	86.8	11.5	Other
10 Floating rate	13,979,112	224	*	9.23	.15	67.9	72.0	6.1	Prime
11 **Total short term**	**44,484,699**	**287**	**64**	**8.43**	**.16**	**42.0**	**76.8**	**10.1**	**Prime**
12 Fixed rate (thousands of dollars)	22,176,171	540	29	7.66	.25	21.5	75.0	12.1	Other
13 1–99	477,022	14	128	11.29	.14	72.0	29.4	.7	Prime
14 100–499	483,065	202	120	10.20	.36	66.7	55.5	12.7	Other
15 500–999	429,218	687	54	8.19	.14	38.4	81.2	7.0	Other
16 1000–4999	3,734,091	2,367	39	7.87	.08	33.0	78.8	10.3	Other
17 5000–9999	4,537,908	6,514	38	7.74	.07	22.9	78.2	8.3	Other
18 10000 and over	12,514,867	18,969	17	7.31	.12	13.3	75.0	14.6	Other
19 Floating rate (thousands of dollars)	22,308,528	200	147	9.20	.16	62.3	78.5	8.2	Prime
20 1–99	2,106,094	24	156	10.68	.08	79.9	78.3	3.8	Prime
21 100–499	3,467,629	201	163	10.20	.06	76.4	84.1	6.3	Prime
22 500–999	1,881,575	666	185	9.97	.07	68.4	84.9	9.7	Prime
23 1000–4999	5,394,634	1,984	154	9.51	.15	65.8	87.5	10.3	Prime
24 5000–9999	2,648,576	6,719	158	9.15	.21	46.3	92.2	19.2	Prime
25 10000 and over	6,810,020	21,625	110	7.80	.37	51.5	61.5	4.1	Fed Funds
			Months						
26 **Total long term**	**6,115,322**	**218**	**45**	**9.34**	**.17**	**66.5**	**73.7**	**13.6**	**Prime**
27 Fixed rate (thousands of dollars)	1,335,873	116	40	8.66	.31	47.6	79.1	9.2	Other
28 1–99	187,266	18	28	11.73	.11	84.8	20.9	.1	Other
29 100–499	99,221	182	40	10.32	.23	85.7	47.4	1.5	Other
30 500–999	46,969	676	50	9.49	.49	68.7	52.5	7.0	Other
31 1000 and over	1,002,417	5,074	42	7.88	.38	35.9	94.4	11.8	Other
32 Floating rate (thousands of dollars)	4,779,449	289	46	9.53	.18	71.8	72.1	14.8	Prime
33 1–99	309,852	27	45	11.12	.13	85.4	47.7	1.6	Prime
34 100–499	701,167	213	43	10.33	.09	86.2	55.3	6.0	Prime
35 500–999	417,942	675	53	9.92	.13	73.9	61.8	9.9	Prime
36 1000 and over	3,350,489	3,395	46	9.16	.27	67.2	79.2	18.3	Prime
			Days	Loan rate (percent)					Prime rate[9]
				Effective[3]	Nominal[8]				
LOANS MADE BELOW PRIME[10]									
37 Overnight[6]	9,570,037	9,290	*	7.15	6.90	9.7	68.0	9.7	9.03
38 One month and under (excluding overnight)	7,226,980	2,799	19	7.63	7.37	21.7	87.0	13.2	9.03
39 Over one month and under a year	4,796,629	597	148	7.57	7.33	26.4	83.6	15.2	9.13
40 Demand[7]	6,311,121	2,142	*	7.26	7.09	51.1	57.3	5.8	9.23
41 **Total short term**	**27,904,768**	**1,913**	**40**	**7.37**	**7.14**	**25.0**	**73.2**	**10.7**	**9.10**
42 Fixed rate	20,249,255	2,363	24	7.39	7.15	17.6	76.0	12.2	9.05
43 Floating rate	7,655,513	1,271	123	7.33	7.12	44.7	65.7	6.6	9.21
			Months						
44 **Total long term**	**2,441,163**	**776**	**47**	**7.68**	**7.48**	**41.5**	**78.5**	**9.7**	**9.15**
45 Fixed rate	943,260	617	40	7.66	7.51	31.7	92.1	12.4	9.22
46 Floating rate	1,497,903	926	50	7.70	7.46	47.7	70.0	8.0	9.11

For notes see end of table.

4.23—Continued
A.—Continued

Characteristic	Amount of loans (thousands of dollars)	Average size (thousands of dollars)	Weighted average maturity[2]	Loan rate (percent)		Loans secured by collateral (percent)	Loans made under commitment (percent)	Participation loans (percent)	Most common base pricing rate[5]
			Days	Weighted average effective[3]	Standard error[4]				
LARGE BANKS									
1 Overnight[6]	7,841,126	9,682	*	7.24	.17	9.6	60.6	10.3	Fed Funds
2 One month and under (excluding overnight)	6,568,726	3,489	20	7.96	.14	30.0	85.8	15.0	Other
3 Fixed rate	5,004,424	4,625	20	7.83	.15	27.0	82.0	15.3	Other
4 Floating rate	1,564,301	1,954	21	8.40	.21	40.7	97.6	13.8	Foreign
5 Over one month and under a year	5,367,345	747	146	8.28	.13	50.4	86.6	10.1	Prime
6 Fixed rate	2,195,119	2,373	116	7.85	.15	38.6	78.7	12.5	Other
7 Floating rate	3,172,226	506	167	8.58	.18	56.5	92.1	8.4	Prime
8 Demand[7]	10,426,673	356	*	8.77	.13	62.4	64.6	6.9	Prime
9 Fixed rate	1,499,928	1,217	*	7.70	.21	30.4	81.8	14.6	Other
10 Floating rate	8,926,745	318	*	8.96	.12	67.9	61.7	5.6	Prime
11 **Total short term**	**30,206,869**	**772**	**47**	**8.11**	**.12**	**42.0**	**72.1**	**10.1**	**Other**
12 Fixed rate (thousands of dollars)	16,543,596	4,085	24	7.54	.15	21.5	71.4	12.5	Other
13 1–99	27,532	25	111	10.24	.18	72.0	46.0	1.5	Prime
14 100–499	110,241	224	62	9.04	.24	66.7	72.2	1.7	Other
15 500–999	207,425	666	56	8.39	.16	38.4	77.3	7.9	Other
16 1000–4999	2,713,765	2,400	39	7.90	.10	33.0	75.0	8.6	Other
17 5000–9999	3,331,696	6,570	38	7.80	.15	22.9	74.1	8.2	Other
18 10000 and over	10,152,937	19,452	15	7.32	.15	13.3	69.5	15.2	Prime
19 Floating rate (thousands of dollars)	13,663,272	389	119	8.80	.13	62.3	72.8	7.2	Prime
20 1–99	649,585	26	160	10.24	.07	79.9	73.4	.7	Prime
21 100–499	1,401,232	210	146	10.00	.06	76.4	83.5	3.3	Prime
22 500–999	798,801	675	157	9.75	.09	68.4	87.4	7.4	Prime
23 1000–4999	2,856,275	2,068	114	9.23	.17	65.8	84.3	9.9	Prime
24 5000–9999	1,957,660	6,720	131	9.09	.19	46.3	91.6	15.9	Prime
25 10000 and over	5,999,719	22,950	105	7.95	.31	51.5	56.7	4.6	Fed Funds
			Months						
26 **Total long term**	**4,143,457**	**784**	**47**	**8.94**	**.18**	**66.5**	**77.1**	**9.6**	**Prime**
27 Fixed rate (thousands of dollars)	764,482	1,703	38	7.84	.37	47.6	93.2	11.8	Other
28 1–99	5,628	24	40	10.87	.58	84.8	27.8	.0	Other
29 100–499	18,995	224	48	9.73	.43	85.7	70.4	.0	Other
30 500–999	15,636	678	56	9.05	.46	68.7	88.6	.0	Domestic
31 1000 and over	724,223	7,106	38	7.74	.48	35.9	94.4	12.5	Other
32 Floating rate (thousands of dollars)	3,378,975	698	49	9.18	.15	71.8	73.5	9.1	Prime
33 1–99	75,709	33	39	10.46	.05	85.4	44.5	3.5	Prime
34 100–499	337,404	234	54	9.94	.11	86.2	49.6	7.1	Prime
35 500–999	305,015	689	60	9.88	.12	73.9	57.4	6.6	Prime
36 1000 and over	2,660,847	4,163	48	8.97	.26	67.2	79.2	9.7	Prime
			Days	Loan rate (percent)					Prime rate[9]
				Effective[3]	Nominal[8]				
LOANS MADE BELOW PRIME[10]									
37 Overnight[6]	7,699,584	9,905	*	7.19	6.94	8.1	60.4	10.5	9.04
38 One month and under (excluding overnight)	5,721,803	5,207	20	7.65	7.39	22.9	84.9	13.6	9.04
39 Over one month and under a year	3,596,049	3,872	132	7.44	7.22	25.0	84.6	10.9	9.05
40 Demand[7]	4,546,452	4,439	*	7.17	7.00	57.8	42.2	5.4	9.25
41 **Total short term**	**21,563,888**	**5,632**	**35**	**7.35**	**7.12**	**25.3**	**67.1**	**10.3**	**9.09**
42 Fixed rate	15,536,155	5,910	22	7.39	7.15	15.6	70.7	12.7	9.05
43 Floating rate	6,027,733	5,022	103	7.25	7.04	50.54	57.8	4.2	9.19
			Months						
44 **Total long term**	**1,993,929**	**2,947**	**47**	**7.53**	**7.34**	**39.0**	**81.2**	**10.0**	**9.04**
45 Fixed rate	642,751	4,128	37	7.42	7.33	27.2	95.4	14.1	9.11
46 Floating rate	1,351,178	2,594	51	7.58	7.34	44.6	74.4	8.1	9.01

For notes see end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, February 4–8, 1991[1]—Continued
A. Commercial and Industrial Loans—Continued

Characteristic	Amount of loans (thousands of dollars)	Average size (thousands of dollars)	Weighted average maturity[2]	Loan rate (percent) Weighted average effective[3]	Loan rate (percent) Standard error[4]	Loans secured by collateral (percent)	Loans made under commitment (percent)	Participation loans (percent)	Most common base pricing rate[5]
			Days						
OTHER BANKS									
1 Overnight[6]	1,875,493	3,039	*	6.97	.28	16.3	99.3	6.6	Other
2 One month and under (excluding overnight)	1,995,046	242	19	8.37	.21	32.3	91.3	15.6	Other
3 Fixed rate	1,725,414	349	19	8.05	.28	25.4	91.8	15.8	Other
4 Floating rate	269,632	82	23	10.37	.22	76.6	88.3	14.2	Prime
5 Over one month and under a year	4,469,630	66	186	9.86	.19	62.0	73.8	13.7	Prime
6 Fixed rate	1,146,373	39	157	9.51	.30	57.8	46.1	14.3	Other
7 Floating rate	3,323,257	86	196	9.98	.21	63.5	83.4	13.5	Prime
8 Demand[7]	5,937,661	152	*	9.47	.19	65.9	90.9	6.9	Prime
9 Fixed rate	885,295	398	*	8.09	.32	48.7	95.4	6.3	Other
10 Floating rate	5,052,367	147	*	9.71	.19	69.0	90.2	7.0	Prime
11 **Total short term**	**14,277,830**	**123**	**105**	**9.11**	**.19**	**53.5**	**86.7**	**10.2**	**Prime**
12 Fixed rate (thousands of dollars)	5,632,575	152	45	8.00	.28	32.6	85.6	11.0	Other
13 1–99	449,490	13	128	11.36	.16	73.4	28.4	.7	Prime
14 100–499	372,823	196	133	10.54	.39	73.8	50.6	16.8	Other
15 500–999	221,793	708	52	8.00	.10	43.3	84.8	6.1	Other
16 1000–4999	1,020,326	2,286	38	7.81	.11	46.7	89.0	14.9	Other
17 5000–9999	1,206,212	6,367	40	7.58	.20	32.5	89.5	8.5	Other
18 10000 and over	2,361,930	17,141	22	7.25	.12	11.3	98.5	12.0	Other
19 Floating rate (thousands of dollars)	8,645,255	113	183	9.83	.20	67.1	87.5	9.7	Prime
20 1–99	1,456,509	23	155	10.87	.06	79.5	80.5	5.1	Prime
21 100–499	2,066,397	196	170	10.34	.07	78.7	84.6	8.4	Prime
22 500–999	1,082,774	660	201	10.14	.12	73.4	83.0	11.3	Prime
23 1000–4999	2,538,359	1,897	196	9.84	.15	74.7	91.1	10.7	Prime
24 5000–9999	690,916	6,717	249	9.33	.55	36.7	93.6	28.8	Prime
25 10000 and over	810,301	15,151	160	6.69	.07	8.8	97.2	.0	Fed Funds
			Months						
26 **Total long term**	**1,971,865**	**87**	**40**	**10.18**	**.19**	**79.0**	**66.4**	**22.0**	**Prime**
27 Fixed rate (thousands of dollars)	571,391	52	42	9.75	.35	63.1	60.3	5.8	Other
28 1–99	181,638	17	28	11.76	.12	85.1	20.7	.2	Other
29 100–499	80,226	175	37	10.46	.25	89.6	42.0	2.8	Other
30 500–999	31,332	675	46	9.71	.72	71.8	34.4	10.5	Other
31 1000 and over	278,194	2,909	52	8.24	.35	40.1	94.3	9.9	Other
32 Floating rate (thousands of dollars)	1,400,474	120	39	10.35	.15	85.5	68.9	28.6	Prime
33 1–99	234,143	25	47	11.33	.14	86.0	48.8	.9	Prime
34 100–499	363,763	196	32	10.69	.14	89.9	60.5	6.9	Prime
35 500–999	112,927	639	35	10.03	.22	62.9	73.5	18.9	Prime
36 1000 and over	689,642	1,983	41	9.89	.25	86.6	79.5	51.1	Prime

Characteristic	Amount of loans (thousands of dollars)	Average size (thousands of dollars)	Weighted average maturity[2]	Loan rate (percent) Effective[3]	Loan rate (percent) Nominal[9]	Loans secured by collateral (percent)	Loans made under commitment (percent)	Participation loans (percent)	Prime rate[9]
			Days						
LOANS MADE BELOW PRIME[11]									
37 Overnight[6]	1,870,454	7,397	*	6.96	6.73	16.2	99.3	6.7	9.00
38 One month and under (excluding overnight)	1,505,178	1,015	18	7.56	7.30	17.0	95.2	11.4	9.03
39 Over one month and under a year	1,200,580	169	197	7.95	7.68	30.4	80.5	28.5	9.39
40 Demand[7]	1,764,669	918	*	7.49	7.31	33.8	96.2	6.7	9.16
41 **Total short term**	**6,340,879**	**589**	**58**	**7.44**	**7.21**	**24.0**	**93.9**	**11.9**	**9.13**
42 Fixed rate	4,713,100	793	33	7.37	7.14	24.2	93.6	10.8	9.07
43 Floating rate	1,627,780	338	206	7.63	7.41	23.2	94.9	15.2	9.28
			Months						
44 **Total long term**	**447,234**	**181**	**45**	**8.38**	**8.11**	**52.8**	**66.7**	**8.9**	**9.63**
45 Fixed rate	300,509	219	47	8.17	7.91	41.2	85.0	9.1	9.43
46 Floating rate	146,725	134	41	8.79	8.51	76.4	29.3	8.4	10.03

For notes see end of table.

*Fewer than 10 sample loans.

1. The survey of terms of bank lending to business collects data on gross loan extensions made during the first full business week in the mid-month of each quarter by a sample of 340 commercial banks of all sizes. The sample data are used to estimate the lending terms at all insured commercial banks during that week. The estimated terms of bank lending are not intended for use in collecting the terms of loans extended over the entire quarter or residing in the portfolios of those banks.

As of Sept. 30, 1990, assets of most of the large banks were at least $7.0 billion. For all insured banks total assets averaged $275 million.

2. Average maturities are weighted by loan size and exclude demand loans.

3. Effective (compounded) annual interest rates are calculated from the stated rate and other terms of the loan and weighted by loan size.

4. The chances are about two out of three that the average rate shown would differ by less than this amount from the average rate that would be found by a complete survey of lending at all banks.

5. The most common base rate is that rate used to price the largest dollar volume of loans. Base pricing rates include the prime rate (sometimes referred to as a bank's "basic" or "reference" rate); the federal funds rate; domestic money market rates other than the federal funds rate; foreign money market rates; and other base rates not included in the foregoing classifications.

6. Overnight loans are loans that mature on the following business day.

7. Demand loans have no stated date of maturity.

8. Nominal (not compounded) annual interest rates are calculated from survey data on the stated rate and other terms of the loan and weighted by loan size.

9. The prime rate reported by each bank is weighted by the volume of loans extended and then averaged.

10. The proportion of loans made at rates below prime may vary substantially from the proportion of such loans outstanding in banks' portfolios.

4.31 Pro forma balance sheet for priced services of the Federal Reserve System[1]

Millions of dollars

Item	Mar. 31, 1991		Mar. 30, 1989	
Short-term assets[2]				
Imputed reserve requirement on clearing balances	317.3		204.7	
Investment in marketable securities	2,326.7		1,501.3	
Receivables	59.8		61.9	
Materials and supplies	6.1		6.5	
Prepaid expenses	35.0		28.0	
Items in process of collection	2,864.4		2,872.3	
Total short-term assets		5,609.3		4,674.6
Long-term assets[3]				
Premises	328.0		291.7	
Furniture and equipment	158.6		125.5	
Leases and leasehold improvements	16.9		6.0	
Prepaid pension costs	75.9		55.8	
Total long-term assets		579.4		479.0
Total assets		**6,188.7**		**5,153.6**
Short-term liabilities				
Clearing balances and balances arising from early credit of uncollected items	3,058.6		2,114.3	
Deferred availability items	2,449.7		2,464.0	
Short-term debt	101.0		96.3	
Total short-term liabilities		5,609.3		4,674.6
Long-term liabilities				
Obligations under capital leases	1.2		1.2	
Long-term debt	159.7		134.2	
Total long-term liabilities		160.9		135.4
Total liabilities		**5,770.3**		**4,810.0**
Equity		418.5		343.6
Total liabilities and equity[4]		**6,188.7**		**5,153.6**

1. Details may not sum to totals because of rounding.
2. The imputed reserve requirement on clearing balances and investment in marketable securities reflect the Federal Reserve's treatment of clearing balances maintained on deposit with Reserve Banks by depository institutions. For presentation of the balance sheet and the income statement, clearing balances are reported in a manner comparable to the way correspondent banks report compensating balances held with them by respondent institutions. That is, respondent balances held with a correspondent are subject to a reserve requirement established by the Federal Reserve. This reserve requirement must be satisfied with either vault cash or with nonearning balances maintained at a Reserve Bank. Following this model, clearing balances maintained with Reserve Banks for priced service purposes are subjected to imputed reserve requirements. Therefore, a portion of the clearing balances held with the Federal Reserve is classified on the asset side of the balance sheet as required reserves and is reflected in a manner similar to vault cash and due from bank balances normally shown on a correspondent bank's balance sheet. The remainder of clearing balances is assumed to be available for investment. For these purposes, the Federal Reserve assumes that all such balances are invested in three-month Treasury bills.

The account "items in the process of collection" (CIPC) represents the gross amount of Federal Reserve CIPC as of the balance sheet date, stated on a basis comparable with a commercial bank. Adjustments have been made for intra-System items that would otherwise be double-counted on a consolidated Federal Reserve balance sheet; items associated with nonpriced items, such as items collected for government agencies; and items associated with providing fixed availability or credit prior to receipt and processing of items. The cost base for providing services that must be recovered under the Monetary Control Act includes the cost of float (the difference between the value of gross CIPC and the value of deferred availability items) incurred by the Federal Reserve during the period, valued at the federal funds rate. The amount of float, or net CIPC, represents the portion of gross CIPC that involves a financing cost.

3. Long-term assets on the balance sheet have been allocated to priced services with the direct determination method, which uses the Federal Reserve's Planning and Control System (PACS) to ascertain directly the value of assets used solely in priced services operations and to apportion the value of jointly used assets between priced services and nonpriced services. Also, long-term assets include an estimate of the assets of the Board of Governors directly involved in the development of priced services.

Long-term assets include amounts for capital leases and leasehold improvements and for prepaid pension costs associated with priced services. Effective January 1, 1987, the Federal Reserve Banks implemented Financial Accounting Standards Board Statement No. 87, Employer's Accounting for Pensions.

4. A matched-book capital structure has been used for those assets that are not "self-financing" in determining liability and equity amounts. Short-term assets are financed with short-term debt. Long-term assets are financed with long-term debt and equity in a proportion equal to the ratio of long-term debt to equity for the bank holding companies used in the model for the private sector adjustment factor (PSAF).

4.32 Pro forma income statement for priced services of the Federal Reserve System[1]

Millions of dollars

Item	Quarters ending Mar. 30			
	1991		1990	
Income services provided to depository institutions[2]		181.4		181.9
Production expenses[3]		149.7		145.8
Income from operations		31.6		36.1
Imputed costs[4]				
Interest on float	6.1		8.4	
Interest on debt	4.8		4.2	
Sales taxes	2.3		1.8	
FDIC insurance	2.0	15.2	1.2	15.6
Income from operations after imputed costs		16.4		20.5
Other income and expenses[5]				
Investment income	41.5		37.6	
Earnings credits	35.1	6.4	32.9	4.8
Income before income taxes		22.8		25.2
Imputed income taxes[6]		7.0		7.0
Net income		**15.8**		**18.2**
MEMO				
Targeted return on equity[6]		8.1		8.4

1. The income statement reflects income and expenses for priced services. Included in these amounts are the imputed costs of float, imputed financing costs, and the income related to clearing balances.

Details may not add to totals because of rounding.

2. Income represents charges to depository institutions for priced services. This income is realized through one of two methods: direct charges to an institution's account or charges against accumulated earnings credits. Income includes charges for per-item fees, fixed fees, package fees, explicitly priced float, account maintenance fees, shipping and insurance fees, and surcharges.

3. Production expenses include direct, indirect, and other general administrative expenses of the Federal Reserve Banks for providing priced services. Also included are the expenses of staff members of the Board of Governors working directly on the development of priced services, which amounted to $0.5 million and $0.4 million in the first quarter for 1991 and 1990, respectively.

4. Imputed float costs represent the value of float to be recovered, either explicitly or through per-item fees, during the period. Float costs include those for checks, book-entry securities, noncash collection, ACH, and wire transfers.

The following table depicts the daily average recovery of float by the Federal Reserve Banks for the first quarter of 1991. In the table, unrecovered float includes that generated by services to government agencies or by other central bank services.

Float recovered through income on clearing balances represents increased investable clearing balances as a result of reducing imputed reserve requirements through the use of a deduction for float for cash items in process of collection when calculating the reserve requirement. This income then reduces the float required to be recovered through other means.

As-of adjustments and direct charges refer to midweek closing float and interterritory check float, which may be recovered from depositing institutions through adjustments to the institution's reserve or clearing balance or by valuing the float at the federal funds rate and billing the institution directly.

Float recovered through per-item fees is valued at the federal funds rate and has been added to the cost base subject to recovery in the first quarter of 1991.

Total float	814.5
Unrecovered float	42.5
Float subject to recovery	772.0
Sources of float recovery	
Income on clearing balances	92.5
As of adjustments	399.1
Direct charges	155.9
Per-item fees	124.5

Also included in imputed costs is the interest on debt assumed necessary to finance priced-service assets and the sales taxes and FDIC insurance assessment that the Federal Reserve would have paid had it been a private-sector firm.

Because of a change in the methodology for imputing PSAF costs approved in 1989, FDIC insurance is now calculated on the basis of actual clearing balances and credits that are deferred to depository institutions. Previously, the assessment was calculated on the basis of available funds.

5. Other income and expenses consist of income on clearing balances and the cost of earnings credits granted to depository institutions on their clearing balances. Income on clearing balances represents the average coupon-equivalent yield on three-month Treasury bills applied to the *total* clearing balance maintained, adjusted for the effect of reserve requirements on clearing balances. Expenses for earnings credits are derived by applying the average federal funds rate to the *required* portion of the clearing balances, adjusted for the net effect of reserve requirements on clearing balances.

6. Imputed income taxes are calculated at the effective tax rate derived from a model consisting of the 50 largest bank holding companies. The targeted return on equity represents the after-tax rate of return on equity that the Federal Reserve would have earned had it been a private business firm, based on the bank holding company model.

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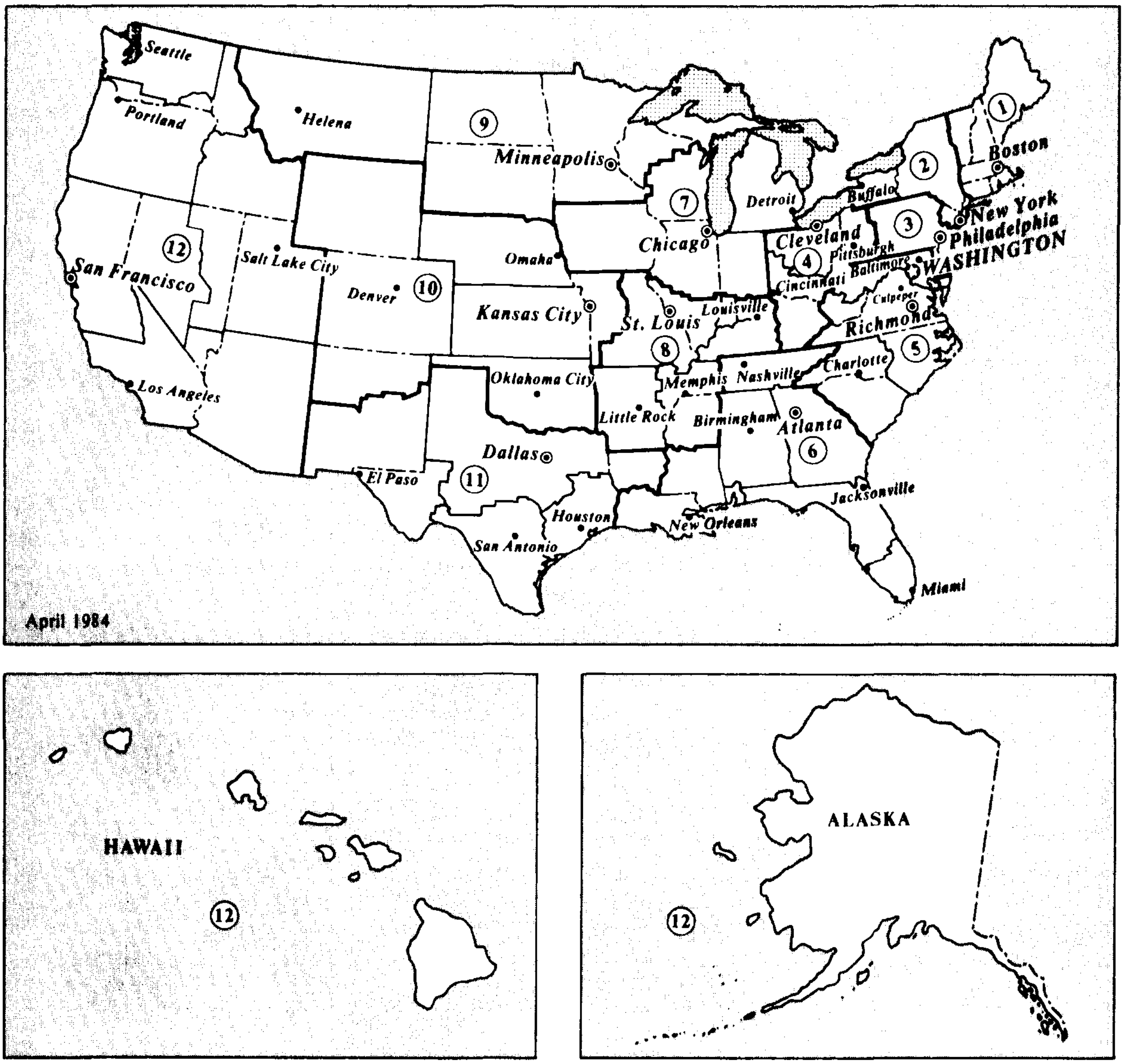

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