VOLUME 78 □ NUMBER 3 □ MARCH 1992

FEDERAL RESERVE BULLETIN

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

The *Federal Reserve Bulletin* is issued monthly under the direction of the staff publications committee. This committee is responsible for opinions expressed except in official statements and signed articles. It is assisted by the Economic Editing Section headed by S. Ellen Dykes, the Graphics Center under the direction of Peter G. Thomas, and Publications Services supervised by Linda C. Kyles.

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Banking Markets and the Use of Financial Services by Households

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When a bank proposes to absorb another bank through merger or acquisition, analysts must determine whether the proposed transaction is likely to reduce the competitiveness of banking services. And whether competition would be diminished depends crucially on the definition of the financial services and geographic area that constitute the "banking market." The current definition assumes that competition occurs only in relatively small geographic areas among financial institutions offering the full range of banking products. Therefore, only local commercial banks (and, when their offerings warrant, local thrift institutions), with their broad range of services, are included in the current definition of a banking market.

The vast majority of banking customers—households and small businesses—historically have relied heavily on local commercial banks for their financial services; hence, the current definition of a banking market has worked well for assessing most dimensions of banking competition, such as deposit taking and the provision of credit to small businesses. Yet, although past evidence supports the current approach to defining banking markets, little recent data has been available regarding the banking practices of small businesses and households. The lack of current data has been troublesome because changes in the financial markets in the 1980s may have altered the banking practices of these customers. Among the key market changes are the authorization of interest-bearing checking accounts at all depository institutions; the introduction of money market deposit accounts; the spread of automated teller machines; legislation in most states permitting the interstate acquisition of banks by bank holding companies; and the growth of large, nationwide issuers of credit cards.

To assess the importance of these changes for the analysis of banking markets, the Board of Governors of the Federal Reserve System surveyed small businesses and consumers to learn more about their use of financial services and financial institutions. The survey results regarding small businesses have already been published.[1] This article examines evidence on banking markets for households based on the 1989 Survey of Consumer Finances. These data permit an investigation of the full range of financial services and institutions used by households and the distances over which these households conduct their financial affairs.

DEFINING BANKING MARKETS

Analyzing proposed bank mergers for their effect on competition and hence for their potential violation of antitrust statutes requires a case-by-case examination of the relevant economic market. To perform the required review, one must identify all firms that significantly affect the price, quantity, and quality of the services produced by the merging parties. Typically this involves specifying both the variety of products (product market) and the geographic extent (geographic market) over which the firms compete. This section briefly examines the

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1. Gregory E. Elliehausen and John D. Wolken, "Banking Markets and the Use of Financial Services by Small and Medium-Sized Businesses," *Federal Reserve Bulletin*, vol. 76 (October 1990), pp. 801–17; and, for more detail, Gregory E. Elliehausen and John D. Wolken, *Banking Markets and the Use of Financial Services by Small and Medium-Sized Businesses*, Staff Studies 160 (Washington: Board of Governors of the Federal Reserve System, 1990). The findings support the current approach to the definition of banking markets for small and medium-sized businesses: Local commercial banks, and sometimes local thrift institutions, provide the core bundle of banking services to these firms; and nondepository institutions usually provide only single, specialized services.

current approach to defining banking markets, reviews arguments concerning changes in the product and geographic dimensions of banking markets, and discusses the information needed to help resolve the issues.

The Current Definition

Until recently, markets for financial services have generally been thought to be local and segmented along institutional lines. This view as applied to banking is based on the Supreme Court's 1963 decision in the Philadelphia National Bank case and has been supported by numerous subsequent empirical studies and several judicial decisions.[2] In the Philadelphia decision, the Court concluded that the product market for antitrust purposes was the entire bundle or "cluster" of financial services offered by commercial banks. The Court said that bank customers cluster their purchases because of a cost advantage or a "settled consumer preference" for joint consumption, and therefore only institutions offering the full cluster of bank services—including demand deposits and commercial loans—belonged in banking markets. In addition, the Court concluded that banking markets were local because the vast majority of commercial bank customers obtained financial services from local banks. This product definition—the bundle of commercial bank services—and geographic market definition—local—is still used today in antitrust analysis in banking, although thrift institutions are now included in banking markets when they provide the same financial services as commercial banks.

More recently, some analysts have questioned whether this thirty-year-old view of banking markets is outdated because of subsequent deregulation, market innovation, and advances in electronic technology. We now examine some of the factors that may justify broadening the product and geographic dimensions of banking markets.

Expanding the Product Market

Among the reasons for expanding the product market is that the distinctions among different types of financial institutions appear to have blurred during the 1980s. For example, commercial banks were the sole source of checking accounts when the Supreme Court made its determination. Today, savings institutions and credit unions also offer checking, and many nondepository institutions offer money market accounts with a limited checking feature.

The erosion of traditional distinctions does not end with checking. During the 1980s, legislation allowed savings institutions to enter the consumer credit market and allowed depository institutions to compete with money market mutual funds by offering money market deposit accounts. In addition, some depository institutions began offering discount brokerage services, while many brokerage companies sought to broker customer funds into depository institutions.

On the other hand, commercial banks and other depository institutions still offer products for which there may be no close substitutes—namely insured checking, savings, and time deposits.[3] If households cluster their financial services at insured depository institutions, or if insured checking, savings, and time deposits are distinct products and have no close substitutes, then the current practice of limiting banking markets to only commercial banks and comparable other depository institutions may be appropriate.

Expanding the Geographic Market

The theoretical basis for defining banking markets over small geographic areas is a consideration of transaction costs. The theory holds that economic markets are likely to be local whenever the transaction costs associated with purchasing or using services produced by distant producers are high in relation to the value of the service. These high transaction costs render the nonlocally produced services imperfect substitutes for locally produced ser-

2. *United States v. Philadelphia National Bank*, 374 U.S. 321 (1963). See John D. Wolken, *Geographic Market Delineation: A Review of the Literature*, Staff Studies 140 (Washington: Board of Governors of the Federal Reserve System, 1984) for a review of the theoretical, legal, and empirical evidence regarding market definition in banking.

3. Money market mutual funds often permit checking, but the accounts are not insured, and typically both the number of checks that can be written per time period and the minimum check amount are restricted.

vices. Two groups of transaction costs important in banking are those for transportation and those for information. Transportation costs vary directly with the number of transactions a buyer has with a financial institution, the need to conduct transactions with the institution in person rather than by telephone or mail, and the distance between the buyer and the financial institution. Information costs include the costs for the buyer to search for information about alternative suppliers and the costs for the supplier to evaluate and monitor the creditworthiness of customers. These costs tend to vary directly with the frequency of search, the distance between seller and consumer, and the degree to which the services supplied are heterogeneous.

Recent developments in financial markets and institutions have almost surely reduced the transaction costs associated with doing business with distant financial institutions. For example, the expansion of ATMs and ATM networks generally increased the number of locations and the hours at which consumers can gain access to their accounts, thereby allowing consumers to conduct some of their banking business away from a branch office and outside regular business hours. Advances in information technology have reduced creditors' costs of credit evaluation, which may allow creditors to serve larger geographic areas. This development has probably facilitated the growth of nationwide issuers of credit cards. The increased availability of credit cards and home equity lines of credit has also reduced consumers' transaction costs for some forms of credit by eliminating the need to apply each time an extension of credit is desired.

The question is whether the level of transaction costs has fallen sufficiently to make locally and nonlocally produced financial services close substitutes. Despite the reduction in transaction costs through electronic technologies, distance-sensitive transaction costs such as those for transportation, information, and search may remain a consideration in choosing financial institutions. If this is still the case, then the geographic extent of banking markets may still be limited for either the cluster or some specific products.

Resolving the Issue

Whether banking markets have changed is ultimately an empirical question. The 1989 Survey of Consumer Finances is particularly well suited to analyzing the geographic and product dimensions of banking markets for households because it provides comprehensive coverage of the sources, locations, and types of services used by households.[4] This article uses the survey to examine several questions on household use of financial services and financial institutions:

- What is the distance between the offices of the firms from which households obtain financial services and the household?
- To what extent do financial institutions other than commercial banks provide financial services to households and is their geographic distribution similar to that of commercial banks?
- What is the geographic area for each of the different types of financial services used by households? For example, do services involving frequent transactions tend to be more geographically concentrated than others?
- Do households tend to purchase their financial services from one institution? Do some households purchase these services from separate institutions? And are the bundled services obtained from the same types of institutions as services purchased separately?

THE SURVEY OF CONSUMER FINANCES

The 1989 Survey of Consumer Finances (SCF), which was sponsored by the Federal Reserve Board and other government agencies, is the most recent in a series of consumer financial surveys conducted since 1947 by the Survey Research Center of the University of Michigan. The 1989 SCF collected a detailed inventory of assets and liabilities from a representative sample of the population of U.S. households.[5] As part of the inventory, the survey

4. In contrast, surveys of suppliers of financial services may fail to uncover all sources used by households, especially if these sources have changed recently; and data on the location of customers may not be readily available to suppliers. For reviews of other approaches to market definition, see Wolken, *Geographic Market Delineation* and Elliehausen and Wolken, *Banking Markets and the Use of Financial Services by Small and Medium-Sized Firms*, Staff Studies 160.

5. See Arthur Kennickell and Janice Shack-Marquez, "Changes in Family Finances from 1983 to 1989: Evidence from the Survey of Consumer Finances," *Federal Reserve Bulletin*, vol. 78 (January 1992), pp. 1–18.

identified the source of each deposit account, money market mutual fund account, mortgage, credit line, and loan. For those sources that are financial institutions, the survey also collected information on the proximity of the institution to home or work, the household's usual methods of conducting business with the institution, the length of relationship with the institution, and the different types of accounts held at the institution. Because the types of accounts held at individual institutions are known, it is possible to identify the cluster of financial services obtained from each supplier. Thus, the 1989 SCF allows, for the first time, an investigation of both the product dimension and the geographic dimension of banking markets.

For this article, the financial institutions are grouped as follows: commercial banks; savings institutions (savings and loan institutions and savings banks); credit unions; finance companies; brokerage and mutual fund companies; and other financial institutions (primarily mortgage banks and insurance companies). The distinction between depository institutions (commercial banks, savings institutions, and credit unions) and nondepository financial institutions is important because depository institutions are the only ones that directly offer federally insured savings and checking accounts. For that reason, statistics are presented separately for depository and nondepository categories. An institution is considered to be local to a household if the institution office that is used most often by the household is located thirty miles or less from the home or from the work place of the persons using the institution.[6] The office used by the household could be a branch of a financial institution whose headquarters are located somewhere else, an ATM, or a mailing address to which loan payments are sent. The office identified is the one associated with the "typical" way the household conducts its business affairs with that institution.

The financial services considered are checking accounts (regular, NOW, and share draft), savings accounts, money market accounts (both money market deposit and money market mutual fund accounts), certificates of deposit, IRAs and Keogh accounts, brokerage accounts, trust services, bank credit cards, mortgages, automobile loans, home equity and other credit lines, and other loans (other consumer installment credit, single-payment loans, and loans from individuals but not charge accounts or service credit).[7]

LOCATION OF FINANCIAL INSTITUTIONS USED BY HOUSEHOLDS

We begin the analysis by assessing the importance to households of the location of financial institutions, in general and by type of institution (tables 1, 2, and 3). The importance of a type of financial institution is measured in a number of ways, including the percentages of households that obtain financial services from local and nonlocal institutions, the average number of institutions used, and the average number of accounts households have at different types of institutions. In addition, we show the type and location of what households consider to be their primary financial institution and their main checking institution—firms that are particularly important for household financial relationships.

Frequency of Use

Commercial banks are the most commonly used type of financial institution, patronized by more than

6. The choice of exactly thirty miles as a boundary is not critical. At a thirty-mile limit, 87.6 percent of the institutions identified are local. At a thirty-five-mile limit, the local percentage rises to 88.2 percent. At a twenty-five-mile limit, the percentage falls to 85.8 percent. Consequently, conclusions regarding nonlocal usage are not sensitive to the thirty-mile boundary.

7. The numbers in this article sometimes differ from those reported in Kennickell and Shack-Marquez, "Changes in Family Finances," because of differences in definitions. In this article, credit cards include only bank cards (Visa, Mastercard, Discover, and Optima, regardless of whether they were issued by a commercial bank or another type of institution); money market accounts include checking money market accounts but not cash call accounts; other loans do not include miscellaneous debt; IRAs and Keogh accounts as used here do not include employer accounts and 401(k) accounts; mortgages in this study include loans on investments in real estate and second houses; and auto loans in this study do not include other money owed on cars that was not reported as a loan.

Also, in the Kennickell and Shack-Marquez article, tabulations indicating household ownership of various assets and liabilities show the percentages of households whose assets or liabilities have a positive dollar value. In this study, accounts are included even if they had zero balances at the time of the interview; accounts with a zero balance are most frequently revolving credit accounts such as bank credit cards and other lines of credit. The existence of an account, even with a zero balance, indicates an ongoing relationship.

1. Percentage of households using local and nonlocal financial institutions, by type of institution[1]

Type of financial institution	Local	Nonlocal	Total
All	**89.5**	**17.8**	**90.3**
Depository	87.8	11.7	88.6
Commercial bank	75.4	6.8	77.6
Savings	37.4	3.5	39.4
Credit union	23.0	4.4	26.5
Nondepository	28.5	17.5	42.8
Finance company	13.3	9.0	21.3
Brokerage firm	10.1	4.6	14.0
Other financial	7.2	10.9	18.1

1. Sum of local and nonlocal exceeds total because some households use both local and nonlocal institutions.
An institution is local if the office or branch used by the household is located thirty miles or less from the household or workplace of the primary user.
Use of a financial institution consists of use of one or more of the following types of accounts: checking (regular, NOW, and share draft), savings, money market deposit, money market mutual fund, certificate of deposit, individual retirement (IRA), Keogh, brokerage, trust, bank credit card, mortgage, motor vehicle loan, home equity or other credit line, and other loan.
Savings institutions consist of savings and loan associations and savings banks. Other nondepository financial institutions include mortgage banks and insurance companies.

three-fourths of all households (table 1). However, other types of depository institutions are also important. About two-fifths of households use savings institutions, and about one-fourth use credit unions. The most frequently used type of nondepository institution is finance companies, used by one-fifth of households.

Overall, nearly every household that uses any financial institution uses a local financial institution, while only one in five uses a nonlocal institution. For depository institutions, households are eight times more likely to use a local institution than a nonlocal institution, but for nondepository institutions, the preference for local offices is only 50 percent greater than it is for nonlocal offices.

Number of Institutions and Accounts

Commercial banks account for nearly half of the 2.72 financial institutions used on average by households (table 2). In contrast, only one in five financial institutions used is a savings institution, and about one in ten financial institutions used is a credit union. Among the nondepository institutions, finance companies are the most commonly used, accounting for about one in ten of all financial institutions used.

Local institutions are the dominant providers of household financial services, accounting for

2. Mean number of local and nonlocal financial institutions used per household, by type of institution[1]

Type of financial institution	Local	Nonlocal	Total	MEMO Percentage of all institutions used
All	**2.29**	**.43**	**2.72**	**100**
Depository	1.93	.16	2.09	76.8
Commercial bank	1.17	.09	1.26	46.3
Savings	.48	.04	.52	19.1
Credit union	.28	.03	.31	11.4
Nondepository	.36	.27	.63	23.2
Finance company	.15	.10	.25	9.2
Brokerage firm	.13	.05	.18	6.6
Other financial	.08	.12	.20	7.4

1. For definitions, see note to table 1.

84 percent (2.29 of 2.72) of all institutions used. Again, the preference for local over nonlocal institutions is far more pronounced for depository institutions than it is for nondepository institutions.

The pattern is similar for the number of accounts by type of institution (table 3). On average, depository institutions provide 83 percent of the accounts used by households (3.92 of 4.73), and the overwhelming majority of these accounts are obtained locally. Commercial banks account for a little more than half of household accounts, and savings institutions and credit unions account for another third. Only 17 percent of household accounts are at nondepository institutions, and these accounts are distributed more nearly equally between local and nonlocal institutions.

In sum, the data on the number of institutions used, the number of accounts, and the frequency of use lead to the conclusion that the financial relationships of households are heavily dominated by local commercial banks. The finding that the importance of local institutions is less for nondepository institutions raises the question of whether nondepository institutions are used differently, perhaps for fewer or different services, than are depository institutions.

Primary Institution and Main Checking Institution

Households were asked to designate a financial institution as their "main" or primary financial institution. Ninety-four percent of all institutions

3. Mean number of accounts used per household at local and nonlocal financial institutions, by type of institution[1]

Type of financial institution	Local	Nonlocal	Total	MEMO Percentage of all accounts used
All	**4.10**	**.63**	**4.73**	**100**
Depository	3.62	.30	3.92	82.9
Commercial bank	2.23	.17	2.40	50.9
Savings	.87	.04	.91	19.2
Credit union	.52	.09	.61	12.9
Nondepository	.48	.33	.81	17.1
Finance company	.17	.12	.29	6.1
Brokerage firm	.22	.08	.30	6.3
Other financial	.09	.13	.22	4.7

1. For definitions, see note to table 1.

4. Distribution of institutions identified by households as their primary financial institution, by type and locality of institution[1]

Percent

Type of financial institution	Local	Nonlocal	Total
All	**95.9**	**4.1**	**100**
Depository	93.7	2.7	96.4
Commercial bank	63.3	1.4	64.7
Savings	21.5	.5	22.0
Credit union	8.9	.8	9.7
Nondepository	2.2	1.4	3.6
Finance company	1.2	.8	2.0
Brokerage	.9	.4	1.3
Other financial	.2	.3	.4

1. For definitions, see note to table 1; 84.7 percent of households designated a primary financial institution.

identified by households as primary were local depository institutions, and 63 percent of primary institutions were local commercial banks. About 4 percent of institutions identified as primary are nonlocal, and about 4 percent are nondepository institutions (table 4).

Checking accounts are the financial service most frequently used by households. Checking accounts are particularly important for defining banking markets because they are one of the unique products provided by commercial banks and other depository institutions. A household's main checking account is defined as the account on which most of the household's checks are written. If transaction costs play a role in the selection of any financial institution, it is most likely to be the one used for the main checking account. About 80 percent of designated primary institutions are also the main checking institution, a fact underscoring the importance of the checking account in household financial relations.

Almost all main checking accounts are at local depository institutions (table 5), with 68 percent at local commercial banks, 21 percent at local savings institutions, and 9 percent at local credit unions. Only 2 percent of main checking institutions are nonlocal, and only 0.5 percent are at nondepository institutions.[8]

The data on the primary institution and the main checking institution suggest that local depository institutions are especially important suppliers of financial services for households. The high percentage of local institutions for the main checking account suggests that transaction costs may indeed make nonlocal institutions imperfect substitutes for local institutions for at least some financial services.

Multiple Product Usage

The average number of accounts used per type of financial institution provides further evidence on the relative importance of the various institutions to households and indicates where households may be bundling or clustering their purchases of financial services. Households on average have about 2.4 accounts at their primary institution and about 2.5 at their main checking institutions, regardless of whether they are commercial banks, savings institutions, or credit unions (table 6). As shown earlier, primary and main checking institutions are usually local depository institutions.

Multiple accounts are less frequent at nondepository institutions than at local depository institutions. Both finance companies and other financial institutions appear to be single-product institutions, each having an average of 1.1 accounts. The only type of nondepository institution that is associated with multiple-account usage is the brokerage company, where the average number of accounts for households using these firms is about 1.7.

In sum, local depository institutions are the principal suppliers of financial services to households,

8. In a small number of cases, a checking account was a money market account obtained from a brokerage or other nondepository institution.

5. Distribution of institutions identified by households as their main checking institution, by type and locality of institution[1]

Percent

Type of financial institution	Local	Nonlocal	Total
All	**98.0**	**2.0**	**100**
Depository	97.8	1.7	99.5
Commercial bank	68.0	1.2	69.2
Savings	21.2	*	21.2
Credit union	8.6	.5	9.1
Nondepository	.3	.2	.5
Finance company	.1	.1	.2
Brokerage	.2	.2	.4
Other financial	*	*	*

1. For definitions, see note to table 1; 81.3 percent of households designated a main checking institution.

*Less than 0.05 percent.

6. Mean number of accounts used by households per financial institution, by type and selected characteristics of institution[1]

Type of financial institution	Local	Non-local	Pri-mary	Non-pri-mary	Main check-ing	Total
All	**2.04**	**1.52**	**2.37**	**1.45**	**2.49**	**1.74**
Depository	2.09	1.65	2.39	1.55	2.49	1.88
Commercial bank	2.15	1.65	2.39	1.53	2.44	1.90
Savings	1.93	1.23	2.23	1.51	2.45	1.77
Credit union	2.12	1.98	2.71	1.67	2.97	2.05
Nondepository	1.55	1.30	1.77	1.25	*	1.46
Finance company	1.12	1.10	1.21	1.15	*	1.11
Brokerage	1.87	1.55	2.77	1.57	*	1.65
Other financial	1.08	1.14	*	1.08	*	1.09

1. For definitions, see note to table 1. Primary institutions and main checking institutions were chosen by respondents.

*Too few observations to provide a reliable estimate.

and a local commercial bank is the single most important financial institution. Local savings institutions and credit unions are also important to many households, and nonlocal and nondepository institutions are also used somewhat. But unlike depository institutions, which are almost always local, nondepository institutions are more equally divided between local and nonlocal. Also, nonlocal and nondepository institutions are almost never the household's primary institution nor its main checking institution.

The data suggest the possibility of clustering—purchasing multiple services—at primary financial institutions; at checking institutions, which are generally local depository institutions; and at brokerage companies. In contrast, nonprimary institutions, finance companies, and other financial institutions are more apt to be single-product institutions.

Geographic Distribution of Specific Financial Services

In this section we investigate whether nondepository institutions are used by households for the same financial services they obtain from depository institutions and whether the geographic distributions of the financial institutions supplying households varies by the type of service supplied.

Local and Nonlocal Service Use

We divide household uses of financial institutions into asset services—such as checking, savings, and brokerage accounts—and credit services—such as mortgages, credit lines, and installment loans.

Asset Services. For each of the asset services, whether measured by frequency of use (table 7) or average number of accounts (table 8), the use of local offices of institutions is much greater than the use of nonlocal offices. Ninety-three percent (2.65 of 2.84) of asset accounts, for example, are at local offices. Checking accounts are almost always obtained from local institutions. Nonlocal offices are used slightly more frequently for liquid asset accounts (savings, certificates of deposit, and money market accounts), but even so, local institutions are used about nine times more often than nonlocal institutions. About six times more households use local offices for IRAs and Keogh accounts than use nonlocal offices, and about four times more households use local offices for brokerage accounts than use nonlocal offices. Trust accounts are obtained relatively most often from nonlocal institutions, but only 3.2 percent of households use trust services.

These product differences in the distribution of local and nonlocal financial institutions are consistent with hypotheses about the incidence of transaction costs associated with particular products—that is, products with more frequent transactions are more likely to be obtained from local institutions than are products with less frequent transactions. These data also suggest that nonlocal suppliers are not particularly good substitutes for most of the asset services covered. This conclusion seems espe-

7. Percentage of households using financial institutions, by type of account and locality of institution

Type of account	Local	Nonlocal	Total
All	**89.5**	**17.8**	**90.3**
Asset	85.4	9.9	86.2
Checking	74.3	2.9	75.6
Other liquid asset	58.4	6.6	61.2
Savings	41.1	3.8	43.4
Money market	20.0	2.3	21.6
Certificate of deposit	18.7	3.2	19.5
IRA or Keogh	20.6	3.2	23.0
Brokerage	6.9	1.9	8.4
Trust	2.0	1.4	3.2
Credit	68.6	15.0	74.9
Bank credit card	51.1	6.1	55.8
Mortgage	30.1	9.0	37.2
Motor vehicle	28.8	5.8	33.8
Home equity or other credit line	9.3	1.4	10.6
Other	12.3	1.7	13.8

1. Checking accounts consist of regular checking, NOW, and share draft accounts and exclude money market accounts; savings accounts consist of passbook, share, and statement savings accounts; money market accounts consist of money market deposit accounts and mutual fund accounts. "Other" credit accounts include personal loans and home improvement loans. For definition of local, see note to table 1.

8. Mean number of accounts per household, by type of account and locality of financial institution[1]

Type of account	Local	Nonlocal	Total
All	**4.26**	**.47**	**4.73**
Asset	2.65	.19	2.84
Checking	1.02	.03	1.05
Other liquid asset	1.19	.08	1.27
Savings	.66	.05	.71
Money market	.27	.03	.30
Certificate of deposit	.26	.01	.27
IRA or Keogh	.34	.04	.38
Brokerage	.08	.02	.10
Trust	.02	.02	.04
Credit	1.61	.28	1.89
Bank credit card	.64	.07	.71
Mortgage	.36	.10	.46
Motor vehicle	.35	.07	.42
Home equity or other credit line	.10	.02	.12
Other	.16	.02	.18

1. See note to table 7.

cially true for institutions supplying checking and savings products.

Credit Services. Overall, nearly three quarters of respondent households have some credit relationship with a financial institution, but households do not depend quite as much on local institutions for credit as they do for asset services. The average number of credit acçounts at financial institutions per household is about 1.9. Bank credit cards, used by 56 percent of households, are the most widely used credit product. About two-fifths of households have a mortgage, a little more than one-third have a vehicle loan, and one in ten have a home equity or other credit line.

Measured by number of accounts, credit lines are the most local credit product, and mortgages are the least local. Still, a little more than three-fourths of mortgages are at local institutions.[9]

These results show a surprisingly large percentage of local suppliers for credit considering the existence of national suppliers and secondary markets for many of these credit products. Apparently, transaction costs are a significant factor for credit products as well as asset products.[10]

Geographic Dispersion of Service Use

Data on the geographic dispersion of the financial institutions supplying households with various services can provide further insights into how large geographic markets might be. Indirectly, these data also suggest the relative importance of transaction costs for different financial services.

The survey evidence indicates that geographic areas for financial services used by households may indeed be small. For all but one service, trust accounts, the median distance to offices of financial institutions is ten miles or less; and, again except

9. These statistics may understate the importance of local offices in mortgage lending. The survey question asked the respondent to identify the institution at which the household had the mortgage. If the household had only a mortgage from this institution, the location reported for the institution was probably the one at which payments were made. The institution servicing the mortgage may be a nonlocal firm that purchased the mortgage from a local originator. Transaction and information costs are perhaps more important for loan origination than for loan servicing. If these costs are higher for nonlocal originators than local originators, then we would expect loan originators to be more locally concentrated than loan servicers.

10. The finding that mortgages are the least local of the credit products is consistent with transaction costs considerations. Mortgages are one of the largest debts held by households. Although search costs increase with distance, expected benefits increase with the size of the debt instrument, so households are likely to search over wider geographic areas for mortgages than for other types of debt. See also Stephen A. Rhoades, *Evidence on the Size of Banking Markets from Mortgage Loan Rates in Twenty Cities*, Staff Studies 162 (Washington: Board of Governors of the Federal Reserve System, 1992).

9. Miles between respondents' home or workplace and their financial institutions, by type of account and selected percentiles of institutions[1]

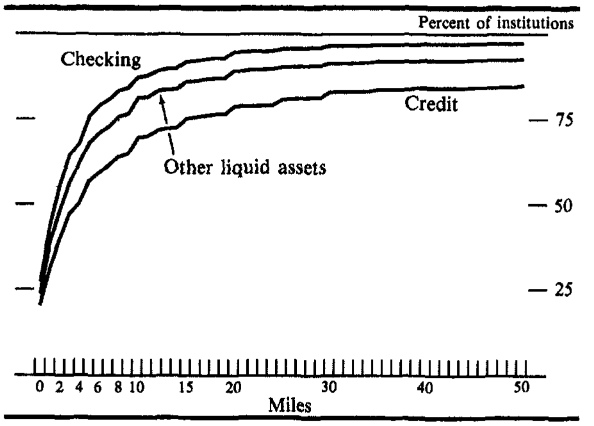
Type of account	Percentile of institutions			MEMO Percentage of households using service
	50th	75th	90th	
Asset	3	11	50	86.3
Checking	2	5	15	75.6
Savings	2	8	20	43.5
Money market	3	10	30	21.6
Certificate of deposit	3	7	16	19.5
IRA or Keogh	4	12	>50	23.0
Brokerage	10	25	>50	8.4
Trust	22	>50		3.2
Credit	4	15	>50	74.9
Bank credit card	2	8	40	55.8
Mortgage	5	30	>50	37.2
Motor vehicle	6	20	>50	33.8
Home equity or other credit line	2	9	>50	10.6
Other	5	12	>50	13.8

1. Respondents were asked to report the miles between the financial institution's office and either their home or workplace, whichever was the lesser distance. They were asked to designate miles as less than one mile, or as the actual number of miles between one and fifty, or as more than fifty miles (shown in table as >50). For definitions of accounts, see note to table 7.

for trust accounts, at least 75 percent of households' financial institutions are thirty miles or less from home or work (table 9). For nine of the twelve financial services, the median distance from the financial institution is five miles or less. These findings suggest that transaction costs may be quite important to the selection of financial institutions.

As expected, the institutions at which households have checking accounts have the smallest geographic distribution: 50 percent of the institutions are two miles or less from home or work, 75 percent are five miles or less, and 90 percent are fifteen miles or less. Institutions used for other liquid asset accounts are only slightly more widely distributed, with 90 percent of institutions used for these accounts being thirty miles or less from home or work. Institutions used for credit products are more widely dispersed than institutions used for checking or other liquid asset accounts, but even most of these institutions are still not very far from home or work—the median distance for most credit products is five or six miles (chart 1). Again, these findings underscore how tightly circumscribed is the geographic market for household financial products.

1. Distribution of financial institutions, by distance from the institution to the customer's residence or workplace, for checking, other liquid asset accounts, and credit[1]



1. See note to table 9. Checking consists of regular checking, NOW, and share draft accounts; other liquid assets consists of savings, money market accounts, and certificates of deposit; credit consists of bank credit card accounts, mortgages, motor vehicle loans, home equity lines of credit, and other credit such as personal loans and home improvement loans.

Types of Financial Institution Used for Specific Products

As shown above, the types and numbers of financial services purchased by households differ by location of financial service supplier and type of product. The analysis in this section examines which products are obtained from specific financial institutions and explores how these products may differ between multiple financial service suppliers and single financial service suppliers. The analysis permits an assessment of which financial services belong in the same market and which ones belong in distinct markets.

Use by Type of Supplier

Tables 10 and 11 show the percentage of households obtaining each financial service and the number of accounts for each service obtained from the various types of financial institutions. The tables also include a column showing the use of nonfinancial sources for each financial service, an aspect not considered above.[11]

11. Nonfinancial sources include individuals, retailers, other nonfinancial businesses, government agencies, and nonprofit organizations.

10. Percentage of households using financial accounts, by type of account and type of source[1]

Type of account	Any source	Financial institution										Nonfinancial source[2]
		All	Depository					Nondepository				
			All	Commercial bank	Savings	Credit union		All	Finance company	Brokerage	Other	
All	**92.4**	**90.3**	**88.6**	**77.6**	**39.4**	**26.5**		**42.8**	**21.3**	**14.0**	**18.1**	**27.9**
Asset	86.3	86.2	86.1	65.9	30.6	22.8		17.3	.3	13.9	4.6	3.8
Checking	75.6	75.6	75.4	55.5	18.3	9.6		.8	.1	.7	0	*
Other liquid asset	61.3	61.2	59.4	34.9	21.4	18.2		6.3	.1	5.6	.7	.9
Savings	43.5	43.4	42.9	21.5	12.0	16.3		.9	.1	.7	.2	.4
Money market	21.8	21.6	17.8	10.7	6.0	2.4		5.2	*	4.8	.5	.4
Certificate of deposit	19.5	19.5	19.0	11.6	8.5	2.0		.9	*	.8	.1	.1
IRA or Keogh	24.2	23.0	15.6	9.4	5.2	2.2		9.8	.1	7.0	3.0	1.9
Brokerage	8.4	8.4	.9	.8	.1	*		7.6	*	7.6	0	*
Trust	4.3	3.2	1.1	.7	.2	.1		2.2	.1	.9	1.4	1.2
Credit	80.0	74.9	68.0	56.6	20.9	13.7		32.8	21.1	1.1	14.8	25.0
Bank credit card	56.5	55.8	54.0	45.5	5.9	6.3		7.9	.2	.8	7.1	1.5
Mortgage	40.8	37.2	26.3	14.1	12.8	1.1		13.3	5.3	.1	8.2	5.8
Motor vehicle	34.9	33.8	21.8	13.7	3.1	6.0		13.7	13.5	*	.1	1.3
Home equity or other credit line	10.8	10.6	8.8	5.6	1.5	1.9		2.1	1.8	.3	0	.3
Other	28.2	13.8	10.4	6.2	2.2	2.6		4.1	4.0	*	.1	18.6

1. For definitions, see notes to tables 1 and 7. For variations between these data and those in Kennickell and Shack-Marquez, "Changes in Family Finances," see text note 7.

2. Includes individuals, retailers, other nonfinancial businesses, government agencies, and nonprofit organizations.

*Less than 0.05 percent.

A little more than one-fourth of all households obtain one or more financial services from a nonfinancial source (table 10). This statistic, however, probably overstates the importance of nonfinancial sources because the financial service obtained from them is almost always credit in the miscellaneous "other loans" category, and generally, the outstanding balance on such loans is small.[12] Besides "other loans," few accounts of any kind are obtained from nonfinancial sources.

Asset Services. Checking and other liquid asset accounts may differ from the other financial services considered in that they are almost always obtained from a depository institution; commercial banks are the most frequently used depository source, but savings institutions and credit unions are also important suppliers. The only liquid asset account for which nondepository institutions are important is money market accounts; nearly one-fourth (0.07 of 0.31) of the accounts are obtained from nondepository sources, which are almost always brokerage companies (table 11).

IRAs and Keogh accounts, brokerage accounts, and trust accounts have relatively large shares of nondepository institution suppliers. Indeed, a nondepository source, brokerage companies, is the second most important source of IRAs and Keogh accounts for households. For brokerage and trust accounts, nondepository sources are more important sources of supply than depository institutions.

Credit Services. Nondepository institutions are significant suppliers of credit services to households: About two-fifths of households have credit relationships at nondepository institutions. Among all financial institutions, commercial banks are the most frequently used institution for every credit product considered, although the relative importance of commercial banks varies by type of credit product. Commercial banks are a source of supply for mortgages about as frequently as savings institutions or nondepository institutions. For vehicle loans, commercial banks and finance companies are used with about the same frequency, and credit

12. As reported in Kennickell and Shack-Marquez, "Changes in Family Finances," p. 15, the median amount of all other loans for those having such loans (the category that most closely corresponds to our "other loan" category) from both nonfinancial and financial services is about $2,000. In comparison, they report, the median amount of household debt for those having any debt is about $15,200.

11. Mean number of financial accounts per household, by type of account and type of source[1]

Type of account	Any source	Financial institution: All	Depository: All	Depository: Commercial bank	Depository: Savings	Depository: Credit union	Nondepository: All	Nondepository: Finance company	Nondepository: Brokerage	Nondepository: Other	Non-financial source
All	**5.12**	**4.73**	**3.92**	**2.40**	**.91**	**.61**	**.81**	**.29**	**.30**	**.22**	**.39**
Asset	2.89	2.84	2.49	1.44	.63	.41	.35	.01	.28	.06	.05
Checking	1.05	1.05	1.04	.72	.21	.11	.01	*	.01	0	*
Other liquid asset	1.29	1.27	1.19	.57	.35	.27	.09	*	.08	.01	.01
Savings	.71	.71	.70	.30	.17	.22	.01	*	.01	*	*
Money market	.31	.30	.24	.14	.07	.03	.07	*	.06	*	.01
Certificate of deposit	.27	.27	.26	.14	.10	.02	.01	*	.01	*	*
IRA or Keogh	.40	.38	.24	.14	.07	.03	.14	*	.10	.04	.02
Brokerage	.10	.10	.01	.01	*	*	.09	*	.09	0	*
Trust	.05	.04	.01	.01	*	*	.02	*	.01	.01	.01
Credit	2.23	1.89	1.43	.96	.28	.19	.46	.28	.01	.16	.34
Bank credit card	.72	.71	.63	.50	.06	.06	.08	*	.01	.07	.02
Mortgage	.52	.46	.31	.15	.15	.01	.15	.06	*	.09	.06
Motor vehicle	.43	.42	.27	.16	.03	.07	.16	.15	*	*	.01
Home equity or other credit line	.12	.12	.10	.06	.02	.02	.02	.02	*	0	*
Other	.43	.18	.13	.07	.03	.03	.05	.05	*	*	.25

1. See notes to table 10.

*Less than 0.005.

unions and savings institutions supply a smaller but significant percentage of households with vehicle loans. Overall, depository institutions are a source of more mortgages and vehicle loans than are nondepository institutions.

Multiple Product Usage Revisited

Earlier, we described data indicating that clustering or multiple product usage, if it occurs, does not occur equally across all institutions. A further analysis of the data, together with the findings above, indicate that multiple product use is concentrated at local depository institutions, particularly at households' main checking and primary institutions; among nondepository institutions, multiple product use is concentrated at brokerage firms.

At the primary, main checking, and other checking institutions, households on average have two to three accounts (memo, table 12). At these institutions, multiple account usage generally includes checking; at least three-fourths of households having accounts at these institutions have checking accounts there. The other product is most often another liquid asset account or a bank credit card. It is important to note again that primary and checking institutions are almost always local depository institutions.

12. Percentage of households using various accounts at an institution, for households that have at least one account at the institution, by type of account and characteristic of institution[1]

Type of account	Primary	Main checking	Checking[2]	Non-primary	Non-checking
All	**100**	**100**	**100**	**100**	**100**
Asset	93.0	100.0	100.0	64.4	57.6
Checking[3]	75.4	91.3	92.9	20.7	.0
Other liquid asset	50.1	48.8	53.4	45.9	45.4
Savings	31.9	30.1	32.4	29.6	31.6
Money market	15.2	16.6	25.4	14.1	9.4
Certificate of deposit	14.8	14.9	16.9	12.9	12.3
IRA or Keogh	9.8	9.7	12.0	22.3	21.4
Brokerage	1.8	.9	2.3	9.8	9.2
Trust	.4	.3	.4	3.9	4.0
Credit	46.7	42.1	47.3	84.8	84.7
Bank credit card	25.6	26.9	31.5	52.9	49.6
Mortgage	12.5	8.9	10.4	39.4	41.0
Motor vehicle	10.4	9.2	10.5	34.9	35.4
Home equity or other credit line	5.9	5.5	6.6	8.1	7.6
Other	4.7	3.6	4.4	13.9	14.3
MEMO					
Mean number of accounts per institution	2.37	2.49	2.40	1.45	1.39

1. See note to table 7. Primary institutions and main checking institutions were chosen by respondents; 84.7 percent of households designated a primary institution, and 81.3 percent designated a main checking institution.
2. Checking institutions are those at which the household had one or more checking accounts or money market accounts with checking.
3. Only 91.3 percent of households with a main checking institution had a checking account at that institution because the remaining 8.7 percent used a money market account at that institution for checking.

Table 12 also shows that when an account is held at a nonprimary or nonchecking institution, it is most likely to be some form of credit. The occurrence of IRAs and Keogh accounts at these institutions is also greater than at primary and checking institutions.

These, together with earlier findings, indicate that nonprimary financial institutions, especially finance companies and other nondepository financial institutions, are likely to be single-product institutions, and credit products such as mortgages and vehicle loans appear to be associated with these single-product financial institutions. The one nonprimary, nondepository institution that is an exception to this conclusion is brokerage companies. Clustering may occur at brokerage companies, and the products involved are IRAs and Keogh accounts, brokerage services, and, less frequently, a money market account.

CONCLUSION

Local depository institutions, especially local commercial banks, are still the main suppliers for most of the financial services used by households. The savings institutions and credit unions used by households are, like their commercial banks, overwhelmingly local. Nondepository institutions used by households are also mostly local, but not to the same extent as are depository institutions.

Commercial banks are the single largest supplier for most of the financial services. Even so, other depository and nondepository institutions are important for some of the financial services considered. Other depository institutions are important suppliers of checking and other liquid asset accounts (savings, certificates of deposit, and money market accounts), as well as some credit, particularly mortgages. Nondepository institutions are relatively more important for credit products.

Households certainly do not purchase all of their services from a single institution. Rather, households seem to bundle some of their purchases at certain institutions (for example, the household's primary institution, the main checking institution, and brokerage companies), and purchase single products from others (for example, nonprimary institutions, finance companies, and other financial institutions such as mortgage and insurance firms). Clustering, or multiple service usage, is most often associated with the checking account, and the institution at which clustering occurs is typically a local depository institution. Credit products such as mortgages and vehicle loans are often purchased separately. The institutions from which credit is obtained are mostly local, but somewhat less locally concentrated than suppliers of asset services. The institutions from which credit products are obtained are frequently nonbank and nondepository institutions.

These findings are directly relevant to the definition of banking markets for households. They are consistent with the view that the markets for many of the financial services used by households are local. This is particularly true of asset services. Somewhat surprisingly, credit products are also decidedly local as well. Moreover, the data indicate that there may be validity to the notion that commercial banks and other depository institutions offer a unique set of services and products that are often purchased as a bundle. This bundle tends to consist of a checking account and another liquid asset account or credit, although other liquid asset accounts and credit are also purchased separately.

The findings also suggest that each credit service used by households may belong to a distinct economic market. The geographic dispersion of suppliers differs across products, and the institutions important to each of the credit products vary.

At least for households, these results support the current definition of banking markets used in antitrust analysis, which consists of local commercial banks and, when they provide services similar to those of commercial banks, other local depository institutions. Limiting the product market to depository institutions, does not, however, require acceptance of the notion that all bank products belong to the cluster. The survey results suggest that checking and other liquid asset accounts (savings, certificates of deposit and money market accounts) are probably a distinct product. These accounts clearly are different from the other financial services used by households both in terms of the location and types of institutions supplying them. Moreover, these accounts are important: They are used by nearly every household. This market may not be the "traditional" product market definition used in banking, but it does indeed appear to be a relevant economic market for antitrust analysis.

APPENDIX: DEFINITIONS AND IMPUTATIONS FOR MISSING DATA

The 1989 Survey of Consumer Finances collected data on specific financial institutions used by households and the households' business relationship with these financial institutions. These data included the type of financial institution and the distance between the household's residence or a household member's place of employment and the most frequently used office or branch of the financial institution. Distance was reported as less than one mile, or as the actual number of miles between one and fifty, or as more than fifty miles.

The identity and location of each financial institution used by the household was not ascertained for all financial institutions. By design, this information was collected for only the first six financial institutions identified by the household. This restriction was necessary to prevent the interview from becoming too burdensome for households with complicated finances, but in practice few households exceeded this limit. Also by design, the identity of the institution was not collected if the household only had a bank credit card from the institution. Finally, location information generally was not collected when respondents did not recall specific institutions until they were asked about specific financial products. For these institutions, however, institution type was collected. As a result of these considerations, location of the office of the financial institution used by the household is missing for about one-third of the household–institution pairs.

When location was missing, it was imputed assuming that the locations of the unknown institutions are distributed identically to the locations of the known institutions of the same class and for the same product. The classes of institutions were commercial banks, savings institutions, credit unions, finance companies, brokerage companies, and other financial institutions. The products were checking, savings, money market accounts, certificates of deposit, IRAs and Keogh accounts, brokerage services, trust services, bank credit cards, mortgages, vehicle loans, home equity or other credit lines, and other loans. Aggregate product or institution categories are derived from the distribution of these values.

As is true for any dataset with missing values, the imputation procedure could affect the final results. The institutions for which location is known are probably the most important financial institutions to the household, since they were reported without the stimulus of other questions. There are proportionately fewer missing values for location for depository institutions than for nondepository institutions. Within nondepository institutions, missing values were most prevalent for other financial institutions. Among the products considered, missing data were most prevalent for bank credit cards. As mentioned, this latter result is partly due to the data collection procedure, since location was obtained only for those credit card suppliers which also supplied other financial products. Even for this category, however, location is known for about half of the institutions identified. When credit cards are omitted in calculating the aggregate credit statistics, about the same proportion of local and nonlocal suppliers are obtained as those reported in the tables.

The failure to ascertain the identity of all institutions also affected the computation of the number of financial institutions per household in table 2 and the number of accounts per financial institution in tables 6 and 12. If a financial service was not obtained from one of the first six institutions, the SCF requested that the respondent identify the type of supplier (for example, commercial bank, credit union, automobile finance company). Fourteen of the thirty-seven types of supplier categories were financial institutions, and each of these fourteen institution types was assumed to be a different institution. This assumption may understate the number of institutions per household and overstate the number of accounts per institution. The error resulting from this assumption, however, is likely to be small. When they were used, most of the institutions not included in the first six, especially nondepository institutions, had only one financial service indicated.

All statistics reported in this article were computed using weights to produce estimates that represent the population of U.S. households. The weights are the same as those used in Kennickell and Shack-Marquez, "Changes in Family Finances."

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STUDY SUMMARY

CLEARANCE AND SETTLEMENT IN U.S. SECURITIES MARKETS

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Prepared as a staff study in fall 1991

Interest in clearance and settlement arrangements in securities markets by the Federal Reserve and other central banks reflects an increasing awareness that disturbances in settlement processes in those markets can adversely affect the stability of payment systems and the integrity of the financial system generally. Such interest had been growing throughout the 1980s and was heightened by the worldwide collapse of equity prices in October 1987. In the United States, for example, many observers, including senior officials of the Federal Reserve, concluded that the potential for a default by a major participant in the settlement systems for equities and equity derivatives had posed the greatest threat to the financial system during that turbulent period. Concerns intensified in early 1990, when orderly liquidation of units of the Drexel Burnham Lambert Group was threatened by difficulties in settling transactions in certain mortgage-backed securities and in foreign exchange that arose when participants lost confidence that the units would fulfill their settlement obligations.

The paper presents an analytical framework for evaluating credit and liquidity risks in securities clearance and settlement arrangements and describes arrangements in place in the United States. (In this context, *securities* refers to a wide range of financial instruments, including securities, securities options, money market instruments, futures, and futures options.) The paper was first prepared for a December 1990 meeting of the Committee on Payment and Settlement Systems of the Central Banks of the Group of Ten Countries, and the framework it presents builds on an analysis of netting and settlement systems by the Committee on Interbank Netting Schemes of that group.

A common analytical framework is applicable to a wide range of markets and instruments for two reasons. First, credit risks in clearance and settlement stem from common factors: (1) changes in asset prices between the time a trade is initiated and the time it is settled and (2) gaps between the timing of final transfers of securities (deliveries) and final transfers of money (payments) on the settlement date. Second, similar arrangements have been designed to reduce credit risks and liquidity risks: multilateral netting systems and delivery-against-payment systems.

These arrangements involve two types of specialized financial intermediaries, collectively termed *clearing organizations*: (1) *clearinghouses*, which perform multilateral netting of purchase and sales contracts and in many cases provide trade comparison services, and (2) *depositories*, which immobilize or dematerialize securities and in many cases integrate a book-entry securities transfer system with a money transfer system. By integrating securities and money transfer systems, a depository can provide strong assurances to participants that final securities transfers (deliveries) will occur if, and only if, final money transfers (payments) occur, that is, it can achieve delivery against payment.

In general, the Committee on Interbank Netting Schemes' central conclusions about the effects of cross-border and multicurrency netting arrangements also apply to securities clearing organizations (and to futures clearing organizations as well). A clearing organization has the potential to substantially reduce counterparty credit and liquidity risks to its participants. However, actual risk reduction depends critically on the clearing organization's financial and operational integrity. Should participant defaults impair—or merely create doubts about—the organization's financial condition, the consequences for the organization's participants, the participants' customers and banks, and the financial and payment system could be severe.

To preserve their financial integrity and to minimize the likelihood of systemic consequences, clearing organizations have instituted risk-management systems. The systems are designed so as to (1) limit losses and liquidity pressures resulting from participant defaults, (2) ensure that settlement will be completed on schedule and any losses can be recovered from the surviving participants, and (3) provide reliable and secure operating systems to support the organization's critical functions.

Securities clearance and settlement arrangements in the United States are noteworthy for the large and growing number of separate clearing organizations serving different market segments. Across product groups, separate clearinghouses and depositories have been created for corporate and municipal securities, U.S. government securities, and mortgage-backed securities. Within product groups, cash, futures, and options transactions typically are cleared by separate clearinghouses.

The specific credit, liquidity, and operational safeguards employed by clearing organizations in the United States vary considerably. The 1987 stock market crash revealed potential problems and areas needing improvement in arrangements for clearance and settlement of equities, futures, and options. Since that time, clearing organizations for equities and equity derivatives have significantly strengthened their risk-management systems. Also since 1987, depositories designed to limit settlement risks have begun to immobilize certain mortgage-backed securities and commercial paper, and a clearinghouse has begun multilateral netting of transactions in U.S. government securities. In addition, market participants have been working on recommendations by the Group of Thirty to shorten the interval between trade and settlement of corporate securities (equities and bonds) from five to three business days and to use same-day rather than next-day funds for settlement payments.

With these improvements in place, further efforts to strengthen U.S. clearance and settlement arrangements have been directed primarily at improving coordination among clearing organizations, especially those that clear interrelated products (notably equities and equity derivatives) for common participants. Lack of coordination among clearing organizations can heighten credit and liquidity risks in at least three ways. First, lack of information about their participants' positions with other clearing organizations may hinder efforts by clearing organizations and other creditors to assess risks accurately. Second, lack of a mechanism for netting obligations across markets may expose individual clearing organizations to substantial risks from positions that would present relatively little risk if all the positions were held with a single clearing organization; clearing organizations attempting to protect themselves may require participants to post more collateral or cash than would otherwise be necessary. Third, liquidity pressures on participants in many cases are exacerbated by differences in settlement cycles or in the timing of daily settlements.

Participants tend to rely extensively on bank credit to fund their settlement obligations to the various clearing organizations, especially when markets are turbulent. Consequently, monitoring and control of credit risks by commercial banks may, to some degree, be a reasonable substitute for greater consolidation of or coordination among U.S. clearing organizations. However, the heightened demand for bank credit resulting from the fragmented clearing system increases the need to address two issues that to date have received scant attention: (1) the adequacy of available credit to support participants' settlement obligations and (2) the adequacy of banks' measures to monitor and control the credit and liquidity risks, especially intraday risks, created by the need to extend such credit.

The perception that fragmentation of the U.S. clearing system has exacerbated credit and liquidity risks led the Congress to pass legislation calling for establishment of "linked or coordinated facilities" for settling securities and derivative products. Currently there appear to be significant obstacles to consolidation of existing U.S. clearing organizations. Instead, clearing organizations, with the support and encouragement of regulators, have focused on incremental actions to improve coordination and create linkages that may achieve many of the potential benefits of consolidation. Clearing organizations have concluded several agreements to share information about common participants and have made some progress on synchronizing daily settlements. Clearinghouses in the futures and options markets have developed so-called "cross-margining" agreements intended to reduce credit and liquidity risks on intermarket positions, in one case through obligation netting and in other cases through shared control of positions and collateral. In the securities markets, each clearinghouse for corporate and municipal securities has established a payment netting scheme with its associated depository, and several organizations are discussing ways to share (and thereby reduce the need for) collateral.

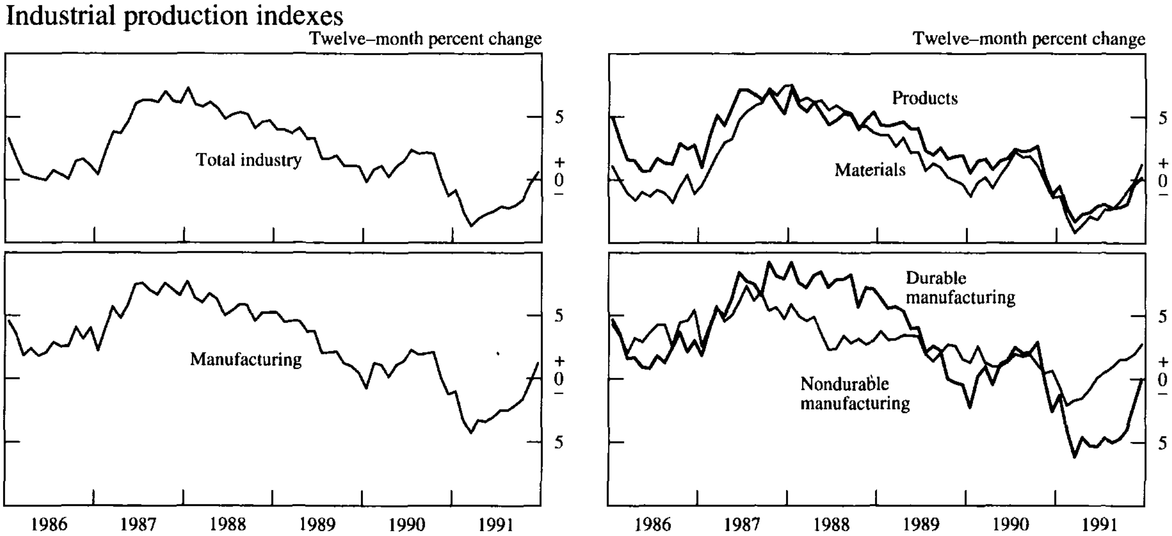
In light of the growing recognition that disturbances in securities settlement systems can destabilize payment systems and financial markets, the Federal Reserve has in recent years taken a more active role in both the oversight of settlement arrangements and the provision of payment services to clearing organizations. For example, in June 1989 the Federal Reserve issued a policy statement on private delivery-against-payment systems that applies to all large-scale private book-entry systems that settle directly or indirectly over Fedwire. The policy addresses the credit, liquidity, and operational safeguards such systems must implement to ensure that settlement is timely and that participants do not face excessive intraday risks. All the clearing organizations that have been formed in recent years settle over Fedwire, either directly, or indirectly through the accounts of their settlement banks.

Industrial Production and Capacity Utilization

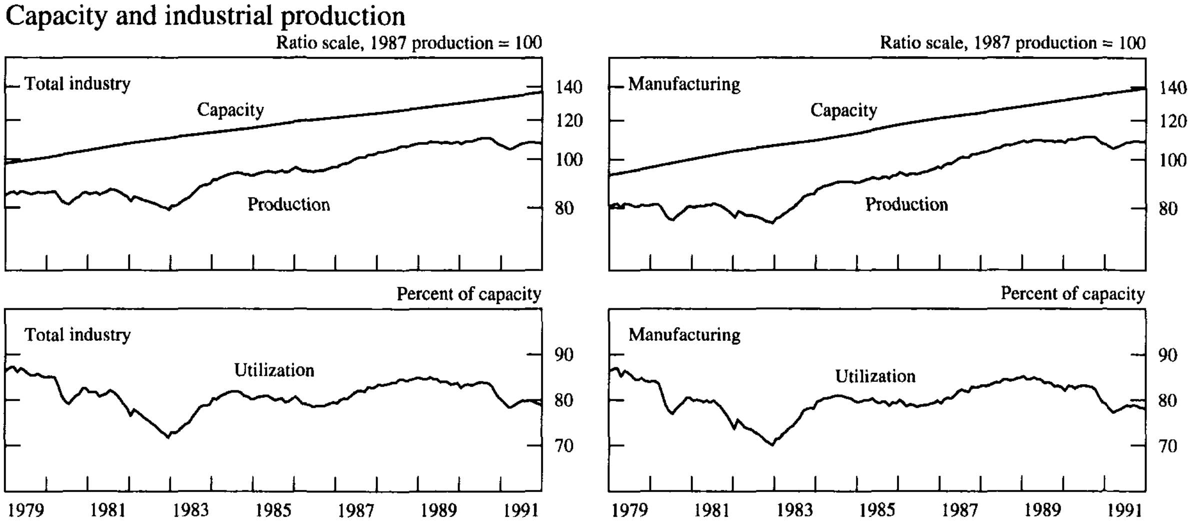
Released for publication January 17

The index of industrial production decreased 0.2 percent in December, after having declined 0.2 percent in November and 0.1 percent in October. In December, the output of utilities fell sharply because of warmer-than-usual weather, while the production of motor vehicles and parts dropped about 1 percent further. Elsewhere, production rose a bit, led by gains in nonenergy materials and construction supplies. At 107.8 percent of its 1987 annual average, total industrial production in December was 0.6 percent above its year-ago level. For the fourth quarter as a whole, the level of total output was little changed from that of the third quarter. Total industrial capacity utilization

Industrial production indexes



Capacity and industrial production



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

Industrial production and capacity utilization

Category	Industrial production, index, 1987 = 100[1]								
	1991				Percentage change				
					1991[2]				Dec. 1990 to Dec. 1991
	Sept.r	Oct.r	Nov.p	Dec.p	Sept.r	Oct.r	Nov.p	Dec.p	
Total	**108.4**	**108.2**	**108.0**	**107.8**	**.4**	**–.1**	**–.2**	**–.2**	**.6**
Previous estimate	108.2	108.2	107.8	. . .	.2	.0	–.4	. . .	. . .
Major market groups									
Products, total	108.9	108.9	108.8	108.6	.4	–.1	.0	–.3	.2
Consumer goods	109.4	109.7	109.8	109.4	.9	.3	.1	–.4	3.5
Business equipment	122.2	122.2	121.8	121.8	.7	.0	–.4	.0	.5
Construction supplies	96.5	94.9	95.4	95.8	–.2	–1.7	.5	.4	–5.1
Materials	107.5	107.3	106.6	106.6	.3	–.2	–.6	.0	1.2
Major industry groups									
Manufacturing	108.9	108.9	108.6	108.7	.5	.0	–.3	.1	1.2
Durable	108.4	108.1	107.7	107.5	.5	–.3	–.4	–.2	.0
Nondurable	109.6	110.0	109.8	110.3	.5	.4	–.2	.4	2.7
Mining	101.4	100.6	99.2	98.9	.0	–.7	–1.4	–.3	–4.3
Utilities	109.7	108.6	110.0	106.7	–.9	–1.0	1.3	–3.0	–1.9

Category	Capacity utilization, percent								MEMO Capacity, percentage change, Dec. 1990 to Dec. 1991
	Average, 1967–90	Low, 1982	High, 1988–89	1990	1991				
				Dec.	Sept.r	Oct.r	Nov.r	Dec.p	
Total	**82.2**	**71.8**	**85.0**	**80.6**	**79.9**	**79.6**	**79.3**	**79.0**	**2.6**
Manufacturing	81.5	70.0	85.1	79.4	78.8	78.6	78.2	78.1	2.9
Advanced processing	81.1	71.4	83.6	78.5	77.7	77.6	77.2	77.0	3.2
Primary processing	82.4	66.8	89.0	81.5	81.3	81.2	80.7	80.9	2.1
Mining	87.4	80.6	87.2	90.8	88.5	87.8	86.5	86.2	.8
Utilities	86.8	76.2	92.3	85.1	85.1	84.1	85.2	82.5	1.1

1. Seasonally adjusted.
2. Change from preceding month to month indicated.

r Revised.
p Preliminary.

decreased 0.3 percentage point in December to 79.0 percent.

When analyzed by market group, the data show that the production of consumer goods fell 0.4 percent, reflecting sharp declines in utility output for residential use and motor vehicles. Among other consumer goods, the production of goods for the home, such as appliances, fell last month, but the output of many nondurables posted small increases. Despite the ongoing strike in the construction and mining machinery industry that began in November, the production of business equipment excluding autos and trucks was about unchanged again in December, particularly because of increases in computers and other information-processing equipment. Among materials, the production of nondurables, which fell more than 1 percent in November, rebounded last month, mainly because of swings in the output of paper; the production of both chemicals and textiles also moved up in December after small declines in the previous month. The output of durable materials rose slightly as most major industries posted small increases. The gains in the production of durable and nondurable materials were nearly offset by the sharp weather-related drop in electricity generation.

When analyzed by industry group, the data show that manufacturing production edged up in December, leaving capacity utilization at factories nearly unchanged at 78.1 percent. Operating rates for primary-processing industries rose 0.2 percentage point, but those for advanced-processing industries fell 0.2 percentage point. The utilization rate for advanced-processing industries has fallen back in the past few months to a level only slightly above its March low, mainly because of reduced output of motor vehicles and nonelectrical machinery. The operating rate for primary-processing industries, which increased a bit in August and September, has slipped back slightly since then. Its dip in November and partial rebound in December mainly resulted from movements in paper output. Elsewhere in primary processing, the utilization rate for steel edged down in December but remained well above its summer level.

Output at utilities fell sharply as warmer-than-usual weather reduced the demand for electricity and gas. Mining output declined slightly as oil and gas extraction activity slowed further.

Statements to the Congress

Statement by John P. LaWare, Member, Board of Governors of the Federal Reserve System, before the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, January 3, 1992

I am pleased to be here today to discuss, as the committee requested, the current policies governing examination and supervision of institutions under the Federal Reserve's supervisory jurisdiction. It is clear that the committee is most concerned with initiatives that the Federal Reserve and other supervisory agencies have taken in response to ongoing concerns regarding credit availability, and that is where I will focus my discussion. In the process, I intend to indicate how the National Examiners' Conference, held in Baltimore on December 16 and 17, furthered the objectives sought in introducing these initiatives.

Chairman Greenspan, in his appearance before the House Ways and Means Committee on December 18, stated that the upturn in U.S. business activity that began earlier in 1991 has faltered. On that occasion, as well as on earlier ones, he noted that the forces responsible for this development appear, to a considerable extent, to be working through the financial sector, in good part representing a reaction to excesses of the last decade.

In the 1980s, a series of factors combined to promote a boom in the real estate sector, particularly the commercial sector. The boom was sparked by the combination of a shortage of commercial space at the start of the decade, by changes in the tax laws that provided added incentives for investing in real estate, and by long-standing, widely held expectations that real estate prices would continue to rise over the indefinite future as they generally had in the post–World War II period. Further impetus was provided by appraisers who, influenced by the speculative atmosphere, based their assessments on overly optimistic assumptions about future demands for real estate and the ability of properties to generate sufficient cash flow to service the debt obligations financing them.

Depository institutions also played an important role in the process. Facing intense competition in their operations, all too many institutions decided to lower their standards for real estate lending to earn attractive fees and high interest returns.

The results of this excessive optimism and failure to adhere to time-tested lending standards are plainly visible. There is a widespread overcapacity in our commercial real estate markets. And reflecting this condition, our financial institutions have suffered and, in some cases, continue to suffer heavy losses on their real estate loans.

Asset quality problems, moreover, have not been confined to the real estate sector. A large number of businesses, particularly those that chose to substitute debt for equity, have been encountering difficulties in meeting their debt-servicing obligations. And all too many households, encouraged by the availability of ready credit during the 1980s, became overextended and subsequently have proved unable to meet their debt obligations. The net result of these developments has been that some of our financial institutions have been under considerable strain. Mounting losses in their loan portfolios have weakened their capital positions.

Against this background, it is not surprising that depository institutions—both those that are experiencing problems and others that are intent upon avoiding such problems—decided to become more conservative in setting the terms on which they are prepared to lend and in establishing standards that borrowers must meet to obtain new credit or to renew outstanding loans. Given the relatively easy practices and standards in the 1980s, a shift in the direction of more conservative lending was unquestionably an appropriate development. Unfortunately, however, the process has, in some cases, gone too far and in the course of correcting past mistakes produced a counterproductive result. What has happened is that some creditworthy borrowers have been finding it difficult, if not impossible, to obtain adequate credit accommodation. Consequently a drag has been placed on the upturn in economic activity.

In the context of these developments, the Federal Reserve has over the past year and a half or so taken several steps to reduce interest rates and encourage a general easing in credit markets. Last month's cut of a full percentage point in the discount rate, to 3½ percent, which was accompanied by a further reduction of the federal funds rate, is the latest and perhaps most dramatic of this series of actions.

The Federal Reserve together with other supervisors of depository institutions has also been working to ensure that our supervisory policies and examiner practices are not encouraging overly cautious lending policies at depository institutions. To that end, the Federal Reserve and other supervisory agencies have introduced a series of initiatives designed to clarify long-standing policies and to make sure that examiners and depository institutions are fully informed of our policies. In starting a review of these initiatives, it is important that I emphasize that we have endeavored to make sure that the guidance issued and the policies adopted are fully consistent with prudent credit standards and do not represent a weakening of, or a departure from, past policies and practices. The objective has been to see that these policies are articulated clearly and understood by examiners and the management of institutions they supervise. It has been our hope and expectation that these efforts will work to ensure that examiners utilize prudent and balanced practices and procedures in their activities and that institutions are not deterred in making new loans or renewing existing loans to creditworthy borrowers because of unwarranted concerns about possible examiner criticism.

A brief recounting of the major initiatives that have been taken will help to illustrate this most critical element that is common to all. The joint policy statement adopted by the four depository institution regulatory agencies on March 1 of last year was structured to provide clarification of long-standing agency policies regarding general lending practices as well as the evaluation of real estate collateral. The guidance reiterated the principle that it is altogether appropriate for banks, even those in the process of strengthening their financial profiles, to meet the legitimate credit needs of creditworthy customers, provided that that is done on a prudent basis. To that end, the guidance indicated that it was appropriate for banks to work with troubled borrowers consistent with safe and sound lending practices. It also made clear that even banks not meeting the minimum capital standards need not stop making sound loans, provided that they have reasonable and effective plans in place to expeditiously restore their capital to adequate levels. The statement also directed that examiners, in evaluating real estate loans, should base their valuation of collateral supporting such loans not solely on the current liquidation value of the property but should also take into account its stabilized cash flow and income-producing capacity.

The March 1 policy statement also addressed other topics involving loans to borrowers experiencing financial difficulties, such as issues relating to nonaccrual assets and restructured loans and the disclosure of the cash flow provided by nonaccrual assets. In addressing these topics, the agencies sought to set forth guidance that was both prudent from a supervisory perspective *and* consistent with generally accepted accounting principles.

The Federal Reserve, as well as the other supervisory agencies, went to considerable lengths to ensure that these guidelines were provided to, and understood by, all our examiners. Officials of each agency held meetings with their examiners to discuss the guidance and answer questions. Officers and managers were also instructed to use all other opportunities to communicate with examiners and ensure their full understanding of the policies. In early summer, the Federal Reserve issued a supplemental statement that reemphasized the points made in the March statement concerning the importance of banks refinancing and renewing loans to sound borrowers, provided that there was good reason to believe that the borrower would be able to service his debt.

Despite our efforts, which were paralleled by those of the other agencies, by early fall of this year, reports were still coming to officials in the administration, members of the Congress, and senior agency officials that some lenders were apparently continuing to adhere to overly restrictive lending policies. These reports also continued to suggest that, in part, banks were following these policies because of concerns that examiners would judge their lending activities on a highly restrictive basis. Accordingly, it was decided that further initiatives should be taken to clarify policies and to inform both examiners and banks of these policies.

Guidance has subsequently been issued that expands on agency policies concerned with reviewing and classifying commercial real estate loans. This guidance, once again, emphasized that examiners should consider factors other than a property's current liquidation price when assessing its value as collateral. It was also stressed that real estate loans on which a borrower has performed in accordance with contract terms should not be criticized or charged off by examiners simply because the current value of the underlying real estate collateral has declined to an amount less than the current loan balance. Instead, the guidance instructed that a decision to charge off a loan should be made only when repayment of the loan is in question because of a well-defined weakness in the borrower's ability to continue to service the loan.

The Federal Reserve has also issued guidance for resolving differences between banks and examiners that can arise during an examination. This guidance, which builds on long-standing Federal Reserve practices, indicates that if bankers believe that examiners have failed to adhere to the letter or spirit of agency policies, they may, if they are unsuccessful in resolving the matter with an examiner, ask for a review by senior Federal Reserve Bank officials. As a further step, we have also made special review procedures to assure that examiners understand our policies and that they have complied with these policies in examining the bank. The purpose of this effort is not only to help ensure that examiners carry out their duties in full conformance with our policies but also to reassure supervised institutions of that fact.

In yet another effort to promote banker awareness of our policies, officials of the regulatory agencies have been holding meetings with senior management of major institutions around the country. These meetings provide an opportunity to explain policy initiatives and to obtain ideas and suggestions from bankers as to what might be prudently done to alleviate credit crunch conditions. Senior agency officials have also participated in several regional meetings, sometimes referred to as "town meetings," involving bankers, businessmen, and members of the Congress. During these meetings, we have listened to the views of bankers and borrowers regarding credit availability issues and concerns and have explained the rationale for and context of our supervisory policies.

The National Examiners' Conference, recently held in Baltimore, also sought to foster achievement of the same basic objectives just described. In particular, the purpose of the conference was to make sure that senior examiners and their supervisors fully understand the substance and purpose of recent agency initiatives. The conference offered participants the opportunity to raise questions about the various provisions of guidance that have been issued and provided a forum for identifying and reconciling differences of views and interpretations that may have existed between examiners and their supervisors and among examiners from the various agencies.

The conference was organized so that general sessions were concluded on the first day and a portion of the second, which provided an overview of the policy statements and other guidance that has been issued by the agencies. The first two hours of the general sessions for the first day were open to the public. On the second day, the conference mainly consisted of breakout sessions that addressed detailed aspects of the guidance provided by the agencies and questions that examiners might have on the application of this guidance.

Discussion at the breakout sessions proved to be free flowing, and I believe it accurate to say that participants left the conference with a clearer and more uniform understanding of agency policies and of procedures and practices that are required to implement these policies.

In conclusion, I would simply stress that the principal message that we have tried to convey to our examiners, in our various policy statements and at our conference in Baltimore, is that they should exercise reasonable balance in their decisions. The current environment is rather hostile for certain bank customers, and obviously many banks and thrift institutions have suffered and failed at great cost to their insurance funds and the public in general. That situation should not be overlooked, and the likelihood of future problems should not be downplayed.

On the other hand, examiners should not assume routinely that current adverse conditions will continue to prevail forever or that weak or illiquid markets will remain that way indefinitely. Proper balance—that is the message that we have tried to convey to both bank examiners and to bankers in an effort to reduce impediments to lending to sound borrowers while holding true to the principles of sound supervision. □

Statement by Alan Greenspan, Chairman, Board of Governors of the Federal Reserve System, before a joint meeting of the Committee on Banking, Housing, and Urban Affairs and the Committee on the Budget, U.S. Senate, January 10, 1992

I am pleased to appear today at this special joint session of the Banking and Budget committees. I hope that I shall be able to contribute something to your effort to analyze the forces affecting the economy. This analytical process is critical to formulation of sound public policy.

The upturn in economic activity that began last year clearly has faltered. It is apparent that the economy is struggling and that some strong forces have been working against cyclical revival. Now that we are well past the period of gyrations associated with the crisis in the Persian Gulf, we can better gauge the strength of the underlying disinflationary forces that were active well before the economy tilted into recession in the autumn of 1990.

During the 1980s, large stocks of physical assets were amassed in several sectors, largely financed by huge increases in indebtedness. In the business sector, the most obvious example is that of commercial real estate, with the accumulation of vast amounts of office and other commercial space—space that is beyond the plausible needs in most locales well into the future. Our financial intermediaries, not just depository institutions but other lenders as well, lavished credit upon developers, and those lenders are paying the price today in the form of loan losses and impaired capital positions, with adverse effects on their willingness to extend credit. The 1980s were also characterized by a wave of mergers and buyouts—purchases of corporate assets, often involving substitution of debt for equity while anticipating the sale of assets at higher prices. I need not recount for you the subsequent disappointments and the fallout for holders of many below-investment-grade bonds and related loans.

In the household sector, purchases of motor vehicles and other consumer durables ran at remarkably high levels for several years and were often paid for with installment or other debt that carried longer maturities than had been the norm. In some parts of the United States, the household spending boom reached to the purchase of homes, not simply for essential shelter but as speculative investments—often involving borrowing that constituted a heavy call on current and expected family incomes. The aftermath of all this activity is a considerable degree of financial stress in the household sector.

The bottom line of this brief account is that the national balance sheet has been severely stretched. The buildup of debt was originally largely collateralized or matched by rising asset values. But because of the recent weakness of property values, the debts have become more troubling, depressing aggregate economic demand.

Although most analysts were, of course, aware of the increasingly disturbing trends of rising household debt and elevated corporate leverage, it was not clear that these burdens had as yet reached a magnitude that would restrain the

American economy from a moderate cyclical recovery in 1991.

Indeed, as inventory liquidation abated at midyear, output moved up and closed the gap with the consumption of goods and services in much the same manner that was evident in the early stages of other recoveries in recent business cycles. A range of leading indicators was still flashing positive signals on the economy's prospects.

By late summer, however, with half the decline in output during the recession recovered, it became clear that the cumulative upward momentum that characterized previous recoveries was spent. The continued, strong propensity of households to pare debt and of businesses to reduce leverage was a signal that the balance sheet restraints, a concern of many for a long time, had indeed taken hold, working against the normal forces of economic growth.

Consumer spending, housing starts, industrial production, and employment all flattened out, and business and consumer sentiment began to erode. Inventories backed up somewhat in the retail sector by early fall. This development appears to have been particularly related to goods ordered from abroad during the late spring in anticipation of climbing retail sales. However, it also suggests that domestic production had gotten a little ahead of domestic demand. Moreover, although export activity has remained a bright spot for us, recessions and slower-than-expected economic growth in several major industrial countries over the second half of 1991 limited the demand from abroad for our goods, holding down the growth of exports. All told, the available data indicate that U.S. industrial output was flat to slightly declining at the end of last year. Gross domestic product in the fourth quarter appears to have changed little from third-quarter levels.

Not unexpectedly, stretched balance sheets are creating pressures on companies and households to hasten their repair. Record issuance recently of corporate equity in our capital markets is contributing to deleveraging. And large bond issues are funding short-term debt and high interest rate long-term debt, thereby removing some of the balance sheet strain. In addition, lower interest rates are easing business debt-service burdens. Households are not only repaying debt but are initiating heavy mortgage refinancings that are reducing their debt-service burdens as well.

We have made much progress in the balance sheet adjustment process in recent years, and the payoff—in the form of an easing of unusual restraint—should begin to become evident in the reasonably near future.

Monetary policy has had an important role in addressing balance sheet stress, the core of the structural weakness currently confronting our economy.

For example, the Federal Reserve eased money market conditions in July 1990 to address the balance sheet stress manifest in the emerging "credit crunch;" this action continued the pattern of gradual ease initiated more than a year earlier when inflationary pressures exhibited signs of unwinding. Monetary easing was accelerated as the economy moved into recession in the autumn of 1990 but went on temporary hold last spring as growth in the money supply and the recovery began to show signs of building some momentum.

We at the Federal Reserve have chosen to adjust policy during the past two and one-half years mostly in small increments, deciding to accelerate or decelerate the pace of easing through the frequency rather than the magnitude of our adjustments. When evidence of an unexpected slowing in monetary growth began to appear last summer, Federal Reserve easing resumed; and as the shortfall in money growth deepened and the strength of disinflationary pressure became more evident, the frequency of those moves picked up.

Most recently, as you know, the Federal Reserve lowered the discount rate a full percentage point. We were able to act more forcefully because of the clear disinflationary trend established and emerging evidence in long-term bond markets that inflation expectations, which had been stubbornly high for some time, were moderating as well. Moderation in these expectations is crucial for sustaining the highest possible economic growth over time. Policies that did not take this into account would be less effective and ultimately potentially counterproductive.

The markets have obviously responded positively to the December 20 initiative, with long-term yields falling markedly and stock prices rising sharply. The good response of long-term securities markets is essential in current circumstances. The recent rise in stock prices should encourage continued elevated equity offerings, while lower corporate bond rates should spur additional funding of liabilities—both factors directed at helping to repair stretched private balance sheets.

As we noted in the press release that accompanied our most recent decrease in the discount rate, we believe that that action, combined with the effects of previous easing actions, should provide considerable impetus toward a sustained revival of economic expansion in 1992. However, we also recognize that the unusual factors retarding the economy may continue to operate in ways that we, and the financial markets, cannot now anticipate. We will continue to monitor the situation carefully and stand ready to take steps necessary to foster sustainable economic expansion.

Budget policy can also contribute to a restoration of a more vigorous economy, primarily by focusing on longer-term issues related to saving and investment. I, and others, have long argued that the lack of saving and investment is the most fundamental shortcoming of our economy. Bolstering the supply of saving available to support productive private investment must be a priority for fiscal policy, and in that regard, reducing the call of the federal government on the nation's pool of saving is essential. Federal expenditure restraint is, in turn, essential to this goal. At a minimum, care should be taken to ensure that any short-run budget initiatives do not imply a widening of the deficit over the longer run.

The increasing evidence that inflationary pressures and expectations have been contained augurs well for a restoration of long-term economic growth. So, too, does the evidence that American industry is striving to enhance efficiency and competitiveness, as does the ongoing rebuilding of balance sheets by lenders and borrowers. Together, these trends will make a significant contribution to promoting the return to solid economic expansion that the American people rightfully expect. □

Statement by John P. LaWare, Member, Board of Governors of the Federal Reserve System, before the Committee on Banks of the New York State Assembly, Albany, New York, January 22, 1992

I am pleased to have been asked to appear before the New York State Assembly's Committee on Banks to provide the Federal Reserve's perspective on issues related to mortgage lending discrimination. My remarks today will focus primarily on data recently released under the Home Mortgage Disclosure Act (HMDA).

The Federal Reserve is one of several federal agencies that monitor the compliance of financial institutions with the nation's fair lending laws, including the federal Fair Housing Act and Equal Credit Opportunity Act (ECOA). In this context, we directly supervise and evaluate the performance of roughly 1,000 state member banks (34 of them in the State of New York). The Board also has the responsibility for issuing the regulations that implement the Equal Credit and Home Mortgage statutes.

As you know, HMDA is a disclosure law that provides the public with information about the home lending activities of institutions that have offices in metropolitan areas. HMDA does not, however, require lenders to make any particular type of home loan or to make loans in any specific geographic area.

Each year, information about the persons who apply for and receive home loans is provided by the institutions covered by HMDA to the Federal Financial Institutions Examination Council (FFIEC) in Washington, D.C., through their respective supervisory agencies. The Federal Reserve compiles the data, on behalf of the FFIEC, and prepares HMDA disclosure statements for each covered institution. In addition, aggregate reports are prepared to show the overall home lending picture for each of the nation's 341 metropolitan areas.

The collection and processing of the HMDA data is a massive task. For 1990, the data processed consisted of about 6.6 million loan and application records. The FFIEC prepared disclosure statements for nearly 9,300 reporting institutions for each metropolitan area in which they had offices, totaling more than 24,000 individual reports. This disclosure effort resulted in the preparation of more than 1.2 million pages of data.

Historically, the HMDA reports have focused on the geographic distribution of home loans, both home purchase and home improvement. The 1990 HMDA data continue to provide information of this type and also disclose—for the first time—information about the disposition of applications that do not result in an origination; about the race, sex, and income of loan applicants; and about the secondary market purchasers of loans sold by covered institutions.

The 1990 HMDA information became available to the public three months ago. The data caught immediate nationwide attention because of substantial differences in the outcomes for applicants when they were categorized by their race and income and by neighborhood characteristics. In particular, the data revealed that a much larger percentage of applications for home loans filed by blacks and Hispanics were turned down than for white and Asian applicants. The data revealed that this pattern for applicant groups held true even after income was taken into account.

I, like many others, find these statistics worrisome. The data raise concerns about access to home mortgage credit among minority applicants, as well as a perception of unlawful discrimination in the lending process. They also raise questions about the performance of lenders in meeting their obligations under the Community Reinvestment Act (CRA).

I can assure you of the Federal Reserve's long-standing concern about these issues and strong commitment to enforcing compliance with fair lending laws. Our efforts extend both to searching for answers to the questions raised by the HMDA data and to seeking ways to promote community development and affordable housing lending.

In regard to HMDA, however, I do want to note some important limitations in the data. In particular, the HMDA data do not include the wide range of financial factors—about the applicants and the properties they seek to purchase—that lenders consider in evaluating loan applications. For example, the HMDA data do not contain information about applicant debt and asset levels, employment experience, or credit history. Thus, it simply is not possible to determine, from the HMDA data alone, whether individual institutions or groups of lenders are discriminating unlawfully against minority applicants.

At the Federal Reserve, we rely primarily on our on-site examination process to assess lenders' compliance with the fair lending laws and the CRA. During this process, our examiners look at actual loan files, review the factors that a particular lender took into account in its credit evaluations, and then try to determine whether the lender's loan standards were applied in an evenhanded and nondiscriminatory manner.

In particular, examiners look for instances in which loan applicants met established standards but were denied credit and, conversely, for instances in which applicants failed to meet the guidelines but were nonetheless granted credit. When examiners find exceptions, they seek to determine whether similarly situated applicants were accorded like treatment by the lender, focusing particularly on members of protected groups. To date, our bank examinations have not revealed evidence that individual state member banks discriminate on the basis of race when making credit decisions.

We also have a consumer complaint program, with special guidance for dealing with complaints that may involve illegal lending discrimination and for determining whether the allegations appear well founded. But I must tell you that we receive few complaints alleging illegal credit discrimination against state member banks. Investigation of these complaints has not revealed any illegal activity on the part of the state member banks involved. The other federal agencies report similar experiences.

A discrepancy clearly exists between the few complaints that we receive and the prevalence of allegations of widespread discrimination made by community organizations and others. In May 1990, our concern over this discrepancy prompted us to write to 675 civil rights groups, fair housing organizations, offices of state attorneys general, and others—people who come in contact with consumers who might have complaints about how they were treated in applying for a mortgage loan. We advised these organizations about our complaint program and that of the other federal agencies, asking them to refer complaints that they may have received about credit discrimination to the appropriate banking authority. In October 1990, we sent a follow-up letter. This effort has, to date, had no identifiable impact on the number or the types of complaints that we have received.

We recognize, of course, that discrimination can take subtle forms and may be difficult to detect. With the new HMDA information about applicant race or national origin, sex, and annual income, we believe that our examiners will be better able to look behind the statistical differences in denial rates that may exist among subsets of applicants at particular institutions. To facilitate these statistical analyses, the supervisory agencies are working to develop computer-based systems that will help examiners identify specific groups of applicants for whom the application-disposition rates are significantly different from those of other groups. Such systems will provide agency examiners with lists of individual application files that can be targeted for in-depth review during on-site examinations.

We will also be using the data to help us measure lenders' compliance with the Community Reinvestment Act. In this regard, the new data provide a better basis for assessing the demands for credit from a defined community experienced by individual lenders. The data also provide an opportunity to gauge the success of lenders' community outreach and loan marketing efforts.

To further support our compliance efforts in the fair lending area, the banking agencies once again have undertaken, among other things, to review examination procedures—to see if there are ways that we can better carry out our enforcement responsibilities. We are also participating with the Department of Justice and the Department of Housing and Urban Development on a federal agency task force that is reviewing the mortgage lending discrimination issue.

As I have noted, one of our key concerns about the interpretation of the HMDA data rests on the absence of full information about financial factors that lenders consider in their credit evaluations. We are seeking to address this lack of information. For example, the Federal Reserve, in cooperation with other supervisory agencies, is developing a research effort that would supplement the HMDA data with information from application and credit files for a sample of loan applicants. Evaluation of these data should help us better gauge the extent to which these other factors may account for differences in the denial rates observed across racial lines. Such information also can be used to help examiners identify a specific sample of loan applications to review during future examinations.

The banking and other federal agencies have a legal obligation to ensure fair lending compliance. At the same time, the responsibility for fair lending rests with the financial institutions themselves. We continue to encourage creditors to review their lending practices for aspects that may have a discriminatory effect. In this context, we believe that lenders should look both at the types of products they offer and at the underwriting standards that they have in place—to see if they are flexible enough to accommodate the varied circumstances of potential borrowers, without compromising safety and soundness concerns.

I will conclude by complimenting this committee for the attention you are giving the issue of possible discrimination in mortgage lending, and I will be glad to try to answer any questions that you may have. □

Statement by David W. Mullins, Jr., Vice Chairman, 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, January 23, 1992

Thank you for this opportunity to present the

Federal Reserve Board's views on reforms to the regulation of the government securities market. Since September, when I last testified before this committee, the staff of the Federal Reserve, the Treasury Department, and the Securities and Exchange Commission (SEC) have conducted an exhaustive examination of this market, the results of which were released yesterday. My prepared remarks will touch upon some of the main conclusions of this report from the particular perspective of the Board of Governors of the Federal Reserve System. Our perspective differs somewhat from that of the other agencies contributing to the report because of differences in legislative mandates.

The Board of Governors has little direct regulatory authority for the U.S. government securities market. Although the Board has general oversight responsibility for all Federal Reserve District Banks, the District Banks act as fiscal agents of the Treasury, thus sharing with the Treasury operating responsibility for the market. The SEC's charge is to enforce the securities laws that seek to foster a high degree of fairness in the marketplace. With neither the direct responsibilities of funding the government nor substantial regulatory oversight, the Board of Governors can view this market from a somewhat different vantage point—a policy perspective that allows us to examine these issues in an economywide context.

When we look to the government securities market, we see a market that works as well as any on earth. U.S. government debt is an ideal trading vehicle because it is all closely substitutable and has none of the default risk or idiosyncratic problems of private issues. As a result, market participants, in the aggregate, willingly commit substantial amounts of risk capital and exchange a large volume of securities each day. Positions are large, yet trading skills are so sharply refined that bid–ask spreads are razor thin, a small fraction of the size of spreads in major equity markets.

This market generates widespread macroeconomic benefits. The government securities market efficiently absorbs the large quantity of new issues required to finance the deficit. With real-time quotes on a range of instruments, this market serves as the foundation for private market rates and a haven for ready liquidity. Further, this deep and liquid market gives the Federal Reserve a powerful, reliable mechanism to implement monetary policy.

Nonetheless, the admission of wrongdoing by Salomon Brothers, episodes of price distortions, and other evidence uncovered in our joint study all suggest that this market has faults. It can be improved. The proposals contained in the joint report, along with other reforms announced earlier, constitute the comprehensive modernization of the mechanisms and practices in the government securities market. Implementing these proposals represents a formidable, though feasible, task in our view.

Over the longer term, the most effective force in enhancing market efficiency and reducing the potential for manipulative abuses is the force of competition. And the joint report provides a blueprint to open up the government securities market to broader-based participation. Automating Treasury auctions; facilitating direct bidding by customers, including nonprimary dealers; implementing a single-price, open auction technique; and reducing the barriers to primary-dealer membership all will serve, in time, to broaden participation in the primary market and in the secondary market for newly issued securities. More depth and breadth in this end of the market should increase efficiency, reduce Treasury financing costs, and lessen the potential for manipulative trading abuses. In addition, the competitive force of broader participation will be reinforced by proposals targeted at manipulative abuse: tightening up on the enforcement of auction rules, enhanced market surveillance by the Federal Reserve Bank of New York to identify potential manipulative episodes that could trigger SEC investigations, and Treasury supply management to reopen securities to combat squeezes.

Taken together, these actions should serve to deter manipulative practices and quickly detect abuses should they occur. Moreover, they are relatively low-cost, market-based responses that should achieve these benefits without impairing the efficiency and liquidity of this vital market.

Of course, many other alternatives could be considered to combat the potential for abuses in this market. However, the government securities market is too important a national resource and works too well to be put at risk by regulatory change for the sake of change. From the Board of Governors' perspective, a compelling case must be established that the benefits outweigh the costs.

For example, there is an alternative way to address manipulative trading strategies in the domestic market: Pass legislation that constructs a complex and burdensome apparatus of reporting requirements. No doubt, the need to post large trades and end-of-day positions with a regulator might well cause a potential manipulator to think twice. Unfortunately, it also would lead other potential participants to think twice before entering the market. A reporting burden falls on the good and the bad, boosting the cost of every trade. Although the direct costs of additional recordkeeping might be kept manageable, an indirect cost looms larger. Market participants might withdraw rather than risk divulging their finances and trading strategies. Indeed, they have ready alternatives because U.S. government securities trade in an international market. Margins in this industry are thin, and it does not take much to lead to sizable shifts in trading behavior. An elaborate web of reporting requirements designed to snare manipulators might well reduce the number of participants, thereby raising the cost of Treasury financing. And, of course, the stakes are high. A tiny increase in Treasury rates translates into a very substantial increase in cost to U.S. taxpayers.

The agencies agreed that the Treasury market differs sufficiently from the stock market to make large-trade reporting unnecessary. On the other hand, there has been less agreement concerning the need for large-position reporting. The Board of Governors believes that little incremental benefit would accrue from requiring large holders to report their positions and that the costs might be quite large indeed. In view of the extensive nature of the other changes proposed in this report, one might question the capacity of this market to absorb, at an acceptable cost, this additional change—the imposition of broad-based reporting requirements for large market participants. Even backup authority risks sending the same chilling message about the U.S. market to all participants choosing a trading arena in the global market place.

The taint of manipulation in trading is sufficiently damaging to the market that the Board of Governors would accept large-position reporting—despite the obvious costs—if there were no other effective remedy. However, a surer and less costly way to fight manipulative practices in the market is to modify the way in which the Treasury sells securities and to take a more active role in how those securities trade thereafter. And the interagency report provides such a market-based solution to the problem that targets manipulative behavior without impairing the liquidity of this important market. The three basic elements to this overall strategy are improved auction mechanisms, enhanced market surveillance, and active supply management.

Although many aspects of the Salomon Brothers admission of wrongdoing and the results of the subsequent investigation cause concern, one is particularly unsettling: Because of the falsification of bids at auctions, the Treasury was the direct counterparty in attempts to manipulate the market. Immediate steps were taken to reduce the risk of a reoccurrence, including tightening up on enforcement of auction rules and implementing measures to encourage more direct bidding. Looking forward, automation of the auction process, which is already under way and expected to be completed by year-end, should efficiently snare any infraction of the rules.

More important still, automation will facilitate consideration of alternative auction techniques. At a minimum, switching to single-price awards from the current multiple-price format should foster greater participation and likely reduce gaming behavior at the auction. But more can be done. Linking bidders directly by a computer network and conducting the auction in real time will expose any would-be manipulator to public scrutiny in time to give the competition the opportunity to react. With the element of surprise gone, the potential return to manipulation should disappear. Thus, the auction of the near future may well be played in the open, on a level field, with sharply defined and easily policed foul lines.

The report also finds that the benefits of enhanced monitoring extend to when-issued and secondary-market trading. Manipulative behavior leaves its footprints in market quotes because a shortage of an issue will be evidenced by a yield trading below that of similar securities and by depressed financing rates. The agencies agreed that the Federal Reserve Bank of New York, with its substantial experience as the operating arm of the Federal Open Market Committee and (along with the other Reserve Banks) as one of the fiscal agents of the Treasury, should have primary responsibility for market surveillance; the Bank, in turn, will provide information to the Treasury, the SEC, and the Board of Governors. It is the Board of Governors' view that rigorous monitoring of the behavior of market rates will expose manipulative behavior without the need to gather the positions of large traders routinely.

Indeed, automation and enhanced market monitoring also present the opportunity to correct a long-standing market misimpression. Although the Federal Reserve Bank of New York has no statutory authority to regulate the primary dealers, many people view the primary dealer system as evidence of some measure of responsibility for, and oversight of, those firms by the Federal Reserve Bank of New York. Ongoing automation and enhanced monitoring capabilities will let the Bank move to a more open set of trading relationships, thus disabusing market participants of the notion that the primary dealers have a special status. To further that end, the Bank will eliminate its dealer surveillance unit, showing unambiguously that responsibility rests with the primary regulator. The Bank will also lower the impediments to primary dealer membership, thereby encouraging a broadening of membership in the primary dealer system.

The careful monitoring of the market will be made more credible by action: Persistent and large-scale price anomalies consistent with a manipulative squeeze will call forth two sets of policy responses. First, if other evidence, including discussions with market participants, suggests manipulation, then the SEC will begin an investigation to determine whether any security laws have been broken. Second, and more immediately, the Treasury will act in the market to narrow those price anomalies, thereby limiting the extent of the market disruption in general and reducing the potential gain if manipulative behavior was the root cause. The Treasury's actions will be effected either by holding a new auction of the sought-after security—a reopening—or through the sale of those securities into the market by the Trading Desk of the Federal Reserve Bank of New York on behalf of the Treasury—a tap issuance. The resulting expansion of supply should slash the manipulator's potential gain, making it unlikely that any one would even try to manipulate the market. Circumstance and experience over time will dictate when an increase in supply will be required and which means of augmenting the issue will be taken.

It is the Board of Governors' judgment that the reforms that I have outlined—changes in auction mechanisms, active and rigorous monitoring of market rates, and the clear willingness to use relative supplies to punish manipulative behavior—will prevent a replay of last year's events. These reforms are fundamental changes in market mechanisms that promise to open up this market to broader-based participation while, at the same time, enhancing regulatory surveillance and remedial capabilities. Nonetheless, these reforms are cost-effective, market-based responses to irregularities in a market that otherwise functions quite well. These responses are measured, targeted, and commensurate to the problem at hand and, in our view, obviate the need to punish many with reporting burdens because of the actions of a few. This strategy also offers flexibility to deal with future problems as they arise. It is perhaps ironic that the most serious abuses in the history of this market—the Salomon Brothers episode—have served as the catalyst for changes that promise substantial long-term benefits. Taken together, these proposals and those already implemented constitute a thorough, thoughtful, and feasible renovation of the government securities market and will result in a healthier, more efficient market for U.S. government securities. □

Statement by E. Gerald Corrigan, President, Federal Reserve Bank of New York, before the Subcommittee on Securities of the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, January 23, 1992

I am pleased to have the opportunity to appear before you this morning to discuss the joint report on improvements in the government securities market and the related subject of the official oversight and regulation of that most important market. Although my opening statement is brief and relates primarily to the specific activities of the Federal Reserve Bank of New York in regard to the overall effort, allow me at the outset to make a brief comment on the joint report as a whole.

As you know, in many appearances before this committee on the subject of banking reform, I have made the call for what I have termed "progressive but cautious" reform of our banking system. Although the context is different, I believe the totality of the changes outlined in the joint report are fully in keeping with the philosophy of progressive but cautious change. Because the report does reflect a careful blending of these considerations, I strongly support its overall thrust.

Having said that, it is obviously true that there are any number of specific areas in which reasonable men and women can debate about whether more or less could be done. From my perspective, the balance reflected in the report is about as close to the optimal that we could reasonably hope or expect.

The American public and the world at large have an enormous stake riding on the efficient workings of this crucial market. Therefore, as we seek out opportunities to enhance the workings of the market we must be sure that we do not push for changes that might inadvertently impair the efficiency of Treasury debt management procedures, the conduct of monetary policy, or the secondary market for these securities. As we gain experience with the changes that are contemplated in the report, still further enhancements may be warranted, but for now I believe that the menu of initiatives contained in the report is at the outer edge of what we can prudently absorb in the period ahead.

With those general observations in mind, let me turn to the specific aspects of the report that relate directly to the responsibilities of the Federal Reserve Bank of New York. There are three such major areas: first, the changes in the Bank's "Administration of Relationships with Primary Dealers;" second, the Bank's role in the development, testing, and implementation of new automated systems for Treasury auctions and Federal Reserve open market operations; and third, the Bank's expanded role with regard to day-to-day surveillance of the government securities market.

Administration of Relationships with Primary Dealers

Attached to this statement is a paper issued yesterday by the Federal Reserve Bank of New York outlining revised procedures for the administration of the Bank's relationships with primary dealers.[1] Although that document itself represents a careful balancing of many considerations and viewpoints, it is based on several key and interrelated considerations including the following.

First, although change was needed, the complete dismantling of the primary dealer system—including the responsibility of dealers to make markets for Federal Reserve open market operations and to participate meaningfully in Treasury auctions—would not have been a prudent step.

Second, it was important to provide for a more "open" system of primary dealers, in part because the existing approach has been viewed as conferring on dealer firms special status that carries with it elements of "franchise" value, and in part because of fairness and equity considerations. This provision has been accomplished by the elimination of the so-called 1 percent market share requirement and the use of straightforward and objective capital standards for eligibility as a primary dealer. Taken together, these changes will substantially increase

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

the potential number of firms that can become primary dealers.

Third, it was important that the Federal Reserve Bank of New York make absolutely clear to the marketplace that the Federal Reserve Bank of New York *does not* regulate the primary dealer firms, in part because of "moral hazard" considerations and in part because of legal and regulatory realities. For this reason we are disbanding the Bank's *dealer* surveillance unit.

Fourth, for obvious reasons, it was necessary to clarify the reasons and the conditions under which the Federal Reserve Bank of New York would alter its relationship with a primary dealer firm. Under the new administrative procedures, the three independent sets of circumstances under which that might occur are the following:

- A dealer firm's status will be altered if the firm fails to meet its responsibilities to make reasonable markets for Federal Reserve open market operations *or* if it fails to participate meaningfully in Treasury auctions *or* if it fails to meet its responsibilities to provide the Federal Reserve with meaningful market intelligence over time. To the extent that a firm's dealer status is altered for any or all of the above reasons, that action by the Federal Reserve will reflect considerations relating to the business relationship alone and will carry no implication about creditworthiness, financial strength, or managerial competence of the firm.
- A dealer firm's status will be altered if the dealer falls below the relevant capital standards and does not, in the eyes of its primary federal regulator, have a credible plan to restore such capital in a reasonable period of time.
- A dealer firm's status will be altered if the *firm* is convicted of a felony under U.S. law or pleads guilty or *nolo contendere* to a felony under U.S. law for activities directly or indirectly related to its business relationship with the Federal Reserve. This provision should create powerful incentives for a firm—when faced with wrongdoing by individual employees—to take immediate and strong actions to root out the source of the problem to minimize the risk to that firm.

Although major elements of the changes in the administration of the relationships with primary dealers will begin to take place immediately, the full benefits of these changes will occur only as the automation of Treasury auctions and Federal Reserve open market operations take place and as the other changes contemplated by the Joint Report take hold. Over time, however, the automation efforts may prove particularly important. These initiatives are described below.

Automation Efforts by the Federal Reserve Bank of New York

The design work for the automation of Treasury auctions based on existing auction techniques has been under way for some time and should be completed late this year. The software for the automation of the auctions is not particularly difficult to develop. The difficult aspects of this task relate more to its communications system—particularly as the number and nature of prospec tive direct participants in the auctions change. But, what makes this automation effort especially difficult is the need to build into the computer systems and the communications systems a very high level of operational integrity, as well as multiple levels of backup for various contingencies.

If the Treasury were to decide to move to a different auction technique, the strategy would be to enhance the system presently being developed to accommodate both types of auctions. Although important elements of the work being done for the current auction procedures can be used with a new auction technique, the enhancement of the system being developed to accommodate the new procedures will take some time after the requirements have been defined. This enhancement will not, however, delay the planned implementation of automated procedures for the current auction by the end of this year.

The full automation of Federal Reserve open market operations is even a more complex and time-consuming task, especially because it is impossible to prejudge with any precision the number, location, financial, and legal characteristics of potential counterparties for such operations. Moreover, the operating systems and communication systems associated with this effort must be integrated with several other highly complex automated systems, including the Federal Reserve's existing money and securities transfer systems. Because of this integration an extraordinarily high level of reliability and integrity will be needed. To illustrate the concerns I have in mind, just imagine, for a moment, what might have occurred on the morning of October 20, 1987, had the Federal Reserve been unable—because of technical problems with such a system—to furnish substantial liquidity through open market operations as a part of the effort to stabilize financial markets in the wake of the stock market crash.

I raise this point because I believe that it is very important that the committee recognize that tasks of this nature must be approached with care. Moreover, the front-end or design-development stages of such projects cannot easily be expedited by simply throwing more people at the problem. The analogy may be a bit overdone, but I think it is fair to suggest that to believe that this kind of task can be significantly accelerated by throwing more people at the task is akin to suggesting that open heart surgery can be accelerated by throwing more doctors into the operating room. At the margin, it may help; but, if overdone, I pity the patient.

To put it briefly, I can assure this committee that we will do everything possible to complete these tasks as quickly as possible but will not, in the name of saving a few weeks or months, take unacceptable risks that might impair the ultimate efficiency, flexibility, integrity, and reliability of these systems.

The Role of the Federal Reserve Bank of New York in the Market Surveillance Process

Little needs to be added to what is contained in the Joint Report as it pertains to the expanded role of the Federal Reserve Bank of New York—in cooperation with the other agencies—with regard to day-to-day surveillance of the government securities market except (1) to emphasize that *market* surveillance is quite distinct from *dealer* surveillance, which we are discontinuing; and (2) to emphasize that it will take some time to fully put in place some of the new or altered statistical reporting arrangements that might be agreed upon by the interagency surveillance working group over the period immediately ahead. □

Statement by Alan Greenspan, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, January 29, 1992

I want to thank you for scheduling this hearing to consider my nomination to a second term as Chairman of the Federal Reserve Board and to a full fourteen-year term as a member of that Board. I am especially grateful to President Bush for the confidence he had in me to make these nominations.

I have testified before you frequently on the state of the economy and the conduct of monetary policy, as recently as two weeks ago. I also have given you my views and those of the Federal Reserve Board on a wide range of specific regulatory and supervisory matters pertaining to banks over the last several years. I would expect to be addressing your questions on these issues again here today. In my brief opening statement, however, on the occasion of these hearings on my confirmation, I thought it might be appropriate to step back a little from the application of policy in specific circumstances and discuss some general principles that I believe should guide decisions on the monetary policy and banking structure of this country.

I see the fundamental task of monetary policy as fostering the financial conditions most conducive to the American economy performing at its fullest potential. As I have often noted before, there is every reason to believe that the main contribution the central bank can make to the achievement of this national economic objective over long periods is to promote reasonable price stability. Removing uncertainty about future price levels and eliminating the costs and distortions inevitably involved in coping with inflation will encourage productive investment and saving to raise living standards. Monetary policy is uniquely qualified to address this issue: Inflation is ultimately determined by the provision of liquidity to the economy by the central bank; and, except through its effect on inflation, monetary policy has little long-term influence on the growth of capital and the labor force or the increase in productivity, which together determine long-run economic growth.

But a central bank must also recognize that the "long run" is made up of a series of "short runs." Our policies do affect output and employment in the short and intermediate terms, and we must be mindful of these effects. The monetary authority can, and should, lean against prevailing trends, not only when inflation threatens but also when the forces of disinflation seem to be gathering excessive momentum. That is, in fact, what has concerned us in recent months, and we have been taking actions designed to assist in returning the economy to a solid growth path.

However, the Federal Reserve, or any other central bank, must also be conscious of the limits of its capabilities. We can try to provide a backdrop for stable, sustainable growth, but we cannot iron out every fluctuation, and attempts to do so could be counterproductive. What we have learned about monetary policy since the beginnings of the Federal Reserve System is that the longer-term effect of a policy action may be quite different from its initial impact; what we do not know with precision is the size and timing of these effects, especially in the short run. Uncertainty about the near-term twists and turns of the economy, along with the awareness of the potential differences between long- and short-term effects, suggests both flexibility in the conduct of monetary policy and close attention to the longer-term context in conducting day-to-day operations.

Monetary policy actions are transmitted to the economy through the financial system, and the influence of weakness in that system on how the economy responds has been all too evident in recent years. A structurally sound and vigorous financial system not only facilitates monetary policy implementation but is itself no less important to support an economy operating at its highest potential. Such a system must effectively and efficiently gather savings and distribute them to where they will be of most value to society in promoting productive investment and supporting consumption. Banks and other depositories have a key role to play in this system. They are the channels through which payments pass; they are the chief repositories of households' liquid savings; and they extend credit to many who have limited, if any, access to alternative sources of financing. Our nation's banking system must be strong—not only in the sense of safe and sound but also in the sense of being efficient and innovative in delivering vital services to the economy. That strength undoubtedly has eroded in recent years, in part through errors of judgment by depositories and their regulators but also through the combined effects of a stiffer competitive environment and continued legal restraints on the ability of depositories to respond and adapt.

Against that background I, and the Board of Governors, have brought three interrelated principles to bear on our approach to banking structure and regulation. First is the importance of a strong capital position. Capital brings market discipline to bear on institutions that otherwise might be tempted to take excessive risk by their access to the federal safety net. It also insulates the taxpayers holding up that safety net from the losses associated with unwise risktaking, should that occur nonetheless. Second is the need for more certain and prompt supervisory actions when capital and other key indicators of the financial health of an institution decline. These actions not only will protect the taxpayers, but they also give depositories planning their financial structures more certainty about governmental reactions and induce them to take early action to strengthen those structures.

The Congress and the regulators have gone a long way in acting on these first two principles. Unfortunately, progress on the third is more limited. That principle embraces the necessity for greater competitive scope for well-capitalized banking organizations—across boundaries of geography and product line. Both sets of boundaries have been made increasingly arbitrary and artificial by innovation and internationalization of financial services. An ability to deliver desirable services to the public is a prerequisite for generating the profits necessary to build capital and for keeping an innovative banking system capable of meeting the changing needs for credit and deposit services of a dynamic economy.

The last four years have seen no paucity of challenges at the Federal Reserve. As much as we sometimes might wish otherwise, I suspect the years ahead will be no less challenging. Although much remains to be done, important strides have been made—in private markets and in government policies—to restore the normal vigor of the American economy and our banking system. To that end, I believe the Banking Committees' oversight and our continuing consultations have been a most helpful and constructive factor. Should the Senate choose to confirm me for a second term as Chairman of the Federal Reserve Board, I would look forward to working with this committee to ensure the sound financial system and vital economy the American people rightfully expect. □

Announcements

APPOINTMENT OF NEW MEMBERS TO THE CONSUMER ADVISORY COUNCIL

The Federal Reserve Board on January 2, 1992, named thirteen new members to its Consumer Advisory Council to replace those members whose terms have expired and designated a new Chairman and Vice Chairman of the Council for 1992.

The Consumer Advisory Council was established by the Congress in 1976, at the suggestion of the Board, to advise the Board on the exercise of its duties under the Consumer Credit Protection Act and on other consumer-related matters. The thirty-member Council, with staggered three-year terms of office, meets three times a year.

Colleen D. Hernandez, Executive Director of the Kansas City Neighborhood Alliance in Kansas City, Missouri, was designated Chairman. Her term on the Council runs through December 1992. Denny D. Dumler, Senior Vice President of the Colorado National Bank in Denver, Colorado, was designated Vice Chairman. His term on the Council expires in December 1993.

The thirteen new members are the following:

Barry A. Abbott
San Francisco, California

Mr. Abbott is a partner in the law firm of Morrison and Foerster. He represents numerous institutions throughout the country on various consumer financial services matters. Mr. Abbott is coauthor of the Prentice-Hall text *Truth in Lending: A Comprehensive Guide* and is a frequent contributor to many national publications. He has served as chairperson of the Business Law Committee of the American Bar Association's Young Lawyers Division and as a member of the ABA's Ad Hoc Committee on the McCarran–Ferguson Act. Mr. Abbott is currently the chairman of the Insurance Products Subcommittee of the ABA's Committee on Consumer Financial Services and is vice chairman of the State Bar of California's Financial Institutions Committee.

John R. Adams
Philadelphia, Pennsylvania

Mr. Adams has been Corporate Vice President and Compliance Officer of CoreStates Financial Corporation since 1980. He has been an instructor at the American Bankers Association National Compliance School and National Graduate Compliance School on various subjects, including the Community Reinvestment Act, the Home Mortgage Disclosure Act, and other consumer compliance issues. Mr. Adams previously served as the chairman of the ABA's Compliance Executive Committee. He is a graduate of the University of Pennsylvania.

John A. Baker
Atlanta, Georgia

Mr. Baker is Senior Vice President of Consumer and Government Affairs at Equifax, Inc. Equifax is among the leading providers of information services for consumer financial transactions in the United States, Canada, and Europe. Mr. Baker began his career with Equifax in 1967; he was appointed senior vice president in January 1991 and is responsible for ensuring that a balance is maintained between consumer privacy concerns and the legitimate information needs of the banking, retail, and insurance industries. Mr. Baker's efforts have involved extensive dealings with consumer advocacy organizations and customer advisory groups, and he also has spearheaded internal corporate initiatives to ensure fair information practices. Mr. Baker is a graduate of Princeton University and the University of Santa Clara Law School.

Mulgugetta Birru
Pittsburgh, Pennsylvania

Mr. Birru is Executive Director of the Homewood-Brushton Revitalization and Development Corporation. The Corporation is funded by Pittsburgh Partnership for Neighborhood Development, a public–private consortium, including the Howard Heinz Endowment, the Pittsburgh Foundation, the Ford Foundation, the city of Pittsburgh, and several banks, to carry out commercial revitalization, real estate development, and economic development. His responsibilities include developing new housing; encouraging new businesses to relocate to the Pittsburgh area; implementing commercial real estate development projects; publishing a weekly newspaper with a circulation of 40,000; and running a job placement center and a radio station. He holds a B.A. in Management–Accounting from Addis Ababa University, an M.A. in Economics and an M.B.A. in Business and International Finance from Syracuse University, and a Ph.D. in Public and International Affairs from the University of Pittsburgh.

Genevieve S. Brooks
Bronx, New York

Ms. Brooks has served as Deputy Borough President for the Bronx since April 1990. Her duties include managing the day-to-day operation of a staff of 150 people; coordinating agency professionals and community-based organizations in planning for and improving housing and municipal services delivery including health and human services; and supervising budget matters. Ms. Brooks is the Bronx Borough President's appointee to the Bronx Overall Economic Development Corporation, a governmental adjunct that generates and coordinates economic development throughout the Bronx. Ms. Brooks has received numerous awards and honors for her work.

Cathy Cloud
Washington, D.C.

Ms. Cloud is the Enforcement Program Director for the National Fair Housing Alliance. She is responsible for the implementation of a nationwide (eleven cities) program of fair housing enforcement. Ms. Cloud provides training and technical assistance to public and private fair housing agencies in housing and mortgage lending discrimination cases. Until October, she also served as project director for the National Education Program. Her duties there included development of media products for use by private fair housing groups and other organizations involved in fair housing education and enforcement and helping groups implement media outreach programs. Ms. Cloud coordinated a two-year mortgage lending discrimination project in the Chicago metropolitan area, including development and implementation of a testing program for mortgage lending. She is currently on the board of the National Community Reinvestment Coalition. Ms. Cloud holds a B.A. in political science from the University of Illinois and an M.A. in public policy from the University of Chicago.

Michael Edwards
Yelm, Washington

Mr. Edwards is President of Prairie Security Bank, which he organized as a new state-chartered bank in 1988. He also manages a bank consulting firm that specializes in new bank formations. From 1977 to 1983, Mr. Edwards served as the Supervisor of Banking for the State of Washington, and in 1982 and 1983 he was president and chairman of the Conference of State Bank Supervisors. He is currently a director of the Thurston County Economic Development Council and the Yelm Chamber of Commerce; and serves on the board of the Washington Independent Community Bankers Association and on the Federal Legislation Committee of the Independent Bankers Association of America in Washington, D.C.

Gary S. Hattem
New York, New York

Mr. Hattem is Vice President for Community Development for Bankers Trust Company. His responsibilities include outreach to local communities to determine credit needs; defining, marketing, and extending products in response to needs; and evaluating loan and grant requests. Since Mr. Hattem joined the bank, his Community Development Group has refined a credit niche in response to the financing needs of not-for-profit organizations active in New York City's low- and moderate-income neighborhoods. Before 1990, Mr. Hattem served as executive director of St. Nicholas Neighborhood Preservation Corporation in Brooklyn for thirteen years. He holds a B.A. in Urban Studies from the SUNY College at Purchase, New York, and an M.S. in City and Regional Planning from the Pratt Institute in New York City.

Edmund Mierzwinski
Washington, D.C.

Mr. Mierzwinski has been a consumer advocate with U.S. PIRG (Public Interest Research Group), the national lobbying office for state PIRGs, since 1989. He has testified before the Congress on numerous banking matters, including bank reform, consumer protection issues (including truth in savings, expedited funds availability, and bank deregulation), and the Fair Credit Reporting Act and credit bureau practices. He is author of reports on credit bureaus and ATM fees. From 1981 until 1988, Mr. Mierzwinski was executive director of the Connecticut PIRG, where he was a principal consumer lobbyist for passage of the nation's first new-car lemon law. He has a B.A. and an M.S. from the University of Connecticut.

Jean Pogge
Chicago, Illinois

Ms. Pogge is the President of Woodstock Institute. The Institute designs programs to bridge the gap between the needs of communities and the resources of financial institutions, foundations, and others. Its services include applied research, policy analysis, and program design and evaluation. Ms. Pogge also is a board member of CANDO City Wide Development Corporation, an advisory committee member for the Chicago Capital Fund, a board member and past chair of the loan committee for the North Side Community Federal Credit Union, and a board member for the Women Employed Institute. Ms. Pogge has authored numerous articles on community development and lending patterns. She holds a Master of Urban Planning degree from the University of Illinois.

John V. Skinner
Irving, Texas

Mr. Skinner is the President and CEO of Jewelers Financial Services, Inc., the credit operation of Zale Corporation. Mr. Skinner joined Zale in 1984, having previously served in key credit management positions for twenty-two years with Sears, Roebuck, and Co. Mr. Skinner was president of Consumer Credit Counseling Service of Greater Washington from 1978 until 1984. He has served on the board of trustees for the National Foundation for Consumer Credit since 1980. He is also the past chairman of the advisory board for the Credit Research Center at Purdue University, presently serves as chairman of the National Retail Federation, and is a member of the Credit Grantor Advisory Group for Associated Credit Bureaus, Inc. Mr. Skinner has been on the board of directors for the International Credit Association since 1980 and in 1989 served as chairman of the board. Mr. Skinner attended the University of Houston.

Lowell N. Swanson
Portland, Oregon

Mr. Swanson is the President of the United Finance Company, the largest independent finance company in the Northwest. He has served on the board of directors of the Oregon Consumer Finance Association, the Retail Credit Association, the Portland Lenders Exchange, the Consumer Credit Counseling Service, and the Consumer Credit Association of Oregon; and he is a member of the American Financial Services Association. Mr. Swanson has helped set up programs to educate the public on how to use credit responsibly (especially young people in high school). In the mid-seventies, he helped organize a required high school course in personal finance, an activity in which he continues to be involved. In 1991 he received the National Association's "Distinguished Services Award." Mr. Swanson is a graduate of the University of Oregon.

Michael W. Tierney
Philadelphia, Pennsylvania

Mr. Tierney is the Director of the Philadelphia Local Initiatives Support Corporation (LISC). He is responsible for the establishment and direction of the LISC office in Philadelphia. LISC has provided more than $14 million in financial and technical assistance to nonprofit community development organizations engaged in housing production, economic development, and neighborhood revitalization activities in Philadelphia's low-income neighborhoods. From 1985 to 1989, Mr. Tierney was Assistant Secretary for Municipal Development in the Massachusetts Executive Office of Communities and Development in Boston. He holds a B.A. from The College of Wooster and a Master of Divinity Degree from Yale University.

The other members of the Council are the following:[1]

Veronica E. Barela, Executive Director, NEWSED Community Development Corporation, Denver, Colorado, December 1993

Toye L. Brown, Director, Freedom House, Inc., Boston, Massachusetts, December 1993

George C. Galster, Professor of Economics, College of Wooster, Wooster, Ohio, December 1992

E. Thomas Garman, Professor of Consumer Studies at the College of Human Resources, Virginia Polytechnic Institute and State University, Blacksburg, Virginia, December 1992

Donald A. Glas, President, First State Federal Savings and Loan Association, Hutchinson, Minnesota, December 1993

Deborah B. Goldberg, Reinvestment Specialist, Neighborhood Revitalization Project, Center for Community Change, Washington, D.C., December 1992

Michael M. Greenfield, Professor of Law, Washington University, St. Louis, Missouri, December 1992

Joyce Harris, President and Chief Executive Officer, Telco Community Credit Union, Madison, Wisconsin, December 1993

Julia E. Hiler, Executive Vice President, Sunshine Mortgage Corporation, Marietta, Georgia, December 1993

Henry Jaramillo, Jr., President, Ranchers State Bank, Belen, New Mexico, December 1993

Kathleen E. Keest, Staff Attorney, National Consumer Law Center, Boston, Massachusetts, December 1992

Bernard F. Parker, Jr., Executive Director, Community Resource Projects, Detroit, Michigan, December 1992

Otis Pitts, Jr., President, Tacolcy Economic Development Corporation, Miami, Florida, December 1993

Nancy Harvey Steorts, President, Nancy Harvey Steorts and Associates, Dallas, Texas, December 1992

Sandra Willett, Consultant on Quality Services, Boston, Massachusetts, December 1993

1. Date indicates when a member's term expires.

INCREASE IN LIMIT ON AMOUNT OF NONCUMULATIVE PERPETUAL PREFERRED STOCK TO BE INCLUDED IN TIER 1 CAPITAL

The Federal Reserve Board approved on January 14, 1992, a proposal to lift the limit on the amount of noncumulative perpetual preferred stock that bank holding companies may include in tier 1 capital for purposes of calculating their risk-based and leverage capital ratios.

At present, there is no limit on the amount of noncumulative perpetual preferred stock that state member banks may include in tier 1 capital.

Cumulative perpetual preferred stock will continue to be included in tier 1 capital for bank holding companies, up to the current limit of 25 percent of tier 1 capital.

ISSUANCE OF REVISED SUPERVISORY POLICY STATEMENT ON SECURITIES ACTIVITIES

The Federal Reserve Board issued on January 10, 1992, a revised Supervisory Policy Statement on Securities Activities to become effective on February 10, 1992. This policy statement supersedes the Supervisory Policy Concerning Selection of Securities Dealers and Unsuitable Investment Practices issued on April 20, 1988.

The new policy statement was developed under the auspices of the Federal Financial Institutions Examination Council (FFIEC) and was recently adopted by the Board. It addresses the selection of securities dealers and requires depository institutions to establish prudent policies and strategies for securities transactions.

In addition, the policy defines securities trading or sales practices that are viewed by the agencies as being unsuitable when conducted in an investment portfolio, indicates characteristics of loans held for sale or trading, and establishes a framework for identifying when certain mortgage derivative products are high-risk mortgage securities that must be reported as securities held for sale or for trading.

REGULATION CC: ADOPTION OF AMENDMENTS AS AN INTERIM RULE AND OTHER PROPOSED CHANGES

The Federal Reserve Board adopted on January 15, 1992, amendments to Regulation CC (Availability of Funds and Collection of Checks) as an interim rule and requested comment on other proposed changes to the regulation. The amendments to Regulation CC implement provisions in the Federal Deposit Insurance Corporation Improvement Act of 1991 that amend several provisions of the Expedited Funds Availability Act. Comments are due by March 27, 1992.

The interim rule implements those provisions that would have an immediate effect on banks. Specifically, the interim rule allows banks to extend holds, on an exception basis, to "next-day" availability checks and to allow one-time notices of exception holds in certain cases. The Board is requesting comment pending adoption of a final rule.

RELEASE OF PRELIMINARY FIGURES ON OPERATING INCOME OF THE FEDERAL RESERVE BANKS

Preliminary figures indicate that operating income of the Federal Reserve Banks amounted to $22.551 billion during 1991. Net income before payment of dividends, additions to surplus, and payments to the Treasury totaled $21.158 billion. About $20.778 billion was paid to the U.S. Treasury during 1991.

Federal Reserve System income is derived primarily from interest earned on U.S. government securities that the Federal Reserve has acquired through open market operations. Income from the provision of financial services amounted to $737 million.

Operating expenses of the twelve Reserve Banks and branches totaled $1.268 billion. In addition, $160 million for earnings credits were granted to depository institutions under the Monetary Control Act of 1980. Assessments to Reserve Banks for Board expenditures totaled $110 million, and the cost of currency amounted to $261 million.

Net additions to income amounted to $496 million, primarily resulting from realized and unrealized gains on assets denominated in foreign currencies and gains on the sales of securities from the System Open Market Account portfolio. Statutory dividends to member banks were $153 million.

Under the policy established by the Board of Governors at the end of 1964, all net income after the statutory dividend to member banks and the amount necessary to equate surplus to paid-in capital is transferred to the U.S. Treasury as interest on Federal Reserve notes.

Release of Revised List of Marginable OTC Stocks

The Federal Reserve Board published on January 24, 1992, a revised List of Marginable OTC Stocks (OTC List) for over-the-counter (OTC) stocks that are subject to its margin regulations. It also published the List of Foreign Margin Stocks (Foreign List) for foreign equity securities that are subject to Regulation T (Credit by Brokers and Dealers). The lists were effective February 10, 1992, and supersede the previous lists that were effective November 12, 1991.

The Foreign List indicates those foreign equity securities that are eligible for margin treatment at broker–dealers. There were no additions, deletions, or changes to the Foreign List, which contains 294 securities.

The changes that have been made to the revised OTC List, which now contains 2,824 OTC stocks, are as follows:

- One hundred forty stocks have been included for the first time, 123 under National Market System (NMS) designation
- Forty-three stocks previously on the list have been removed for substantially failing to meet the requirements for continued listing
- Thirty-nine stocks have been removed for reasons such as listing on a national securities exchange or involvement in an acquisition.

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

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

Extension of Public Comment Period on Application by BankAmerica Corporation to Acquire Security Pacific Corporation

The Federal Reserve Board announced on January 28, 1992, that it would extend until February 28 the public comment period on the application by BankAmerica Corporation, located in San Francisco, to acquire Security Pacific Corporation, located in Los Angeles.

This extension permitted interested parties approximately thirty additional days to submit comments on the application. The Board had received several requests for an extension of the public comment period at the public meetings recently held in Los Angeles, Phoenix, San Francisco, and Seattle, as well as several written requests. The original comment period expired on January 30.

Public-Access Data Tape of the National Survey of Small Business Finances Now Available

A public-access data tape of the National Survey of Small Business Finances (NSSBF) is now available. The NSSBF is a one-time survey of small business firms conducted in 1988–89 for the Board of Governors of the Federal Reserve System and the U.S. Small Business Administration (SBA). The survey provides information on the use of financial services and institutions for a nationally representative sample of 3,404 firms and a separate sample of 390 firms with SBA-guaranteed loans. Research Triangle Institute conducted the interviewing for the survey.

The NSSBF covers a wide range of financial characteristics of small (fewer than 500 employees), privately owned, nonagricultural and nonfinancial firms. The survey collected general information on firms' business activities and ownership; an inventory of deposit and investment accounts, financing, and other financial service use; information on the firms' business relationships with financial institutions; use of trade credit; experience with SBA loans and services; data on sales and expenses; and a complete balance sheet. The data are for calendar or fiscal year 1987.

Additional information on NSSBF methods and content can be found in Gregory E. Elliehausen and John D. Wolken, "Banking Markets and the Use of Financial Services by Small and Medium-Sized Businesses," *Federal Reserve Bulletin*, vol. 76 (October 1990), pp. 801–17.

The data tape and documentation are available for a fee of $480.00 (order number PB92501246) from the National Technical Information Service, Federal Computer Products Center, 5285 Port Royal Road, Springfield, VA 22161. To order by phone, call (703) 487-4763.

Legal Developments

Final Rule—Amendments to Regulations G, T, U and X

The Board of Governors is amending 12 C.F.R. Parts 207, 220, 221, and 224, its Regulations G, T, U, and X (Securities Credit Transactions; List of Marginable OTC Stocks; and List of Foreign Margin Stocks). The List of Marginable OTC Stocks (OTC List) is comprised of stocks traded over-the-counter (OTC) in the United States that have been determined by the Board of Governors of the Federal Reserve System to be subject to the margin requirements under certain Federal Reserve regulations. The List of Foreign Margin Stocks (Foreign List) represents foreign equity securities that have met the Board's eligibility criteria under Regulation T. The OTC List and the Foreign List are published four times a year by the Board. This document sets forth additions to or deletions from the previous OTC List. There are no additions to or deletions from the previous Foreign List. Both Lists were last published on October 28, 1991, and effective on November 12, 1991.

Effective February 10, 1992, accordingly, pursuant to the authority of sections 7 and 23 of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78g and 78w), and in accordance with 12 C.F.R. 207.2(k) and 207.6 (Regulation G), 12 C.F.R. 220.2(u) and 220.17 (Regulation T), and 12 C.F.R. 221.2(j) and 221.7 (Regulation U), there is set forth below a listing of deletions from and additions to the OTC List.

Deletions from the List of Marginable OTC Stocks

Stocks Removed for Failing Continued Listing Requirements

Affiliated Banc Corporation: $.10 par common
Alliant Computer Systems: $.01 par common, 7¼% convertible subordinated debentures
Appian Technology Inc.: $.01 par common
Autodie Corporation: $.05 par common

Banker's Note, Inc., The: $.01 par common
Barry's Jewelers, Inc.,: No par common

Cascade International, Inc.: $.001 par common
Centuri, Inc.: $.05 par common
Chancellor Corporation: $.01 par common
Country Lake Foods, Inc.: $.01 par common
Crownamerica, Inc.: No par common
CSC Industries, Inc.: $.10 par common

Dyansen Corporation: $.01 par common
Dyncorp: Class A, 17% redeemable preferred

Erie Lackawanna, Inc.: No par capital stock, $1.00 stated value

Fairfield County Bancorp, Inc.: $1.00 par common
Forest Oil Corporation: $2.125 par convertible preferred
Forum Group, Inc.: No par common

General Sciences Corporation: $.01 par common
Gold Company of America: Depositary units of limited partnership interest
GTE California, Inc.: Series 1956, 4½% cumulative preferred

Highland Superstores, Inc.: $.01 par common
Home Centers, Inc.: No par common

IEH Corporation: $.50 par common
Image Bank, Inc.: $.01 par common
Information Science Incorporated: $.01 par common
Investors Financial Corporation: $1.25 par common

Jones Spacelink, Ltd.: Class A, $.01 par common

National Micronetics, Inc.: $.10 par common
Nestor, Inc.: $.01 par common

OHM Corporation: 8% convertible subordinated debentures

P.A.M. Transportation Services, Inc.: $.01 par common
Pacific Agricultural Holdings, Inc.: No par common
Personal Computer Products, Inc.: $.005 par common
Pharmakinetics Laboratories, Inc.: $.001 par common
Pinnacle Bancorp, Inc.: $.01 par common

Selecterm, Inc.: $.05 par common

Tele-Communications, Inc.: Rights (expire 01–31–95)

Unitronix Corporation: No par common

Ventura Entertainment Group Ltd.: Class A, Warrants (expire 05–31–93)

WTD Industries, Inc.: No par common

Stocks Removed for Listing on a National Securities Exchange or Being Involved in an Acquisition

Advanced Magnetics, Inc.: $.01 par common
Aegon N.V.: American registered certificates representing ordinary shares
Ashton-Tate Corporation: $.01 par common
Avantek, Inc.: No par common

Bangor Hydro-Electric Company: $5.00 par common
Bohemia Inc.: No par common

Carolina Financial Corporation: $1.00 par common
Cetus Corporation: $.01 par common
Cross & Trecker Corporation: $1.00 par common

Durham Corporation: $5.00 par common
Duty Free International, Inc.: $.01 par common

Employee Benefit Plans, Inc.: $.01 par common
Environmental Elements Corporation: $.01 par common

General Kinetics Incorporated: $.25 par common

Harold's Stores, Inc.: $.01 par common
Heist, C.H., Corporation: $.05 par common
Hickam, Dow B., Inc.: $.01 par common

International Shipholding Corp.: $1.00 par common

Jiffy Lube International, Inc.: $.25 par common

Kamenstein, M., Inc.: $.01 par common
Kasler Corporation: No par common

Marine Corporation: $.7812 par common
Metcalf & Eddy Companies, Inc.: $.01 par common

Novacare: $.01 par common

Oceaneering International, Inc.: $.25 par common
Office Depot, Inc.: $.01 par common

Petroleum Equipment Tools Company: $.50 par common

Regional Federal Bancorp, Inc.: No par common

South Carolina National Corporation: $5.00 par common
Spearhead Industries, Inc.: $.05 par common
St. Paul Companies, Inc., The: No par common

Tyco Toys, Inc.: $.01 par common, Warrants (expire 06–07–93)

United Artists Entertainment: Class A, $.001 par common; Class B, $.001 par common

Valid Logic Systems, Inc.: $.001 par common
Velobind, Incorporated: $.50 par common

Washington Federal Savings Bank (Oregon): $1.00 par common

XL/Datacomp, Inc.: $.01 par common

Additions to the List of Marginable OTC Stocks

Aames Financial Corporation: $.001 par common
Advanced Interventional System, Inc.: No par common
Affymax N.V.: Common stock (DFL. 06)
Alliance Imaging, Inc.: $.01 par common
Allied Healthcare Products, Inc.: $.01 par common
Alpha 1 Biomedicals, Inc.: Class B, Warrants (expire 06–30–95)
Alpharel, Inc.: Warrants (expire 12–12–94)
Alteon, Inc.: $.01 par common
Ambar, Inc.: $.01 par common
America Service Group, Inc.: $.01 par common
American International Petroleum Corporation: $.08 par common
American Superconductor Corporation: $.01 par common
Aortech, Inc.: $.01 par common
Apple South, Inc.: $.01 par common
Aramed, Inc.: Units (expire 09–30–93)
Ari Network Services, Inc.: $.001 par common
Athena Neurosciences, Inc.: $.01 par common
Atlantic Tele-Network, Inc.: $.01 par common
Atrix Laboratories, Inc.: $.001 par common
Autocam Corporation: No par common

Bachman Information Systems, Inc.: $.01 par common
Bally Gaming International, Inc.: $.01 par common
Barefoot Inc.: $.01 par common
Barra, Inc.: No par common
Bell Bancorp, Inc.: $.01 par common
Biomagnetic Technologies, Inc.: No par common
Biomira Inc.: No par common

Broderbund Software, Inc.: $.01 par common

Cenfed Financial Corporation: $.01 par common
Century Cellular Corporation: Class A, $.01 par common
Checkers Drive-In Restaurants, Inc.: $.001 par common
Choice Drug Systems, Inc.: $.01 par common, Warrants (expire 06–30–92)
Clinical Technologies Associates, Inc.: $.01 par common
Compusa Inc.: No par common
Cryomedical Sciences, Inc.: $.001 par common
Custom Chrome, Inc.: $.001 par common
Cyberoptics Corporation: No par common
Cytel Corporation: $.01 par common
Cytrx Corporation: $.001 par common; Class B, Warrants (expire 11–09–92)

Digital Biometrics, Inc.: $.01 par common
Diversicare, Inc.: $.01 par common
DNX Corporation: $.01 par common

Electric & Gas Technology, Inc.: $.01 par common
Embrex, Inc.: No par common, Warrants (expire 11–07–96)
Enzon, Inc.: Warrants (expire 11–01–94)

F & C International, Inc.: No par common
Fidelity Medical, Inc.: $.01 par common
Forest Oil Corporation: $.75 par convertible preferred, Warrants (expire 10–01–96)
Frontier Adjusters of America, Inc.: $.01 par common
Future Communications, Inc.: $.001 par common

Gencare Health Systems, Inc.: $.02 par common
Genta Incorporated: $.001 par common
Goody's Family Clothing, Inc.: No par common
Grancare, Inc.: No par common
Granite Broadcasting, Inc.: $.01 par common

Hamburger Hamlet Restaurants, Inc.: $.01 par common
Hechinger Company: Convertible subordinated debentures due 2012
Hoenig Group, Inc.: $.01 par common; Class A, Warrants (expire 10–29–93)

Imclone Systems Incorporated: $.001 par common
IMRS Inc.: $.01 par common
In Home Health, Inc.: $.01 par common
Indiana United Bancorp: No par common
Information America, Inc.: $.01 par common
Inforum, Inc.: $.01 par common
Insurance Auto Auctions, Inc.: $.001 par common
Interactive Network, Inc.: No par common
Interferon Sciences, Inc.: $.01 par common
International Airline Support Group, Inc.: $.001 par common
International Cablecasting Technologies, Inc.: $.01 par common
Ipsco Inc.: No par common

Jimbo's Jumbos, Incorporated: $.001 par common

Lannet Data Communications Ltd.: Ordinary shares (NIS .1 par value)
Liberty Bancorp, Inc.: $.01 par common
Louisville Gas and Electric Company: 7.45% cumulative preferred stock

Magainin Pharmaceuticals, Inc.: $.002 par common
Manhattan Life Insurance Company, The: $2.00 par common
Marquette Electronics, Inc.: Class A, $.10 par common
Matthews Studio Equipment Group: No par common
Medisys, Inc.: $.01 par common
Miami Subs Corporation: $.01 par common
Missimer & Associates, Inc.: $.01 par common
Mitek Surgical Products, Inc.: $.01 par common
MTC Electronic Technologies Co., Ltd.: No par common

Namic U.S.A. Corporation: $.01 par common
National City Bancshares, Inc.: $3.33-⅓ par common
National Medical Waste, Inc.: $.01 par common
National Rehabilitation Centers, Inc.: $.01 par common
Newcor, Inc.: $1.00 par common
Noble Drilling Corporation: $1.00 par convertible exchangeable preferred

Old Dominion Freight Line, Inc.: $1.00 par common

Pacific Physician Services, Inc.: $.01 par common
Peer Review Analysis, Inc.: $.10 par common
Perfumania, Inc.: $.01 par common
Perrigo Company: No par common
Pharmaceutical Marketing Services, Inc.: $.01 par common
Physician Computer Network, Inc.: $.01 par common
Price Company, The: Convertible subordinated debentures due 2001
Price Reit, The: $.01 par common
Provident American Corporation: $1.00 par common

Qualcomm Incorporated: $.0001 par common

Read-Rite Corporation: $.0001 par common
Retix: $.01 par common

Rochester Medical Corporation: No par common
Ropak Laboratories: No par common

Sam & Libby, Inc.: $.001 par common
Sanfilippo, John B., & Son, Inc.: $.01 par common
SGI International: No par common
Sheffield Industries, Inc.: $.01 par common
SLM International, Inc.: $.01 par common
Softkey Software Products Inc.: No par common
Southern Electronics Corporation: $.01 par common
Sports/Leisure, Inc.: $.01 par common
Star Multi Care Services, Inc.: $.001 par common
Sterling Savings Association: $1.00 par common
Sulcus Computer Corporation: No par common; Series A, no par redeemable convertible preferred; Class B, Warrants (expire 06-30-92)
Sungard Data Systems, Inc.: 8¼% convertible subordinated debentures
Supercuts, Inc.: $.01 par common
Synalloy Corporation: $1.00 par common
Syquest Technology, Inc.: $.001 par common

THQ, Inc.: $.001 par common
Tetra Tech, Inc.: $.01 par common
TRM Copy Centers Corporation: No par common

UF Bancorp, Inc.: $.01 par common
Ultra Pac, Inc.: $2.00 par common
United New Mexico Financial Corporation: Series A, no par preferred
United Wisconsin Services, Inc.: No par common

Vest, H.D., Inc.: $.05 par common; Class A, Warrants (expire 06-15-93); Class B, Warrants (expire 11-26-94)
Viewlogic Systems, Inc.: $.01 par common
Vitesse Semiconductor Corporation: $.01 par common

Warehouse Club, Inc.: Warrants (expire 11-13-94)
World Acceptance Corporation: No par common

Orders Issued Under Bank Holding Company Act

Orders Issued Under Section 3 of the Bank Holding Company Act

HMS Holdings, Inc.
San Antonio, Texas

Order Denying Formation of a Bank Holding Company

HMS Holdings, Inc., San Antonio, Texas ("HMS"), has applied under section 3(a)(1) of the Bank Holding Company Act ("BHC Act") (12 U.S.C. § 1842(a)(1)) to become a bank holding company through the acquisition of Castle Hills National Bank, San Antonio, Texas ("Bank").[1]

Notice of the application, affording interested persons an opportunity to submit comments, was published (56 *Federal Register* 27,753 (1991)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the BHC Act. The Board also notified the Office of the Comptroller of the Currency ("OCC") and the United States Department of Justice regarding the application and offered them an opportunity to express their views on the application.

HMS is a nonoperating corporation organized for the purpose of becoming a bank holding company through the acquisition of Bank. Bank is the 890th largest banking organization in Texas, controlling deposits of $17.2 million, representing less than 1 percent of the total deposits in commercial banks in the state.[2]

In reviewing applications under section 3(c) of the BHC Act, the Board must consider several factors, including the "financial and managerial resources and future prospects of the company or companies and the banks concerned."[3] Section 3(c)(5) of the BHC Act provides that, in considering the managerial resources of a bank holding company, the Board shall consider the competence, experience, and integrity of the officers, directors, and principal shareholders of a bank holding company.[4] The Board's regulations also provide that the Board will consider a bank holding company's ability to serve as a source of financial and managerial strength to its subsidiary banks.[5]

Managerial Considerations

In this case, a proposed principal management official of Bank with previous banking experience has been the subject of significantly adverse comments by the

1. HMS proposes to acquire Bank through the purchase of a note secured by the stock of Bank, and held by the Federal Deposit Insurance Corporation ("FDIC").
2. State deposit data are as of June 30, 1990.
3. 12 U.S.C. § 1842(c). In interpreting the Board's authority under section 3 of the BHC Act, the Supreme Court has stated that the Board is authorized to disapprove a formation of a bank holding company solely on the grounds of financial or managerial unsoundness, and that the authority of the Board is not limited to instances in which the financial or managerial unsoundness would be caused or exacerbated by the proposed transaction. *Board of Governors v. First Lincolnwood Corp.*, 546 F.2d 718 (7th Cir. 1976), *modified*, 560 F.2d 258 (7th Cir. 1977), *rev'd on other grounds*, 439 U.S. 234 (1978).
4. *See* 12 U.S.C. § 1842(c)(5), *amended by* section 210 of the Federal Deposit Insurance Corporation Improvement Act of 1991, Pub. L. No. 102-242, § 210, 105 Stat. 2236, 2298. The Board's regulations provide that the Board will consider the competence and character of the principals of the applicant and its subsidiary banks, including their record of compliance with laws and regulations. 12 C.F.R. 225.13(b)(2).
5. 12 C.F.R. 225.4(a).

FDIC with regard to said official's lending practices and managerial abilities in his previous banking operations.[6] Referring to criticisms by the FDIC, the OCC, which is Bank's primary regulator, has also advised the Board that said official's proposed position with Bank raises supervisory concerns.

Based on the all the facts of record, including relevant information and comments received from the FDIC and the OCC, the Board believes that managerial factors in this case weigh against approval of this proposal.

Financial, Supervisory, and Future Prospects Considerations

HMS proposes to recapitalize Bank to a 5 percent leverage capital ratio through a cash injection upon consummation of this proposal. HMS's capital plan for restoring Bank to satisfactory condition relies on returning Bank to profitability in the near future, principally through the reduction of Bank's overhead expenses. As part of this plan, HMS has projected a significant increase in Bank's annualized return on average assets for the first six months following the acquisition.

HMS's projections appear to be overly optimistic in light of Bank's past experience, including Bank's rate of return on average assets since its establishment in 1984. In addition, the record of this application raises significant doubts regarding whether HMS would have sufficient financial flexibility to serve as a source of financial strength to meet any future financial needs of Bank. HMS appears to be relying primarily on its expectation that it can reduce costs at Bank and thereby improve earnings and achieve profitability. Based on all of the facts of record, it is the Board's judgment that, in light of all relevant circumstances, these projections are overly optimistic.

HMS has also repeatedly refused to provide relevant and material financial information regarding its operations, including projections for its operations after acquisition of Bank, or plans to support Bank financially in the event that its projections regarding Bank's earnings prove inaccurate. Section 3(c)(3)(A) of the BHC Act provides that, in considering the supervisory factors, the Board shall disapprove any application to acquire a bank if the acquiring company fails to provide the Board with adequate assurances that the company will make available to the Board such information on the operations or activities of the company as the Board determines to be appropriate to determine and enforce compliance with the BHC Act.[7] HMS's failure to provide requested financial information that is material and relevant to the financial factors in this case raises substantial concerns regarding whether HMS will supply requested information to the Board in the future and whether the ability of the Board to supervise HMS effectively would be impaired.

Based on a review of all the facts of record, including relevant examination materials and comments from federal regulators, the Board concludes that considerations relating to financial and managerial resources and future prospects and supervisory factors are not consistent with approval.[8] Considerations relating to competitive factors and the convenience and needs of the community do not lend sufficient weight to warrant approval of this application.

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

6. The facts of record suggest that methods proposed by HMS to avoid the problems identified in the FDIC's examination report may not be sufficient to address the problems.

7. *See* 12 U.S.C. § 1842(c)(3)(A), amended by section 202(d)(5) of the Federal Deposit Insurance Corporation Improvement Act of 1991, Pub. L. No. 102–242, § 202(d)(5), 105 Stat. 2236, 2290.

8. HMS contends that this application was approved by operation of law as of October 15, 1991, and that HMS, therefore, may consummate the proposed transaction without Board approval. HMS bases this argument on its opinion that the 91-day period stipulated in the BHC Act and the Board's regulations for Board action on an application began upon the acceptance of this application for processing and thus has expired.

Contrary to HMS's contention, the BHC Act provides that the 91-day period does not begin until the submission to the Board of the completed record on the application. 12 U.S.C. §§ 1842(b)(1), 1843(c). The Board's regulations provide that the record on an application is not complete until the latest of several events, including the "date of receipt by the Board of the last relevant material regarding the application that is needed for the Board's decision, if the material is received from a source outside the Federal Reserve System." 12 C.F.R. 225.14(g); *see also* 12 C.F.R. 225.23(h); *accord First Lincolnwood Corp. v. Board of Governors, supra* note 3. In sum, neither the BHC Act, the Board's regulations, nor the relevant court cases support HMS's contention.

The Board has received relevant, material information needed for the Board's evaluation of the financial and managerial factors in this case throughout the processing of this application from sources outside the Federal Reserve System. For example, on September 13, 1991, the Board received an FDIC examination report that is material and relevant to the evaluation of managerial factors in this case; on October 24, 1991, the Board received comments from the OCC regarding the managerial factors in this case. In light of the relevant, material nature of this and other information received by the Board, the Board believes that the 91-day period in this case has not expired and that HMS is not entitled as a matter of law to consummate this proposal.

In addition, the Board requested HMS to provide necessary and material financial information regarding its expenses, income, and financial resources by letter dated September 13, 1991, and again by telephone in October and November. HMS failed to respond to these requests. The Board does not believe that an applicant may use its own inaction or refusal to provide material relevant information as a basis for computing the 91-day period. HMS's practice and theory are not consistent with the terms of the 91-day rule, which begins to run when the record of the case is complete, as expressed in the BHC Act. Moreover, this practice, if permitted, would allow an applicant to frustrate the legislative requirements for approval by the Board, including the requirement that the Board base its action on consideration of a complete record of the financial aspects of its application.

By order of the Board of Governors, effective January 21, 1992.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

Ohnward Bancshares, Inc. Maquoketa, Iowa

Order Approving Acquisition of a Bank

Ohnward Bancshares, Inc., Maquoketa, Iowa ("Ohnward"), 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 (12 U.S.C. § 1842(a)(3)) to acquire Baldwin Savings Bank, Baldwin, Iowa ("Baldwin").

Notice of the application, affording interested persons an opportunity to submit comments, has been published (56 *Federal Register* 50,122 (1991)). The time for filing comments has expired, and the Board has considered the application and all comments received, in light of the factors set forth in section 3(c) of the BHC Act.

Ohnward is the 29th largest commercial banking organization in Iowa, controlling two subsidiary banks with $129.2 million in deposits, representing less than ~~one~~ percent of total deposits in commercial banking organizations in Iowa.[1] Baldwin is the 370th largest commercial banking organization in Iowa, controlling deposits of $13.7 million, representing less than ~~one~~ percent of total deposits in commercial banking organizations in Iowa. Upon consummation of this proposal, Ohnward would become the 26th largest commercial banking organization in Iowa, controlling deposits of $142.9 million, representing less than ~~one~~ percent of total deposits in commercial banking organizations in Iowa. Accordingly, consummation of this proposal would not result in a significantly adverse effect on the concentration of commercial banking resources in Iowa.

Ohnward and Baldwin operate in the Maquoketa, Iowa banking market.[2] Ohnward is the largest of the commercial banking and thrift organizations (together "depository institutions") in the market, controlling deposits of $92.1 million, representing 30.3 percent of total deposits in depository institutions in the market.[3] Baldwin is the eighth largest depository institution in the market, controlling deposits of $13.7 million, representing 4.5 percent of total deposits in depository institutions in the market. Upon consummation of this proposal, Ohnward would control $105.8 million in deposits, representing 34.8 percent of total deposits in depository institutions in the market. The Maquoketa, Iowa banking market would become highly concentrated upon consummation of this proposal; the Herfindahl–Hirschman Index ("HHI") for the market would increase by 273 points to 1968.[4]

Although consummation of this proposal would result in an increase in market concentration, eight commercial banking organizations and one thrift institution, including some of the largest depository institutions in Iowa, would remain as competitors in the market upon consummation of this proposal. Ohnward also will provide Baldwin with the additional managerial resources necessary to improve Baldwin's financial condition. In addition, by letter dated October 23, 1991, the State of Iowa Department of Banking strongly recommended approval of the proposal. The Iowa Department of Banking believes that the proposed acquisition would enhance Baldwin's ability to provide additional credit to agricultural borrowers. On this basis, the Iowa Banking Department has expressed its belief that the anticompetitive effects of this proposal are outweighed by the favorable effects of the proposal upon the convenience and needs of the community. The Board has considered the competitive effects of the proposal, including the number and size of competitors remaining following the acquisition, the recommendation of the Iowa Banking Department, and the other facts of record, and has determined that consummation of the proposal is not likely to result in a significantly adverse effect on competition in the Maquoketa banking market.

The financial and managerial resources and future prospects of Ohnward, its subsidiary banks and Bald-

1. All state data are as of June 30, 1990. Market data are as of June 30, 1990, and reflect acquisitions approved as of January 1, 1992, but not consummated as of that date.

2. The Maquoketa, Iowa banking market is approximated by Jackson County, Iowa; Bloomfield, Brookfield, and Sharon townships in Clinton County, Iowa; and Oxford and Wyoming townships in Jones County, Iowa.

3. Market share data are based on calculations in which the deposits of thrift institutions are included at 50 percent. The Board previously has indicated that thrift institutions have become, or have the potential to become, major competitors of commercial banks. *See Midwest Financial Group*, 75 *Federal Reserve Bulletin* 386 (1989); *National City Corporation*, 70 *Federal Reserve Bulletin* 743 (1984).

4. Under the revised Department of Justice Merger Guidelines, 49 *Federal Register* 26,823 (June 29, 1984), a market in which the post-merger HHI is above 1800 is considered highly concentrated. In such markets, the Justice Department is likely to challenge a merger that increases the HHI by more than 50 points. The Department of Justice has informed the Board that a bank merger or acquisition generally will not be challenged (in the absence of other factors indicating anticompetitive effects) unless the post-merger HHI is at least 1800 and the merger increases the HHI by at least 200 points. The Justice Department has stated that the higher than normal HHI thresholds for screening bank mergers and acquisitions for anticompetitive effects implicitly recognizes the competitive effect of limited-purpose lenders and other non-depository financial entities.

win, and supervisory factors, are consistent with approval.[5] The Board also finds that considerations relating to the convenience 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 acquisition 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 Chicago, acting pursuant to delegated authority.

By order of the Board of Governors, effective January 21, 1992.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

5. The Board has carefully considered comments filed by two commenters who state that they have relationships with Baldwin. One commenter states that he has not been paid for his services for Baldwin and requests that the Board defer approval of the application until the dispute over his fee has been resolved. An anonymous commenter objected to the proposal, alleging improprieties in Ohnward's acquisition of Baldwin and asserting that consummation of the proposal would result in the elimination of competition in the market. Ohnward has provided information responding to these comments. After careful consideration of the comments and other facts of record, the Board concludes that the comments do not warrant denial of the application.

Orders Issued Under Bank Merger Act

Fleet Bank-NH
Nashua, New Hampshire

Order Approving the Acquisition of Assets and Assumption of Liabilities

Fleet Bank-NH, Nashua, New Hampshire, has applied for the Board's approval under the Bank Merger Act (12 U.S.C. § 1828(c)) to acquire certain assets and assume certain liabilities from Atlantic Trust Company, Newington, New Hampshire ("Atlantic").

Public notice of the application before the Board is not required by the Act, and in view of the emergency situation the Board has not followed its normal practice of affording interested parties the opportunity to submit comments and views. In view of the emergency situation involving Atlantic, the State of New Hampshire Banking Department has recommended immediate action by the Board to prevent the probable failure of Atlantic.

In connection with the application, the Secretary of the Board has taken into consideration the competitive effects of the proposed transaction, the financial and managerial resources, future prospects of the institutions concerned, and the convenience and needs of the communities to be served. On the basis of the information before the Board, the Secretary of the Board finds that an emergency situation exists so as to require that the Secretary of the Board act immediately pursuant to the provisions of section 18(c)(3) of the Federal Deposit Insurance Act (12 U.S.C. § 1828(c)(3)) in order to safeguard depositors of Atlantic. Having considered the record of this application in light of the factors contained in the Bank Merger Act, the Secretary of the Board has determined that consummation of the transaction would be in the public interest and that the application should be approved on a basis that would not preclude immediate consummation of the proposal. On the basis of these considerations, the application is approved.

The transaction may be consummated immediately, but in no event 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 Boston acting pursuant to delegated authority.

By order of the Secretary of the Board, acting pursuant to delegated authority for the Board of Governors, effective January 30, 1992.

WILLIAM W. WILES
Secretary of the Board

APPLICATIONS APPROVED UNDER BANK HOLDING COMPANY ACT

By the Secretary of the Board

Recent applications have been approved by the Secretary of the Board as listed below. Copies are avaialble 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 3

Applicant(s)	Bank(s)	Effective Date
Barnett Banks, Inc., Jacksonville, Florida	Barnett Bank of Broward County, N.A., Fort Lauderdale, Florida	January 29, 1992

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
APM Bancorp, Inc., Buffalo, Iowa	Buffalo Savings Bank, Buffalo, Iowa	Chicago	January 15, 1992
Bushton Investment Company, Inc., Hays, Kansas	The Bank of Inman, Inman, Kansas	Kansas City	January 27, 1992
CB Financial Corporation, Jackson, Michigan	CCSB Corporation, Charlevoix, Michigan	Chicago	January 13, 1992
Central Bancompany, Inc., Jefferson City, Missouri	Third Bancshares Corporation, Sedalia, Missouri	St. Louis	January 10, 1992
Chadwick Bancshares, Inc., Chadwick, Illinois	Miles Service Corporation, Miles, Iowa	Chicago	December 26, 1991
Community First Bankshares, Inc., Fargo, North Dakota	First Breck Holding Company, Breckenridge, Minnesota	Minneapolis	January 17, 1992
Coweta Bancshares, Inc., Coweta, Oklahoma	Security Bank, Coweta, Oklahoma	Kansas City	January 10, 1992
Crosswhite Bankshares, Inc., Denver, Colorado	Cripple Creek Bancorporation, Inc., Cripple Creek, Colorado	Kansas City	December 27, 1991
Elkton Holding Company, Elkton, South Dakota	Corn Exchange Bank, Elkton, South Dakota	Minneapolis	December 31, 1991
Farmers State Corporation, Mountain Lake, Minnesota	Jackson State Bank, Jackson, Minnesota	Minneapolis	January 17, 1992
The F. Calvin Packard Family Limited Partnership, Springville, Utah	Central Bancorporation, Springville, Utah	San Francisco	January 27, 1992

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Financial Investors of the South, Inc., Birmingham, Alabama	Bank of Alabama, Fultondale, Alabama	Atlanta	December 31, 1991
Firstar Corporation of Illinois, Milwaukee, Wisconsin Firstar Corporation, Milwaukee, Wisconsin	First Geneva Banqueshares, Inc., Geneva, Illinois	Chicago	January 17, 1992
First Neighborhood Bancshares, Inc., Toledo, Illinois	Greenup National Corp., Belleville, Illinois	Chicago	January 10, 1992
F.S.B. Bancorporation, Inc. of Fort Morgan ESOP, Fort Morgan, Colorado	F.S.B. Bancorporation, Inc., Fort Morgan, Colorado	Kansas City	January 9, 1992
Independence Bancshares, Inc., Independence, Iowa	First State Bancorporation, Fredricksburg, Iowa	Chicago	January 28, 1992
Leachville State Bancshares, Inc., Leachville, Arkansas	Caraway Bancshares, Inc., Caraway, Arkansas	St. Louis	January 23, 1992
Mid-South Bancshares, Inc., Paragould, Arkansas	Far-Mer Bankshares, Inc., Reyno, Arkansas	St. Louis	January 30, 1992
MSB Shares, Inc., Monette, Arkansas	MidSouth Bank, Monette, Arkansas	St. Louis	January 15, 1992
Nichols Bancorp Inc., Nichols, Wisconsin	State Bank of Nichols, Nichols, Wisconsin	Chicago	January 24, 1992
Old National Bancorp, Evansville, Indiana	U.S.B. Corporation Washington, Indiana	St. Louis	January 27, 1992
Orangeville Bancorp, Inc., Orangeville, Illinois	Orangeville Community Bank, Orangeville, Illinois	Chicago	January 6, 1992
Padgett Agency, Inc., Greenleaf, Kansas	Cloud County Bancshares, Inc., Concordia, Kansas	Kansas City	January 17, 1992
Phenix-Girard Bancshares, Inc., Phenix City, Alabama	Phenix-Girard Bank, Phenix City, Alabama	Atlanta	January 28, 1992
State Bancorp, Inc., New Hyde Park, New York	State Bancorp Interim Savings Bank F.S.B., New Hyde Park, New York	New York	December 27, 1991
TCBankshares, Inc., North Little Rock, Arkansas	The Twin City Bank, North Little Rock, Arkansas	St. Louis	December 30, 1991
Van Diest Investment Company, Ankeny, Iowa	Altoona State Bank, Altoona, Iowa	Chicago	December 27, 1991
Tennessee Bancorp, Inc., Columbia, Tennessee	Tennessee National Bank, Columbia, Tennessee	Atlanta	January 10, 1992
Vogel Bancshares, Inc., Orange City, Iowa	Iowa State Bank, Hull, Iowa	Chicago	January 13, 1992

Section 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
First Commercial Bancshares, Inc., Jasper, Alabama	Canterbury Trust Company, Inc., Birmingham, Alabama	Atlanta	January 13, 1992
People's Savings Financial Corp., New Britain, Connecticut	Federal Savings Bank, F.S.B., New Britain, Connecticut	Boston	December 31, 1991

APPLICATIONS APPROVED UNDER BANK MERGER ACT

By Federal Reserve Banks

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

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Chemical Bank New York, New York	Chemcial Bank Delaware, Wilmington, Delaware	New York	January 30, 1992
Old Kent Bank and Trust Company, Grand Rapids, Michigan	Old Kent Bank of Lansing, Lansing, Michigan	Chicago	January 29, 1992
Wesbanco Bank, Wheeling, West Virginia	Bank of Follansbee, Follansbee, West Virginia	Cleveland	January 10, 1992

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.

In re Subpoena Served on the Board of Governors, Nos. 91-5427, 91-5428 (D.C. Cir., filed December 27, 1991). Appeal of order of district court, dated December 3, 1991, requiring the Board and the Office of the Comptroller of the Currency to produce confidential examination material to a private litigant. The court of appeals stayed the district court order on January 7, 1992, and will hear oral argument on the case on March 17, 1992.

Greenberg v. Board of Governors, No. 91-4200 (2d Cir., filed December 4, 1991). Petition for review of orders of prohibition issued by the Board on October 28, 1991. Oral argument is scheduled for the week of March 30, 1992.

First Interstate BancSystem of Montana, Inc. v. Board of Governors, No. 91-1525 (D.C. Cir., filed November 1, 1991). Petition for review of Board's order denying on Community Reinvestment Act grounds the petitioner's application under section 3 of the Bank Holding Company Act to merge with Commerce BancShares of Wyoming, Inc.

Board of Governors v. Kemal Shoaib, No. CV 91-5152 (C.D. California, filed September 24, 1991). Action to freeze assets of individual pending administrative adjudication of civil money penalty assessment by the Board. On October 15, the court issued a preliminary injunction restraining the transfer or disposition of the individual's assets.

Board of Governors v. Ghaith R. Pharaon, No. 91-CIV-6250 (S.D. New York, filed September 17, 1991). Action to freeze assets of individual pending administrative adjudication of civil money penalty assessment by the Board. On September 17, the court issued an order temporarily restraining the transfer or disposition of the *individual's* assets.

In re Smouha, No. 91-B-13569 (Bkr. S.D. New York, filed August 2, 1991). Ancillary proceeding under the U.S. Bankruptcy Code brought by provisional liquidators of BCCI Holdings (Luxembourg) S.A. and affiliated companies. On August 15, 1991, the bankruptcy court issued a temporary restraining order staying certain judicial and administrative actions, which has been continued by consent.

Hanson v. Greenspan, No. 91-1599 (D.D.C., filed June 28, 1991). Suit for return of funds and financial instruments allegedly owned by plaintiffs. The Board's motion to dismiss was filed on October 29; the plaintiffs filed an opposition on November 12, 1991.

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

Citicorp v. Board of Governors, No. 90-4124 (2d Circuit, filed October 4, 1990). Petition for review of Board order requiring Citicorp to terminate certain insurance activities conducted pursuant to Delaware law by an indirect nonbank subsidiary. On June 10, 1991, the court of appeals granted the petition and vacated the Board's order. On January 13, 1992, the Supreme Court denied the petition for *certiorari* filed by the Independent Insurance Agents of America and others.

Synovus Financial Corp. v. Board of Governors, No. 89-1394 (D.C. Circuit, filed June 21, 1989). Petition for review of Board order permitting relocation of a bank holding company's national bank subsidiary from Alabama to Georgia. On December 20, 1991, the Court of Appeals vacated the Board's order, ruling that the Board has no authority over interstate relocations of national banks.

MCorp v. Board of Governors, No. 89-2816 (5th Circuit, filed May 2, 1989). Appeal of preliminary injunction against the Board enjoining pending and future enforcement actions against a bank holding company now in bankruptcy. On May 15, 1990, the Fifth Circuit vacated the district court's order enjoining the Board from proceeding with enforcement actions based on section 23A of the Federal Reserve Act, but upheld the district court's order enjoining such actions based on the Board's source-of-strength doctrine. 900 F.2d 852 (5th Cir. 1990). On cross-petitions for *certiorari*, Nos. 90-913, 90-914, the Supreme Court, on December 3, 1991, reversed that part of the Court of Appeals decision enjoining the Board's enforcement action, on the ground that the courts have no jurisdiction to affect such proceedings until final orders are issued by the Board.

MCorp v. Board of Governors, No. CA3-88-2693 (N.D. Texas, filed October 10, 1988). Application for injunction to set aside temporary cease and desist orders. Stayed pending outcome of *MCorp v. Board of Governors*, 900 F.2d 852 (5th Cir. 1990).

Written Agreements Approved by Federal Reserve Banks

Bank of the Commonwealth
Norfolk, Virginia

The Federal Reserve Board announced on January 30, 1992, the execution of a Written Agreement among the Federal Reserve Bank of Richmond, the Bank of the Commonwealth, Norfolk, Virginia, and the Bureau of Financial Institutions of the Commonwealth of Virginia, Richmond, Virginia.

B.M.J. Financial Corporation
Bordentown, New Jersey

The Federal Reserve Board announced on January 8, 1992, the execution of two Written Agreements involving the Federal Reserve Bank of Philadelphia and B.M.J. Financial Corporation, Bordentown, New Jersey, a bank holding company, and its subsidiary bank, the Bank of Mid-Jersey, Bordentown, New Jersey.

Hibernia Corporation
New Orleans, Louisiana

The Federal Reserve Board announced on January 3, 1992, the execution of a Written Agreement between the Federal Reserve Bank of Atlanta and Hibernia Corporation, New Orleans, Louisiana.

Society for Savings Bancorp, Inc.
Hartford, Connecticut

The Federal Reserve Board announced on January 30, 1992, the execution of a Written Agreement between the Federal Reserve Bank of Boston and Society for Savings Bancorp, Inc., Hartford, Connecticut.

Val Cor Bancorporation, Inc.
Cortez, Colorado

The Federal Reserve Board announced on January 6, 1992, the execution of a Written Agreement between the Federal Reserve Bank of Kansas City and Val Cor Bancorporation, Inc., Cortez, Colorado.

West Coast Bank
Sarasota, Florida

The Federal Reserve Board announced on January 3, 1992, the execution of a Written Agreement among the Federal Reserve Bank of Atlanta, the State Comptroller and Banking Commissioner of the State of Florida, Tallahassee, Florida, and the West Coast Bank, Sarasota, Florida.

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SPECIAL TABLE

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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
...	Cell not applicable
ATS	Automatic transfer service
CD	Certificate of deposit
CMO	Collateralized mortgage obligation
FFB	Federal Financing Bank
FHA	Federal Housing Administration
FHLBB	Federal Home Loan Bank Board
FHLMC	Federal Home Loan Mortgage Corporation
FmHA	Farmers Home Administration
FNMA	Federal National Mortgage Association
FSLIC	Federal Savings and Loan Insurance Corporation
G-7	Group of Seven
G-10	Group of Ten
GNMA	Government National Mortgage Association
GNP	Gross national product
HUD	Department of Housing and Urban Development
IMF	International Monetary Fund
IO	Interest only
IPCs	Individuals, partnerships, and corporations
IRA	Individual retirement account
MMDA	Money market deposit account
n.a.	Not available
n.e.c.	Not elsewhere classified
NOW	Negotiable order of withdrawal
OCD	Other checkable deposit
OPEC	Organization of Petroleum Exporting Countries
OTS	Office of Thrift Supervision
PO	Principal only
REIT	Real estate investment trust
REMIC	Real estate mortgage investment conduit
RP	Repurchase agreement
RTC	Resolution Trust Corporation
SAIF	Savings Association Insurance Fund
SCO	Securitized credit obligation
SDR	Special drawing right
SMSA	Standard metropolitan statistical area
VA	Veterans Administration

GENERAL INFORMATION

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

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.

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

Percent annual rate of change, seasonally adjusted[1]

Monetary and credit aggregate	1991				1991				
	Q1	Q2	Q3	Q4	Aug.	Sept.	Oct.[r]	Nov.	Dec.
Reserves of depository institutions[2]									
1 Total	9.1	3.0	7.4	15.3	11.3	6.2	15.7	20.3	24.1
2 Required	4.5	8.9	7.9	15.5	7.1	10.1	12.3	25.3	22.5
3 Nonborrowed	8.9	3.4	4.3	19.3	7.7	9.1	25.0	24.0	22.2
4 Monetary base[3]	14.4	3.8	5.8	8.3	9.1	6.4	9.9	6.5	9.3
Concepts of money, liquid assets, and debt[4]									
5 M1	5.9	7.3	6.8	10.9	9.2	5.4	12.6	15.3[r]	8.6
6 M2	3.4	4.7	.0[r]	2.6	.6[r]	.6[r]	3.0	5.1[r]	2.5
7 M3	4.0	1.8	−2.0[r]	1.4	−.2[r]	−1.3[r]	2.0	3.5[r]	2.4
8 L	3.3	−2.4	.6[r]	n.a.	−1.6[r]	−2.1[r]	2.5	6.8	n.a.
9 Debt	4.8	3.9	5.2	5.6	5.8	6.0	6.1	5.1	n.a.
Nontransaction components									
10 In M2[5]	2.6	3.8[r]	−2.2[r]	−.2	−2.4[r]	−1.0[r]	−.2	1.6[r]	.3
11 In M3 only[6]	6.4	−10.6[r]	−11.0[r]	−4.1	−3.8[r]	−10.3	−2.4	−3.9[r]	2.4
Time and savings deposits									
Commercial banks									
12 Savings, including MMDAs	7.5	16.6	12.9	13.0	10.4	9.1	14.7	14.5	13.8
13 Small time[7]	8.8	−1.7	.8	−6.7	7.8[r]	−.6[r]	−7.5	−14.8[r]	−14.6
14 Large time[8,9]	11.9[r]	.2	−8.4[r]	−13.7	−7.9	−14.4[r]	−18.6	−13.3[r]	−5.1
Thrift institutions									
15 Savings, including MMDAs	−.7	18.4	9.7	9.2	2.6	5.6	8.8	13.6	14.1
16 Small time[7]	−9.9	−14.7	−23.2[r]	−18.4	−27.3[r]	−15.5[r]	−20.3	−16.0[r]	−17.2
17 Large time[8,9]	−31.9	−35.1	−40.6[r]	−39.2	−47.9[r]	−40.9[r]	−46.3	−35.8	−24.1
Money market mutual funds									
18 General purpose and broker-dealer	18.5	7.8[r]	−7.5[r]	−6.8	−18.8[r]	−9.7[r]	−3.7	−5.8[r]	.0
19 Institution-only	49.9	23.0	.7	43.7	25.4	37.3	49.0	43.2	45.5
Debt components[4]									
20 Federal	12.0	5.6	13.6	13.1	15.8	13.8	14.3	11.4	n.a.
21 Nonfederal	2.6	3.4	2.4	3.1	2.5	3.4	3.3	2.9	n.a.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.11 RESERVES OF DEPOSITORY INSTITUTIONS AND RESERVE BANK CREDIT[1]

Millions of dollars

Factor	Monthly averages of daily figures			Weekly averages of daily figures for week ending						
	1991			1991						
	Oct.	Nov.	Dec.	Nov. 13	Nov. 20	Nov. 27	Dec. 4	Dec. 11	Dec. 18	Dec. 25
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	295,971	300,929	312,013	302,351	299,754	300,893	306,895	309,277	306,457	314,947
U.S. government securities[2]										
2 Bought outright-system account	256,524	261,764	266,743	260,562	262,465	262,310	265,579	268,379	266,780	266,439
3 Held under repurchase agreements	401	1,004	4,993	2,720	0	1,350	1,713	1,228	0	7,754
Federal agency obligations										
4 Bought outright	6,148	6,130	6,081	6,140	6,140	6,118	6,090	6,090	6,090	6,090
5 Held under repurchase agreements	23	15	144	44	0	21	9	18	0	273
6 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
7 Adjustment credit	38	18	84	10	14	21	33	95	12	137
8 Seasonal credit	210	86	39	92	91	77	46	43	42	39
9 Extended credit	9	1	1	3	1	2	1	0	1	1
10 Float	691	635	845	490	620	633	1,215	797	765	730
11 Other Federal Reserve assets	31,926	31,276	33,084	32,290	30,423	30,362	32,210	32,629	32,767	33,483
12 Gold stock	11,061	11,059	11,058	11,059	11,059	11,059	11,058	11,058	11,058	11,058
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	20,914	20,965	21,001	20,954	20,968	20,982	20,982	20,991	21,000	21,008
ABSORBING RESERVE FUNDS										
15 Currency in circulation	295,745	299,098	304,649	299,032	299,288	299,681	302,181	303,277	303,668	305,668
16 Treasury cash holdings	617	633	632	632	633	637	635	633	630	632
Deposits, other than reserve balances, with Federal Reserve Banks										
17 Treasury	5,907	5,731	7,816	5,832	5,596	5,281	5,921	5,191	5,838	9,723
18 Foreign	222	209	284	178	189	205	302	204	217	295
19 Service-related balances and adjustments	3,456	3,456	4,140	3,762	3,760	3,665	4,031	3,926	4,372	4,249
20 Other	267	220	268	208	228	219	221	213	223	214
21 Other Federal Reserve liabilities and capital	8,692	8,580	9,204	8,433	8,432	8,635	9,927	9,960	8,709	8,849
22 Reserve balances with Federal Reserve Banks[3]	23,058	24,785	27,098	26,304	23,671	24,630	25,736	27,939	24,875	27,403

Factor	End-of-month figures			Wednesday figures						
	1991			1991						
	Oct.	Nov.	Dec.	Nov. 13	Nov. 20	Nov. 27	Dec. 4	Dec. 11	Dec. 18	Dec. 25
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	306,804	304,408	323,906	313,077	298,415	301,410	307,518	310,768	308,118	317,319
U.S. government securities[2]										
2 Bought outright-system account	258,961	265,212	266,486	263,015	261,324	262,928	266,988	269,684	268,084	265,932
3 Held under repurchase agreements	8,714	0	15,345	9,100	0	1,627	807	750	0	10,002
Federal agency obligations										
4 Bought outright	6,140	6,090	6,045	6,140	6,140	6,090	6,090	6,090	6,090	6,090
5 Held under repurchase agreements	19	0	553	108	0	5	10	0	0	400
6 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
7 Adjustment credit	30	59	194	24	13	25	7	613	14	153
8 Seasonal credit	123	45	23	97	83	64	40	44	45	28
9 Extended credit	0	1	1	0	1	2	2	0	2	1
10 Float	604	660	731	1,721	659	453	1,083	841	1,144	975
11 Other Federal Reserve assets	32,212	32,341	34,529	32,872	30,195	30,217	32,491	32,747	32,740	33,738
12 Gold stock	11,059	11,058	11,059	11,059	11,058	11,058	11,058	11,058	11,058	11,058
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	20,940	20,996	21,017	20,954	20,968	20,982	20,982	20,991	21,000	21,008
ABSORBING RESERVE FUNDS										
15 Currency in circulation	296,522	301,830	307,759	299,628	299,303	301,424	303,166	303,504	304,446	306,619
16 Treasury cash holdings	631	636	636	633	637	636	633	630	631	634
Deposits, other than reserve balances, with Federal Reserve Banks										
17 Treasury	18,111	6,317	17,697	4,278	5,377	5,104	3,430	4,269	7,494	9,834
18 Foreign	223	346	968	191	185	301	203	180	235	268
19 Service-related balances and adjustments	3,504	4,033	4,118	3,762	3,760	3,665	4,031	3,926	4,372	4,249
20 Other	213	221	1,706	213	242	208	208	227	219	200
21 Other Federal Reserve liabilities and capital	8,354	10,156	8,113	8,439	8,237	8,519	9,949	8,577	8,391	8,961
22 Reserve balances with Federal Reserve Banks[3]	21,264	22,942	25,004	37,964	22,748	23,613	27,957	31,522	24,405	28,639

1. For amounts of cash held as reserves, see table 1.12. Components may not sum to totals because of rounding.
2. Includes securities loaned—fully guaranteed by U.S. government securities pledged with Federal Reserve Banks—and excludes any securities sold and scheduled to be bought back under matched sale-purchase transactions.
3. Excludes required clearing balances and adjustments to compensate for float.

1.12 RESERVES AND BORROWINGS Depository Institutions[1]

Millions of dollars

Reserve classification	Prorated monthly averages of biweekly averages									
	1989	1990	1991	1991						
	Dec.	Dec.	Dec.	June	July	Aug.	Sept.	Oct.	Nov[r]	Dec.
1 Reserve balances with Reserve Banks[2]	35,436	30,237	26,660	23,685	23,271	22,810	23,447	23,197	25,004	26,660
2 Total vault cash[3]	29,822	31,777	32,513	30,524	31,322	31,779	31,549	32,305	31,718	32,513
3 Applied vault cash[4]	27,374	28,884	28,872	26,722	27,389	27,798	27,680	28,386	28,053	28,872
4 Surplus vault cash[5]	2,448	2,893	3,641	3,801	3,933	3,981	3,869	3,919	3,664	3,641
5 Total reserves[6]	62,810	59,120	55,532	50,407	50,660	50,607	51,127	51,584	53,057	55,532
6 Required reserves	61,887	57,456	54,551	49,399	49,754	49,521	50,198	50,501	52,165	54,551
7 Excess reserve balances at Reserve Banks[7]	923	1,664	981	1,008	906	1,086	929	1,083	892	981
8 Total borrowings at Reserve Banks[8]	265	326	192	340	607	764	645	261	108	192
9 Seasonal borrowings	84	76	38	222	317	331	287	211	86	38
10 Extended credit[9]	20	23	1	8	46	300	302	12	1	1
	Biweekly averages of daily figures for weeks ending									
	1991									1992
	Sept. 4	Sept. 18	Oct. 2	Oct. 16	Oct. 30	Nov. 13	Nov. 27	Dec. 11[r]	Dec. 25	Jan. 8
1 Reserve balances with Reserve Banks[2]	23,077	24,771	22,024	23,418	22,980	25,494	24,155	26,839	26,133	27,561
2 Total vault cash[3]	31,137	31,015	32,310	32,333	32,382[r]	30,842[r]	32,665[r]	31,093	33,284	33,318
3 Applied vault cash[4]	27,254	27,408	28,141	28,506	28,377	27,326	28,825	27,607	29,554	29,598
4 Surplus vault cash[5]	3,883	3,608	4,169	3,827	4,005[r]	3,516[r]	3,841[r]	3,486	3,730	3,720
5 Total reserves[6]	50,331	52,179	50,165	51,924	51,357	52,820	52,979	54,446	55,687	57,159
6 Required reserves	49,058	51,447	49,122	50,908	50,191	51,907	52,045	53,842	54,484	56,008
7 Excess reserve balances at Reserve Banks[7]	1,273	732	1,044	1,016	1,167	913	934	605	1,203	1,151
8 Total borrowings at Reserve Banks[8]	795	828	383	290	225	114	103	110	116	521
9 Seasonal borrowings	320	269	296	228	191	98	84	45	41	22
10 Extended credit[9]	406	496	41	7	14	2	2	1	1	1

1. Data in this table also appear in the Board's H.3 (502) weekly statistical release. For ordering address, see inside front cover. Components may not sum to totals because of rounding.
2. Excludes required clearing balances and adjustments to compensate for float and includes other off-balance-sheet "as-of" adjustments.
3. Total "lagged" vault cash held by depository institutions subject to reserve requirements. Dates refer to the maintenance periods during which the vault cash can be used to satisfy reserve requirements. Under contemporaneous reserve requirements, maintenance periods end thirty days after the lagged computation periods during which the balances are held.
4. All vault cash held during the lagged computation period by "bound" institutions (that is, those whose required reserves exceed their vault cash) plus the amount of vault cash applied during the maintenance period by "nonbound" institutions (that is, those whose vault cash exceeds their required reserves) to satisfy current reserve requirements.
5. Total vault cash (line 2) less applied vault cash (line 3).
6. Reserve balances with Federal Reserve Banks (line 1) plus applied vault cash (line 3).
7. Total reserves (line 5) less required reserves (line 6).
8. Also includes adjustment credit.
9. Extended credit consists of borrowing at the discount window under the terms and conditions established for the extended credit program to help depository institutions deal with sustained liquidity pressures. Because there is not the same need to repay such borrowing promptly as there is with traditional short-term adjustment credit, the money market impact of extended credit is similar to that of nonborrowed reserves.

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

Millions of dollars, averages of daily figures

Source and maturity	1991, week ending Monday								
	Aug. 5	Aug. 12	Aug. 19	Aug. 26	Sept. 2	Sept. 9	Sept. 16	Sept. 23	Sept. 30
Federal funds purchased, repurchase agreements, and other selected borrowings									
From commercial banks in the United States									
1 For one day or under continuing contract	77,865	79,777	80,208	77,400	76,856	85,977	80,342	78,937	77,654
2 For all other maturities	15,555	15,725	15,409	15,120	15,422	14,848	14,662	14,629	15,258
From other depository institutions, foreign banks and official institutions, and U.S. government agencies									
3 For one day or under continuing contract	21,671	21,330	20,696	21,831	22,235	23,394	20,678	23,348	22,030
4 For all other maturities	20,685	20,157	19,376	18,816	19,213	19,220	19,266	18,766	19,355
Repurchase agreements on U.S. government and federal agency securities									
Brokers and nonbank dealers in securities									
5 For one day or under continuing contract	8,490	9,922	11,054	11,188	9,722	10,979	10,912	10,261	9,336
6 For all other maturities	17,572	17,469	16,684	17,696	17,880	16.118	16,614	16,735	16,165
All other customers									
7 For one day or under continuing contract	25,495	24,809	26,902	26,461	24,245	24,922	25,170	24,200	25,473
8 For all other maturities	11,076	11,485	11,663	11,681	11,778	11,396	11,181	11,583	12,004
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	45,167	42,903	44,888	40,709	40,900	44,240	43,633	46,932	47,819
10 To all other specified customers[2]	21,966	19,141	19,620	18,969	19,566	19,649	20,070	21,298	18,349

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

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

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per year

Current and previous levels

Federal Reserve Bank	Adjustment credit[1]			Seasonal credit[2]			Extended credit[3]		
	On 1/29/92	Effective date	Previous rate	On 1/29/92	Effective date	Previous rate	On 1/29/92	Effective date	Previous rate
Boston	3.5	12/20/91	4.5	4.0	1/23/92	4.15	4.50	1/23/92	4.65
New York		12/20/91			1/23/92			1/23/92	
Philadelphia		12/20/91			1/23/92			1/23/92	
Cleveland		12/20/91			1/23/92			1/23/92	
Richmond		12/20/91			1/23/92			1/23/92	
Atlanta		12/20/91			1/23/92			1/23/92	
Chicago		12/20/91			1/23/92			1/23/92	
St. Louis		12/24/91			1/23/92			1/23/92	
Minneapolis		12/23/91			1/23/92			1/23/92	
Kansas City		12/20/91			1/23/92			1/23/92	
Dallas		12/20/91			1/23/92			1/23/92	
San Francisco	3.5	12/20/91	4.5	4.0	1/23/92	4.15	4.50	1/23/92	4.65

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	6–6.5	6.5
20	6.5	6.5
May 11	6.5–7	7
12	7	7
July 3	7–7.25	7.25
10	7.25	7.25
Aug. 21	7.75	7.75
Sept. 22	8	8
Oct. 16	8–8.5	8.5
20	8.5	8.5
Nov. 1	8.5–9.5	9.5
3	9.5	9.5
1979—July 20	10	10
Aug. 17	10–10.5	10.5
20	10.5	10.5
Sept. 19	10.5–11	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
29	10	10
July 28	10–11	10
Sept. 26	11	11
Nov. 17	12	12
Dec. 5	12–13	13
1981—May 5	13–14	14
8	14	14
Nov. 2	13–14	13
6	13	13
Dec. 4	12	12
1982—July 20	11.5–12	11.5
23	11.5	11.5
Aug. 2	11–11.5	11
3	11	11
16	10.5	10.5
27	10–10.5	10
30	10	10
Oct. 12	9.5–10	9.5
13	9.5	9.5
Nov. 22	9–9.5	9
26	9	9
Dec. 14	8.5–9	9
15	8.5–9	8.5
17	8.5	8.5
1984—Apr. 9	8.5–9	9
13	9	9
Nov. 21	8.5–9	8.5
26	8.5	8.5
Dec. 24	8	8
1985—May 20	7.5–8	7.5
24	7.5	7.5
1986—Mar. 7	7–7.5	7
10	7	7
Apr. 21	6.5–7	6.5
July 11	6	6
Aug. 21	5.5–6	5.5
22	5.5	5.5
1987—Sept. 4	5.5–6	6
11	6	6
1988—Aug. 9	6–6.5	6.5
11	6.5	6.5
1989—Feb. 24	6.5–7	7
27	7	7
1990—Dec. 19	6.5	6.5
1991—Feb. 1	6–6.5	6
4	6	6
Apr. 30	5.5–6	5.5
May 2	5.5	5.5
Sept. 13	5–5.5	5
Sept. 17	5	5
Nov. 6	4.5–5	4.5
7	4.5	4.5
Dec. 20	3.5–4.5	3.5
24	3.5	3.5
In effect Jan. 29, 1992	3.5	3.5

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

2. Seasonal credit is available to help relatively small depository institutions meet regular seasonal needs for funds that arise from a clear pattern of intra-yearly movements in their deposits and loans and that cannot be met through special industry lenders. The discount rate on seasonal credit takes into account rates on market sources of funds and ordinarily is reestablished on the first business day of each two-week reserve maintenance period; however, it is never less than the discount rate applicable to adjustment credit.

3. Extended credit may be made available to depository institutions when similar assistance is not reasonably available from other sources, including special industry lenders. Such credit may be provided when exceptional circumstances (including sustained deposit drains, impaired access to money market funds, or sudden deterioration in loan repayment performance) or practices involve only a particular institution, or to meet the needs of institutions experiencing difficulties adjusting to changing market conditions over a longer period (particularly at times of deposit disintermediation). The discount rate applicable to adjustment credit ordinarily is charged on extended-credit loans outstanding less than thirty days; however, at the discretion of the Federal Reserve Bank, this time period may be shortened. Beyond this initial period, a flexible rate somewhat above rates on market sources of funds is charged. The rate ordinarily is reestablished on the first business day of each two-week reserve maintenance period, but it is never less than the discount rate applicable to adjustment credit plus 50 basis points.

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

In 1980 and 1981, the Federal Reserve applied a surcharge to short-term adjustment-credit borrowings by institutions with deposits of $500 million or more that had borrowed in successive weeks or in more than four weeks in a calendar quarter. A 3 percent surcharge was in effect from Mar. 17, 1980, through May 7, 1980. A surcharge of 2 percent was reimposed on Nov. 17, 1980; the surcharge was subsequently raised to 3 percent on Dec. 5, 1980, and to 4 percent on May 5, 1981. The surcharge was reduced to 3 percent effective Sept. 22, 1981, and to 2 percent effective Oct. 12, 1981. As of Oct. 1, 1981, the formula for applying the surcharge was changed from a calendar quarter to a moving thirteen week period. The surcharge was eliminated on Nov. 17, 1981.

1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS[1]

	Type of deposit[2]	Requirements	
		Percent of deposits	Effective date
	Net transaction accounts[3]		
1	$0 million–$42.2 million	3	12/17/91
2	More than $42.2 million	12	12/17/91
3	Nonpersonal time deposits[4]	0	12/27/90
4	Eurocurrency liabilities[5]	0	12/27/90

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

2. The Garn–St Germain Depository Institutions Act of 1982 (Public Law 97–320) requires that $2 million of reservable liabilities of each depository institution be subject to a zero percent reserve requirement. The Board is to adjust the amount of reservable liabilities subject to this zero percent reserve requirement each year for the succeeding calendar year by 80 percent of the percentage increase in the total reservable liabilities of all depository institutions, measured on an annual basis as of June 30. No corresponding adjustment is to be made in the event of a decrease. On Dec. 17, 1991, the exemption was raised from $3.4 million to $3.6 million. The exemption applies in the following order: (1) net negotiable order of withdrawal (NOW) accounts (NOW accounts less allowable deductions); and (2) net other transaction accounts. The exemption applies only to accounts that would be subject to a 3 percent reserve requirement.

3. Transaction accounts include all deposits against which the account holder is permitted to make withdrawals by negotiable or transferable instruments, payment orders of withdrawal, and telephone and preauthorized transfers in excess of three per month for the purpose of making payments to third persons or others. However, money market deposit accounts (MMDAs) and similar accounts subject to the rules that permit no more than six preauthorized, automatic, or other transfers per month, of which no more than three may be checks, are not transaction accounts (such accounts are savings deposits).

The Monetary Control Act of 1980 requires that the amount of transaction accounts against which the 3 percent reserve requirement applies be modified annually by 80 percent of the percentage change in transaction accounts held by all depository institutions, determined as of June 30 each year. Effective Dec. 17, 1991, for institutions reporting quarterly, and Dec. 24, 1991, for institutions reporting weekly, the amount was increased from $41.1 million to $42.2 million.

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

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

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

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS[1]

Millions of dollars

Type of transaction	1988	1989	1990	1991						
				May	June	July	Aug.	Sept.	Oct.	Nov.
U.S. TREASURY SECURITIES										
Outright transactions (excluding matched transactions)										
Treasury bills										
1 Gross purchases	8,223	14,284	24,739	3,411	37	1,359	5,776	529	2,198	3,023
2 Gross sales	587	12,818	7,291	0	0	0	0	0	0	0
3 Exchanges	241,876	231,211	241,086	27,548	19,680	22,280	28,009	19,508	25,409	24,141
4 Redemptions	2,200	12,730	4,400	0	0	0	0	0	0	0
Others within one year										
5 Gross purchases	2,176	327	425	200	0	625	340	200	0	178
6 Gross sales	0	0	0	0	0	0	0	0	0	0
7 Maturity shifts	23,854	28,848	25,638	5,175	0	1,478	3,425	1,131	2,002	1,655
8 Exchanges	−24,588	−25,783	−27,424	−4,887	0	−3,136	−2,443	−2,202	−2,034	−2,585
9 Redemptions	0	500	0	0	0	0	0	0	0	0
One to five years										
10 Gross purchases	5,485	1,436	250	0	0	0	0	650	0	2,133
11 Gross sales	800	490	200	0	0	0	0	0	0	0
12 Maturity shifts	−17,720	−25,534	−21,770	−3,410	0	−1,192	−3,425	−1,131	−1,877	−1,492
13 Exchanges	22,515	23,250	25,410	4,287	0	2,601	1,993	2,202	1,686	2,135
Five to ten years										
14 Gross purchases	1,579	287	0	0	0	0	0	0	0	880
15 Gross sales	175	29	100	0	0	0	0	0	0	0
16 Maturity shifts	−5,946	−2,231	−2,186	−1,605	0	−286	688	0	−126	−163
17 Exchanges	1,797	1,934	789	400	0	534	300	0	347	300
More than ten years										
18 Gross purchases	1,398	284	0	0	0	0	0	0	0	375
19 Gross sales	0	0	0	0	0	0	0	0	0	0
20 Maturity shifts	−188	−1,086	−1,681	−160	0	0	−688	0	0	0
21 Exchanges	275	600	1,226	200	0	0	150	0	0	150
All maturities										
22 Gross purchases	18,863	16,617	25,414	3,611	37	1,984	6,116	1,379	2,198	6,590
23 Gross sales	1,562	13,337	7,591	0	0	0	0	0	0	0
24 Redemptions	2,200	13,230	4,400	0	0	0	0	0	0	0
Matched transactions										
25 Gross sales	1,168,484	1,323,480	1,369,052	147,796	118,903	120,292	112,414	116,266	137,073	98,063
26 Gross purchases	1,168,142	1,326,542	1,363,434	147,803	118,239	121,803	110,280	118,481	135,281	97,925
Repurchase agreements[2]										
27 Gross purchases	152,613	129,518	219,632	9,241	9,440	35,149	16,847	40,447	12,432	14,165
28 Gross sales	151,497	132,688	202,551	9,241	8,478	36,111	16,847	40,447	3,718	22,879
29 Net change in U.S. government securities	15,872	−10,055	24,886	3,618	335	2,532	3,981	3,595	9,121	−2,262
FEDERAL AGENCY OBLIGATIONS										
Outright transactions										
30 Gross purchases	0	0	0	0	0	0	0	0	0	1
31 Gross sales	0	0	0	0	0	0	0	5	0	0
32 Redemptions	587	442	183	0	0	55	0	0	14	50
Repurchase agreements[2]										
33 Gross purchases	57,259	38,835	41,836	885	1,225	3,245	537	3,061	714	275
34 Gross sales	56,471	40,411	40,461	885	748	3,722	537	3,061	695	294
35 Net change in federal agency obligations	198	−2,018	1,192	0	477	−532	0	−5	5	−68
36 **Total net change in System Open Market Account**	**16,070**	**−12,073**	**26,078**	**3,618**	**812**	**2,000**	**3,981**	**3,590**	**9,126**	**−2,330**

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

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

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

Millions of dollars

Account	Wednesday					End of month		
	1991					1991		
	Nov. 27	Dec. 4	Dec. 11	Dec. 18	Dec. 25	Oct. 31	Nov. 29	Dec. 31
	Consolidated condition statement							
ASSETS								
1 Gold certificate account	11,058	11,058	11,058	11,058	11,058	11,059	11,058	11,059
2 Special drawing rights certificate account	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018
3 Coin	560	549	556	555	545	579	557	528
Loans								
4 To depository institutions	91	49	657	61	182	153	106	218
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	6,090	6090	6090	6090	6090	6,140	6,090	6,045
8 Held under repurchase agreements	5	10	0	0	400	19	0	553
9 **Total U.S. Treasury securities**	**264,555**	**267,795**	**270,434**	**268,084**	**275,934**	**267,675**	**265,213**	**281,831**
10 Bought outright[2]	262,928	266,988	269,684	268,084	265,932	258,961	265,213	266,486
11 Bills	131,693	133,436	135,932	134,233	132,081	128,976	131,661	132,635
12 Notes	99,472	101,220	101,420	101,520	101,520	98,372	101,220	101,520
13 Bonds	31,763	32,331	32,331	32,331	32,331	31,613	32,332	32,332
14 Held under repurchase agreements	1,627	807	750	0	10,002	8,714	0	15,345
15 **Total loans and securities**	**270,740**	**273,943**	**277,180**	**274,234**	**282,606**	**273,987**	**271,407**	**288,647**
16 Items in process of collection	5,798	6,487	5,997	6,620	8,558	4,949	4,059	8,286
17 Bank premises	973	976	976	980	981	965	976	987
Other assets								
18 Denominated in foreign currencies[3]	25,244	26,742	26,778	26,875	26,990	25,557	26,739	27,626
19 All other[4]	4,474	4,806	5,028	5,013	5,869	6,243	4,705	5,911
20 **Total assets**	**328,865**	**334,579**	**337,592**	**335,353**	**346,625**	**333,357**	**329,519**	**353,061**
LIABILITIES								
21 Federal Reserve notes	281,638	283,366	283,699	284,632	286,790	276,792	282,027	287,906
22 **Total deposits**	**33,621**	**36,152**	**40,369**	**36,740**	**43,286**	**44,061**	**34,129**	**49,783**
23 Depository institutions	28,008	32,312	35,692	28,792	32,984	25,513	27,246	29,413
24 U.S. Treasury—General account	5,104	3,430	4,269	7,494	9,834	18,111	6,317	17,697
25 Foreign—Official accounts	301	203	180	235	268	223	346	968
26 Other	208	208	227	219	200	213	221	1,706
27 Deferred credit items	5,088	5,112	4,947	5,589	7,589	4,151	3,207	7,259
28 Other liabilities and accrued dividends[5]	2,857	2,877	2,880	2,652	2,885	2,912	2,947	2,810
29 **Total liabilities**	**323,204**	**327,508**	**331,895**	**329,614**	**340,549**	**327,915**	**322,310**	**347,758**
CAPITAL ACCOUNTS								
30 Capital paid in	2,645	2,645	2,649	2,651	2,651	2,606	2,642	2,652
31 Surplus	2,423	2,423	2,423	2,423	2,423	2,413	2,423	2,652
32 Other capital accounts	594	2,003	625	665	1,002	423	2,144	0
33 **Total liabilities and capital accounts**	**328,865**	**334,579**	**337,592**	**335,353**	**346,625**	**333,357**	**329,519**	**353,061**
34 MEMO: Marketable U.S. Treasury securities held in custody for foreign and international accounts	253,026	254,721	254,554	253,870	252,553	252,020	254,484	251,209
	Federal Reserve note statement							
35 Federal Reserve notes outstanding (issued to Bank)	371,379	371,260	370,929	369,155	367,741	368,108	371,067	366,468
36 LESS: Held by Federal Reserve Bank	89,742	87,893	87,230	84,523	80,952	91,316	89,040	78,562
37 Federal Reserve notes, net	281,638	283,366	283,699	284,632	286,790	276,792	282,027	287,906
Collateral held against notes, net:								
38 Gold certificate account	11,058	11,058	11,058	11,058	11,058	11,059	11,058	11,059
39 Special drawing rights certificate account	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018
40 Other eligible assets	0	0	0	0	0	0	0	0
41 U.S. Treasury and agency securities	260,562	262,290	262,622	263,556	265,713	255,715	260,951	266,829
42 **Total collateral**	**281,638**	**283,366**	**283,699**	**284,632**	**286,790**	**276,792**	**282,027**	**287,906**

1. Some of the data in this table also appear in the Board's H.4.1 (503) weekly statistical release. For ordering address, see inside front cover. Components may not sum to totals because of rounding.
2. Includes securities loaned—fully guaranteed by U.S. Treasury securities pledged with Federal Reserve Banks—and excludes securities sold and scheduled to be bought back under matched sale-purchase transactions.
3. Valued monthly at market exchange rates.
4. Includes special investment account at the Federal Reserve Bank of Chicago in Treasury bills maturing within ninety days.
5. Includes exchange-translation account reflecting the monthly revaluation at market exchange rates of foreign-exchange commitments.

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

Millions of dollars

Type and maturity grouping	Wednesday					End of month		
	1991					1991		
	Nov. 27	Dec. 4	Dec. 11	Dec. 18	Dec. 25	Oct. 31	Nov. 29	Dec. 31
1 **Total loans**	**106**	**49**	**657**	**61**	**182**	**153**	**106**	**218**
2 Within fifteen days	84	18	626	54	177	72	84	217
3 Sixteen days to ninety days	22	32	31	6	4	82	22	2
4 Ninety-one days to one year	0	0	0	0	0	0	0	0
5 **Total acceptances**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
6 Within fifteen days	0	0	0	0	0	0	0	0
7 Sixteen days to ninety days	0	0	0	0	0	0	0	0
8 Ninety-one days to one year	0	0	0	0	0	0	0	0
9 **Total U.S. Treasury securities**	**264,555**	**267,795**	**270,434**	**268,084**	**275,934**	**258,961**	**265,212**	**281,831**
10 Within fifteen days[2]	12,200	13,745	14,719	14,824	16,545	6,709	5,174	21,109
11 Sixteen days to ninety days	64,151	63,020	64,329	64,365	67,654	61,051	69,572	66,759
12 Ninety-one days to one year	88,806	88,742	88,899	86,307	89,148	91,443	88,931	90,655
13 One year to five years	61,144	63,278	63,478	63,578	63,578	61,539	62,527	64,299
14 Five years to ten years	14,089	14,469	14,469	14,469	14,469	14,042	14,469	14,469
15 More than ten years	24,165	24,540	24,540	24,540	24,540	24,178	24,540	24,540
16 **Total Federal agency obligations**	**6,095**	**6,100**	**6,090**	**6,090**	**6,490**	**6,140**	**6,090**	**6,597**
17 Within fifteen days[2]	313	40	45	220	620	158	308	753
18 Sixteen days to ninety days	565	848	923	748	748	759	565	811
19 Ninety-one days to one year	1,430	1,445	1,380	1,380	1,380	1,431	1,430	1,329
20 One year to five years	2,608	2,588	2,545	2,545	2,545	2,605	2,608	2,508
21 Five years to ten years	990	990	1,008	1,008	1,008	1,000	990	1,008
22 More than ten years	188	188	188	188	188	188	188	188

1. Components may not sum to totals because of rounding.
2. Holdings under repurchase agreements are classified as maturing within fifteen days in accordance with the maximum possible maturity of the agreements.

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

Billions of dollars, averages of daily figures

Item	1988 Dec.	1989 Dec.	1990 Dec.	1991 Dec.	1991 May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Seasonally adjusted											
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[2]												
1 Total reserves[3]	47.60	47.73	49.10	53.75	50.00	50.35	50.41	50.89	51.15	51.82	52.69[r]	53.75
2 Nonborrowed reserves[4]	45.88	47.46	48.78	53.56	49.70	50.01	49.80	50.12	50.50	51.56	52.59	53.56
3 Nonborrowed reserves plus extended credit[5]	47.12	47.48	48.80	53.56	49.79	50.01	49.85	50.42	50.80	51.57	52.59	53.56
4 Required reserves	46.55	46.81	47.44	52.77	48.97	49.34	49.50	49.80	50.22	50.73	51.80	52.77
5 Monetary base[6]	263.46	274.17	299.78	324.79	311.43	312.41	313.84	316.23	317.93	320.55	322.29	324.79
	Not seasonally adjusted											
6 Total reserves[7]	49.00	49.18	50.58	55.38	49.00	50.32	50.56	50.49	50.99	51.43	52.89	55.38
7 Nonborrowed reserves	47.29	48.91	50.25	55.18	48.69	49.98	49.95	49.73	50.35	51.17	52.78	55.18
8 Nonborrowed reserves plus extended credit[5]	48.53	48.93	50.28	55.19	48.78	49.99	50.00	50.03	50.65	51.18	52.78	55.19
9 Required reserves[8]	47.96	48.26	48.91	54.40	47.97	49.31	49.65	49.41	50.07	50.35	51.99	54.40
10 Monetary base[9]	267.46	278.30	304.04	329.36	310.97	314.00	316.14	316.68	317.28	319.14	323.06	329.36
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[10]												
11 Total reserves[11]	63.75	62.81	59.12	55.53	49.06	50.41	50.66	50.61	51.13	51.58	53.06	55.53
12 Nonborrowed reserves	62.03	62.54	58.79	55.34	48.76	50.07	50.05	49.84	50.48	51.32	52.95	55.34
13 Nonborrowed reserves plus extended credit[5]	63.27	62.56	58.82	55.34	48.85	50.08	50.10	50.14	50.78	51.33	52.95	55.34
14 Required reserves	62.70	61.89	57.46	54.55	48.03	49.40	49.75	49.52	50.20	50.50	52.16	54.55
15 Monetary base[12]	283.00	292.55	313.70	333.62	314.25	317.25	319.46	320.07	320.70	322.71	326.88[r]	333.62
16 Excess reserves[13]	1.05	.92	1.66	.98	1.03	1.01	.91	1.09	.93	1.08	.89	.98
17 Borrowings from the Federal Reserve	1.72	.27	.33	.19	.30	.34	.61	.76	.65	.26	.11	.19

1. Latest monthly and biweekly figures are available from the Board's H.3 (502) weekly statistical release. Historical data and estimates of the impact on required reserves of changes in reserve requirements are available from the Monetary and Reserves Projections Section, Division of Monetary Affairs, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.
2. Figures reflect adjustments for discontinuities, or "breaks," associated with regulatory changes in reserve requirements.
3. Seasonally adjusted, break-adjusted total reserves equal seasonally adjusted, break-adjusted required reserves (line 4) plus excess reserves (line 16).
4. Seasonally adjusted, break-adjusted nonborrowed reserves equal seasonally adjusted, break-adjusted total reserves (line 1) less total borrowings of depository institutions from the Federal Reserve (line 17).
5. Extended credit consists of borrowing at the discount window under the terms and conditions established for the extended credit program to help depository institutions deal with sustained liquidity pressures. Because there is not the same need to repay such borrowing promptly as there is with traditional short-term adjustment credit, the money market impact of extended credit is similar to that of nonborrowed reserves.
6. The seasonally adjusted, break-adjusted monetary base consists of (1) seasonally adjusted, break-adjusted total reserves (line 1), plus (2) the seasonally adjusted currency component of the money stock, plus (3) (for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all those weekly reporters whose vault cash exceeds their required reserves) the seasonally adjusted, break-adjusted difference between current vault cash and the amount applied to satisfy current reserve requirements.
7. Break-adjusted total reserves equal break-adjusted required reserves (line 9) plus excess reserves (line 16).
8. To adjust required reserves for discontinuities that are due to regulatory changes in reserve requirements, a multiplicative procedure is used to estimate what required reserves would have been in past periods had current reserve requirements been in effect. Break-adjusted required reserves include required reserves against transactions deposits and nonpersonal time and savings deposits (but not reservable nondeposit liabilities).
9. The break-adjusted monetary base equals (1) break-adjusted total reserves (line 6), plus (2) the (unadjusted) currency component of the money stock, plus (3) (for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all weekly reporters whose vault cash exceeds their required reserves) the break-adjusted difference between current vault cash and the amount applied to satisfy current reserve requirements.
10. Reflects actual reserve requirements, including those on nondeposit liabilities, with no adjustments to eliminate the effects of discontinuities associated with changes in reserve requirements.
11. Reserve balances with Federal Reserve Banks plus vault cash used to satisfy reserve requirements.
12. The monetary base, not break-adjusted and not seasonally adjusted, consists of (1) total reserves (line 11), plus (2) required clearing balances and adjustments to compensate for float at Federal Reserve Banks, plus (3) the currency component of the money stock, plus (4) (for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all those weekly reporters whose vault cash exceeds their required reserves) the difference between current vault cash and the amount applied to satisfy current reserve requirements. Since the introduction of changes in reserve requirements (CRR), currency and vault cash figures have been measured over the computation periods ending on Mondays.
13. Unadjusted total reserves (line 11) less unadjusted required reserves (line 14).

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

Billions of dollars, averages of daily figures

Item	1988 Dec.	1989 Dec.	1990 Dec.	1991 Dec.	1991 Sept.	1991 Oct.[r]	1991 Nov.	1991 Dec.
	Seasonally adjusted							
Measures[2]								
1 M1	786.4	793.6	825.4	896.7	870.0	879.1	890.3	896.7
2 M2	3,069.9	3,223.1	3,327.8	3,425.5	3,395.5[r]	3,404.0	3,418.5[r]	3,425.5
3 M3	3,919.1	4,055.2	4,111.2	4,172.4	4,144.8[r]	4,151.8	4,163.9[r]	4,172.4
4 L	4,675.9	4,889.9	4,966.6	n.a.	4,970.7[r]	4,981.1	5,009.3	n.a.
5 Debt	9,107.6	9,790.4	10,432.1	n.a.	10,809.6	10,864.4	10,910.5	n.a.
M1 components								
6 Currency[3]	212.0	222.2	246.4	266.7	262.4	264.4	265.3	266.7
7 Travelers checks[4]	7.5	7.4	8.4	8.3	7.8	7.9	8.1	8.3
8 Demand deposits[5]	286.3	278.7	276.9	289.1	279.3	282.6	287.4	289.1
9 Other checkable deposits[6]	280.7	285.2	293.8	332.5	320.6[r]	324.1	329.5	332.5
Nontransaction components								
10 In M2[7]	2,283.5	2,429.5	2,502.4	2,528.9	2,525.4[r]	2,524.9	2,528.3[r]	2,528.9
11 In M3[8]	849.3	832.1	783.4	746.9	749.3[r]	747.8	745.4[r]	746.9
Commercial banks								
12 Savings deposits, including MMDAs	542.2	540.7	577.7	658.9	635.8	643.6	651.4	658.9
13 Small time deposits[9]	447.5	531.4	598.1	586.2	604.6	600.8	593.4[r]	586.2
14 Large time deposits[10, 11]	368.0	401.9	386.1	374.3	386.1[r]	380.1	375.9[r]	374.3
Thrift institutions								
15 Savings deposits, including MMDAs	383.5	349.5	339.0	378.2	366.9	369.6	373.8	378.2
16 Small time deposits[9]	584.3	614.5	566.1	474.9	496.7[r]	488.3	481.8[r]	474.9
17 Large time deposits[10]	174.3	161.6	121.0	82.9	90.7[r]	87.2	84.6[r]	82.9
Money market mutual funds								
18 General purpose and broker-dealer	241.1	313.6	345.4	352.3	355.1[r]	354.0	352.3[r]	352.3
19 Institution-only	86.9	101.9	125.7	167.1	149.3	155.4	161.0	167.1
Debt components								
20 Federal debt	2,114.2	2,268.1	2,534.3	n.a.	2,738.1	2,770.8	2,797.2	n.a.
21 Nonfederal debt	6,993.4	7,522.3	7,897.8	n.a.	8,071.5	8,093.5	8,113.3	n.a.
	Not seasonally adjusted							
Measures[2]								
22 M1	804.2	811.9	844.3	916.7	867.0	875.0	893.4[r]	916.7
23 M2	3,083.3	3,236.6	3,341.9	3,440.9	3,390.5[r]	3,400.9	3,422.5[r]	3,440.9
24 M3	3,931.5	4,067.0	4,123.3	4,185.7	4,142.5[r]	4,148.3	4,170.8[r]	4,185.7
25 L	4,691.8	4,907.4	4,985.2	n.a.	4,968.8[r]	4,976.4	5,014.0	n.a.
26 Debt	9,093.2	9,775.9	10,419.3	n.a.	10,761.4	10,825.7	10,882.5	n.a.
M1 components								
27 Currency[3]	214.8	225.3	249.6	270.0	261.8	263.2	266.3	270.0
28 Travelers checks[4]	6.9	6.9	7.8	7.7	8.3	8.0	7.7	7.7
29 Demand deposits[5]	298.9	291.5	289.9	302.8	278.5	283.6	290.9	302.8
30 Other checkable deposits[6]	283.5	288.2	297.0	336.2	318.4	320.3	328.5	336.2
Nontransaction components								
31 In M2[7]	2,279.1	2,424.7	2,497.6	2,524.1	2,523.5[r]	2,525.9	2,529.1[r]	2,524.1
32 In M3[8]	848.2	830.4	781.4	744.9	752.0[r]	747.5	748.3[r]	744.9
Commercial banks								
33 Savings deposits, including MMDAs	543.8	542.9	579.3	660.8	634.2	643.2	653.8	660.8
34 Small time deposits[9]	446.0	529.2	596.1	584.1	604.4	600.7	592.2[r]	584.1
35 Large time deposits[10, 11]	366.8	400.4	386.1	374.3	387.9[r]	382.5	378.4[r]	374.3
Thrift institutions								
36 Savings deposits, including MMDAs	381.5	347.9	338.3	377.5	366.1	369.8	374.4	377.5
37 Small time deposits[9]	583.8	613.8	564.1	473.2	496.6[r]	488.2	480.8[r]	473.2
38 Large time deposits[10]	175.2	162.6	121.1	82.9	91.2[r]	87.8	85.2[r]	82.9
Money market mutual funds								
39 General purpose and broker-dealer	240.7	313.5	345.5	352.5	355.1[r]	353.8	354.1[r]	352.5
40 Institution-only	87.6	102.8	127.0	168.9	145.9	152.4	161.6	168.9
Repurchase agreements and eurodollars								
41 Overnight	83.4	77.3	74.3	75.9	67.1	70.2	73.8[r]	75.9
42 Term	227.7	179.8	160.8	134.2	141.9	140.0	138.4[r]	134.2
Debt components								
43 Federal debt	2,111.8	2,265.9	2,532.1	n.a.	2,722.0	2,756.7	2,789.1	n.a.
44 Nonfederal debt	6,981.4	7,509.9	7,887.2	n.a.	8,039.4	8,069.0	8,093.4	n.a.

For notes see following page.

NOTES TO TABLE 1.21

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

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

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

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

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

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

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

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

4. Outstanding amount of U.S. dollar-denominated travelers checks of 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 account balances at all depository institutions, credit union share draft account balances, and demand deposits at thrift institutions.

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

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

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

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

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

1.22 BANK DEBITS AND DEPOSIT TURNOVER[1]

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

Bank group, or type of customer	1988	1989	1990	1991 May	June	July	Aug.	Sept.[r]	Oct.
				Seasonally adjusted					
DEBITS TO									
Demand deposits[3]									
1 All insured banks	219,795.7	256,150.4	277,916.3	295,559.0	266,704.2	284,872.2	275,915.9	283,521.6	290,074.6
2 Major New York City banks	115,475.6	129,319.9	131,784.0	148,074.9	133,761.4	139,089.0	136,906.9	142,138.4	144,208.2
3 Other banks	104,320.2	126,830.5	146,132.3	147,484.1	132,942.8	145,783.2	139,009.0	141,383.2	145,866.4
4 ATS-NOW accounts[4]	2,478.1	2,910.5	3,349.6	3,620.2	3,460.1	3,822.8	3,659.4	3,679.1	3,759.9
5 Savings deposits[5]	537.0	547.5	558.8	548.6	519.9	552.6	516.7	2,904.0	2,733.0
DEPOSIT TURNOVER									
Demand deposits[3]									
6 All insured banks	622.9	735.1	800.6	867.0	768.4	833.4	798.0	823.9	843.2
7 Major New York City banks	2,897.2	3,421.5	3,804.1	4,702.8	4,141.9	4,413.3	4,448.0	4,490.7	4,606.2
8 Other banks	333.3	408.3	467.7	476.6	422.3	469.8	441.4	452.5	466.4
9 ATS-NOW accounts[4]	13.2	15.2	16.5	16.4	15.5	16.9	15.9	15.7	15.9
10 Savings deposits[5]	2.9	3.0	2.9	2.6	2.4	2.5	2.3	4.7	4.4
				Not seasonally adjusted					
DEBITS TO									
Demand deposits[3]									
11 All insured banks	219,790.4	256,133.2	277,400.0	292,012.3	270,144.7	286,068.7	289,049.5	273,967.0	298,196.7
12 Major New York City banks	115,460.7	129,400.1	131,784.7	145,073.9	133,851.7	139,527.4	146,342.8	137,659.5	149,704.6
13 Other banks	104,329.7	126,733.0	145,615.3	146,938.4	136,293.0	146,541.3	142,706.6	136,307.5	148,492.0
14 ATS-NOW accounts[4]	2,477.3	2,910.7	3,342.2	3,549.9	3,446.1	3,729.0	3,693.2	3,679.4	3,770.6
15 MMDAs[6]	2,342.7	2,677.1	2,923.8	2,978.6	2,714.5	2,868.0	2,751.7	n.a	n.a
16 Savings deposits[5]	536.3	546.9	557.9	545.5	516.4	558.2	537.0	3,110.7	3,132.6
DEPOSIT TURNOVER									
Demand deposits[3]									
17 All insured banks	622.8	735.4	799.6	875.5	781.7	831.4	849.5	796.0	864.8
18 Major New York City banks	2,896.7	3,426.2	3,810.0	4,742.5	4,154.4	4,334.6	4,771.4	4,305.8	4,775.5
19 Other banks	333.2	408.0	466.3	485.0	434.9	469.8	460.9	436.6	473.7
20 ATS-NOW accounts[4]	13.2	15.2	16.4	16.3	15.5	16.7	16.3	15.9	16.2
21 MMDAs[6]	6.6	7.9	8.0	7.6	6.8	7.2	6.8	n.a	n.a
22 Savings deposits[5]	2.9	2.9	2.9	2.6	2.4	2.5	2.4	4.9	4.9

1. Historical tables containing revised data for earlier periods can be obtained from the Banking and Money Market Statistics Section, Division of Monetary Affairs, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.
Data in this table also appear on the Board's G.6 (406) monthly statistical release. For ordering address, see inside front cover.
2. Annual averages of monthly figures.
3. Represents accounts of individuals, partnerships, and corporations and of states and political subdivisions.
4. Accounts authorized for negotiable orders of withdrawal (NOWs) and accounts authorized for automatic transfer to demand deposits (ATSs).
5. Excludes MMDA, ATS, and NOW accounts.
6. Money market deposit accounts.

1.23 LOANS AND SECURITIES All Commercial Banks[1]

Billions of dollars, averages of Wednesday figures

Item	1991 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Seasonally adjusted											
1 **Total loans and securities[2]**	**2,721.2**	**2,735.1**	**2,751.0**	**2,751.8**	**2,750.5**	**2,763.2**	**2,763.3**	**2,761.6**	**2,768.9**	**2,784.5**	**2,799.3**	**2,810.6**
2 U.S. government securities	454.1	458.0	471.4	479.2	485.1	495.2	505.3	512.6	522.1	538.2	549.3	560.3
3 Other securities	177.7	177.6	177.6	175.7	173.9	173.1	172.0	169.9	170.8	172.2	172.3	173.3
4 Total loans and leases[2]	2,089.4	2,099.5	2,102.0	2,096.9	2,091.5	2,094.8	2,086.0	2,079.1	2,076.0	2,074.1	2,077.6	2,077.0
5 Commercial and industrial	644.3	643.9	646.0	640.0	633.2	630.4	626.7	620.5	623.8	623.8	620.2	616.8
6 Bankers acceptances held[3]	7.7	6.9	6.7	6.8	6.9	6.6	6.6	7.1	6.9	6.5	7.0	7.3
7 Other commercial and industrial	636.6	637.0	639.3	633.2	626.4	623.8	620.0	613.4	616.8	617.3	613.2	609.5
8 U.S. addressees[4]	631.1	631.5	633.6	627.7	620.6	617.9	614.3	607.7	611.0	611.2	607.0	602.9
9 Non-U.S. addressees[4]	5.5	5.5	5.7	5.5	5.8	5.9	5.7	5.7	5.9	6.2	6.2	6.6
10 Real estate	837.3	842.6	846.3	850.9	855.1	859.5	857.0	853.9	853.4	854.2	856.3	857.0
11 Individual	375.9	377.7	375.5	374.1	373.5	372.0	369.6	368.9	365.3	362.7	361.7	361.8
12 Security	43.1	43.2	38.9	39.8	39.8	38.3	41.6	42.6	43.9	43.8	46.4	47.2
13 Nonbank financial institutions	34.8	36.0[r]	36.7	35.9	36.9	37.2[r]	37.2[r]	36.3	36.1	36.6	38.9	39.3
14 Agricultural	33.5	33.5	34.0	33.9	33.6	33.0	32.5	32.3	32.2	32.1	32.2	32.4
15 State and political subdivisions	33.2	33.1	32.7	32.1	31.7	31.0	30.5	30.0	29.5	29.3	28.8	28.5
16 Foreign banks	6.0	6.1	7.2	6.8	6.4	6.0	6.2	6.3	6.5	6.1	6.7	6.9
17 Foreign official institutions	3.0	3.1	3.2	3.0	3.0	3.0	3.1	3.1	3.2	3.3	3.5	3.3
18 Lease-financing receivables	32.4	32.8	33.0	32.7	32.7	32.8	32.0	31.4	31.2	31.1	30.9	30.9
19 All other loans	45.8[r]	47.5[r]	48.5[r]	47.6	45.6[r]	51.8	49.6	53.8	50.9	51.0	52.0	52.7
	Not seasonally adjusted											
20 **Total loans and securities[2]**	**2,721.0**	**2,737.3**	**2,748.4**	**2,751.5**	**2,749.7**	**2,763.8**	**2,757.2**	**2,756.6**	**2,767.3**	**2,785.8**	**2,802.6**	**2,816.5**
21 U.S. government securities	455.8	463.9	475.8	480.5	485.2	493.7	501.8	510.4	519.6	535.2	549.4	556.9
22 Other securities	177.9	177.3	176.9	175.1	173.8	173.2	171.3	170.1	171.0	172.4	173.0	173.9
23 Total loans and leases[2]	2,087.3	2,096.1	2,095.7	2,095.9	2,090.6	2,096.9	2,084.1	2,076.0	2,076.7	2,078.2	2,080.2	2,085.8
24 Commercial and industrial	641.1	643.0	648.3	644.7	637.1	632.7	627.0	619.2	620.3	621.5	618.1	616.6
25 Bankers acceptances held[3]	7.6	7.0	6.7	6.7	6.8	6.7	6.3	6.9	6.9	6.6	7.1	7.5
26 Other commercial and industrial	633.4	636.0	641.6	638.1	630.3	626.0	620.6	612.3	613.4	614.9	611.0	609.1
27 U.S. addressees[4]	628.2	630.5	636.1	632.2	624.5	620.0	614.8	606.4	607.4	608.7	604.8	602.7
28 Non-U.S. addressees[4]	5.3	5.5	5.4	5.9	5.9	6.0	5.8	5.9	6.0	6.2	6.1	6.4
29 Real estate	837.1	839.5	842.6	848.3	854.2	859.6	857.5	855.9	855.2	856.9	858.4	858.4
30 Individual	380.1	377.1	372.8	371.5	371.8	369.9	367.4	368.1	367.0	363.6	362.8	366.5
31 Security	41.0	44.7	40.2	41.3	39.0	40.5	41.3	42.0	42.9	42.9	45.2	46.8
32 Nonbank financial institutions	35.4[r]	35.6[r]	36.0	35.6[r]	36.5	37.3[r]	37.0[r]	36.3	35.8	36.5	39.3	41.1
33 Agricultural	32.8	32.6	32.6	32.8	33.1	33.3	33.4	33.3	33.3	33.1	32.6	32.3
34 State and political subdivisions	33.8	33.2	32.7	32.0	31.7	30.9	30.3	29.9	29.5	29.2	28.8	28.3
35 Foreign banks	6.0	6.0	6.8	6.7	6.3	6.1	6.3	6.2	6.5	6.4	6.8	7.2
36 Foreign official institutions	3.0	3.1	3.2	3.0	3.0	3.0	3.1	3.1	3.2	3.3	3.5	3.3
37 Lease-financing receivables	32.8	32.9	32.9	32.7	32.6	32.6	31.8	31.3	31.2	31.2	31.0	31.0
38 All other loans	44.1	48.3[r]	47.7	47.3[r]	45.3[r]	51.0[r]	49.1[r]	50.9	51.9	53.7	53.8[r]	54.1

1. Components may not sum to totals because of rounding.
2. Adjusted to exclude loans to commercial banks in the United States.
3. Includes nonfinancial commercial paper held.
4. United States includes the fifty states and the District of Columbia.

1.24 MAJOR NONDEPOSIT FUNDS OF COMMERCIAL BANKS[1]

Billions of dollars, monthly averages

Source of funds	1991											
	Jan.	Feb.	Mar.	Apr.	May	June[r]	July[r]	Aug.[r]	Sept.[r]	Oct.[r]	Nov.	Dec.
Seasonally adjusted												
1 Total nondeposit funds[2]	277.7[r]	265.5[r]	265.0[r]	265.0[r]	263.0[r]	253.2	253.3	249.2	255.0	269.3	272.1[r]	283.1
2 Net balances due to related foreign offices[3]	33.5	24.9	30.4	31.0	26.3	19.1	19.5	17.7	20.6	32.0	34.5[r]	41.3
3 Borrowings from other than commercial banks in United States[4]	244.2[r]	240.6[r]	234.6[r]	234.0[r]	236.7[r]	234.1	233.8	231.5	234.5	237.3	237.6	241.8
4 Domestically chartered banks	182.6[r]	177.3[r]	171.7[r]	171.7[r]	171.2[r]	169.5	168.4	163.3	165.4	163.8	161.6	162.9
5 Foreign-related banks	61.7	63.3	62.9	62.2	65.5	64.6	65.4	68.2	69.1	73.5	76.0	78.9
Not seasonally adjusted												
6 Total nondeposit funds[2]	273.1[r]	268.6[r]	270.2[r]	265.7[r]	271.0[r]	256.2	250.0	247.7	251.0	266.4	272.9[r]	277.4
7 Net balances due to related foreign offices[3]	33.2	24.9	29.9	29.1	28.8[r]	19.4	17.1	17.1	20.7	31.5	35.2[r]	43.9
8 Domestically chartered banks	-15.3	-15.2	-6.0	-3.6	-.7	-3.7	-7.3	-7.6	-9.2	-7.9	-5.0	-4.1
9 Foreign-related banks	48.4	40.1	35.9	32.7	29.5	23.1	24.4	24.7	29.9	39.4	40.2[r]	48.0
10 *Borrowings from other than commercial banks* in United States[4]	239.9[r]	243.7[r]	240.4[r]	236.6[r]	242.2[r]	236.8	232.9	230.6	230.3	234.8	237.6	233.5
11 Domestically chartered banks	178.0[r]	179.6[r]	176.0[r]	172.5[r]	176.0[r]	170.4	166.3	162.9	162.6	162.2	163.9	159.3
12 Federal funds and security RP borrowings[5]	174.8[r]	176.8[r]	172.8[r]	169.7[r]	173.2[r]	167.6	163.1	159.2	159.1	159.0	160.7	156.2
13 Other[6]	3.2	2.8	3.2	2.8	2.8	2.8	3.2	3.7	3.5	3.2	3.2	3.1
14 Foreign-related banks[6]	61.9	64.1	64.3	64.1	66.2	66.4	66.6	67.8	67.7	72.7	73.7	74.2
MEMO												
Gross large time deposits[7]												
15 Seasonally adjusted	441.0	450.6	451.0	451.3	453.0	451.9	447.6	447.2	443.9	435.2	432.4	431.9
16 Not seasonally adjusted	439.3	449.2	450.5	449.0	452.6	451.4	446.4	448.2	445.7	437.5	434.9	431.8
U.S. Treasury demand balances at commercial banks[8]												
17 Seasonally adjusted	25.7	33.4	33.8	21.7	15.1	23.2	20.5	23.8	21.9	31.1	37.6	27.0
18 Not seasonally adjusted	29.4	39.3	28.4	20.4	19.8	23.6	20.7	17.2	26.9	28.7	28.6	25.4

1. Commercial banks are nationally and state-chartered banks in the fifty states and the District of Columbia, agencies and branches of foreign banks, New York investment companies majority owned by foreign banks, and Edge Act corporations owned by domestically chartered and foreign banks.
Data in this table also appear in the Board's G.10 (411) release. For ordering address, see inside front cover.
2. Includes federal funds, repurchase agreements (RPs), and other borrowing from nonbanks and net balances due to related foreign offices.
3. Reflects net positions of U.S. chartered banks, Edge act corporations, and U.S. branches and agencies of foreign banks with related foreign offices plus net positions with own International Banking Facilities (IBFs).
4. Borrowings through any instrument, such as a promissory note or due bill, given for the purpose of borrowing money for the banking business. This includes borrowings from Federal Reserve Banks and from foreign banks, term federal funds, loan RPs, and sales of participations in pooled loans.
5. Figures are based on averages of daily data reported weekly by approximately 120 large banks and quarterly or annual data reported by other banks.
6. Figures are partly averages of daily data and partly averages of Wednesday data.
7. Time deposits in denominations of $100,000 or more. Estimated averages of daily data.
8. U.S. Treasury demand deposits and Treasury tax-and-loan notes at commercial banks. Averages of daily data.

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

Billions of dollars

Account	1991[r] Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
ALL COMMERCIAL BANKING INSTITUTIONS[2]											
1 **Total assets**	**3,388.9**	**3,380.1**	**3,368.5**	**3,410.3**	**3,409.2**	**3,438.5**	**3,397.3**	**3,423.0**	**3,461.6**	**3,499.6**	**3,529.6**
2 Loans and securities	2,924.9	2,910.9	2,907.3	2,921.8	2,936.3	2,937.7	2,921.0	2,939.3	2,970.5	2,984.5	3,002.5
3 Investment securities	614.0	628.3	628.5	634.1	640.8	648.7	650.9	657.6	681.9	692.0	700.5
4 U.S. government securities	449.5	463.3	465.1	471.8	480.1	489.9	492.8	498.8	522.1	531.5	538.4
5 Other	164.5	165.1	163.4	162.2	160.7	158.8	158.1	158.8	159.8	160.5	162.0
6 Trading account assets	26.9	23.5	24.9	24.3	27.5	30.2	28.5	29.9	32.6	33.2	31.2
7 Total loans	2,283.9	2,259.1	2,253.8	2,263.4	2,268.0	2,258.8	2,241.5	2,251.8	2,255.9	2,259.2	2,270.8
8 Interbank loans	185.0	171.8	160.7	172.5	166.8	175.9	167.5	172.4	178.6	178.8	180.9
9 Loans excluding interbank	2,099.0	2,087.3	2,093.1	2,090.9	2,101.3	2,082.9	2,074.1	2,079.4	2,077.4	2,080.4	2,090.0
10 Commercial and industrial	645.1	648.5	643.6	635.1	632.4	624.2	617.8	620.0	618.5	617.7	618.1
11 Real estate	840.1	842.5	849.2	855.4	859.3	856.0	854.8	854.7	858.8	857.9	858.3
12 Individual	376.4	371.5	372.0	370.7	369.8	368.3	368.2	366.7	363.7	361.8	368.2
13 All other	237.4	224.8	228.3	229.6	239.8	234.3	233.3	238.0	236.3	243.0	245.4
14 Total cash assets	204.5	206.1	201.0	224.3	212.3	214.1	200.1	207.1	210.3	228.1	234.4
15 Reserves with Federal Reserve Banks	18.1	25.0	23.1	26.2	29.1	24.8	23.0	25.7	25.6	24.4	29.0
16 Cash in vault	29.8	28.9	29.1	31.1	29.8	29.7	31.1	30.1	30.7	29.5	30.7
17 Cash items in process of collection	79.9	76.9	74.3	87.2	78.3	87.8	71.7	75.3	75.2	90.3	87.6
18 Demand balances at U.S. depository institutions	27.7	27.6	26.4	30.8	28.3	26.9	27.7	26.9	28.8	32.3	32.5
19 Other cash assets	49.0	47.7	48.1	49.0	46.8	45.0	46.5	49.2	50.1	51.5	54.6
20 Other assets	259.6	263.1	260.1	264.2	260.6	286.7	276.2	276.5	280.9	287.1	292.8
21 **Total liabilities**	**3,162.7**	**3,153.1**	**3,140.4**	**3,180.7**	**3,180.3**	**3,210.6**	**3,168.9**	**3,194.0**	**3,232.7**	**3,269.1**	**3,298.5**
22 Total deposits	2,365.0	2,382.5	2,381.9	2,413.3	2,406.1	2,448.8	2,430.9	2,430.3	2,443.7	2,485.0	2,490.6
23 Transaction accounts	594.1	602.8	601.3	617.6	611.2	639.4	612.0	613.7	628.0	669.8	682.3
24 Savings deposits (excluding checkable)	583.5	594.1	595.4	606.2	610.7	619.9	624.1	628.2	640.0	647.7	653.0
25 Time deposits	1,187.3	1,185.6	1,185.3	1,189.5	1,184.2	1,189.5	1,194.7	1,188.4	1,175.7	1,167.6	1,155.4
26 Borrowings	515.4	492.3	494.6	499.8	510.4	503.5	480.9	498.5	512.6	498.0	512.2
27 Other liabilities	282.3	278.2	263.9	267.6	263.8	258.4	257.1	265.2	276.4	286.0	295.7
28 Residual (assets less liabilities)[3]	226.2	227.0	228.1	229.6	228.9	227.9	228.4	229.0	228.9	230.5	231.1
DOMESTICALLY CHARTERED COMMERCIAL BANKS[4]											
29 **Total assets**	**2,986.3**	**2,980.4**	**2,962.4**	**2,993.7**	**2,989.4**	**3,009.9**	**2,973.4**	**2,985.2**	**3,011.6**	**3,038.2**	**3,055.6**
30 Loans and securities	2,642.3	2,635.6	2,629.1	2,638.0	2,645.8	2,653.4	2,637.8	2,645.4	2,660.9	2,674.2	2,681.2
31 Investment securities	577.4	588.6	592.3	595.7	602.7	611.0	612.1	618.1	636.2	643.2	648.6
32 U.S. government securities	429.3	440.2	445.5	449.2	457.8	467.9	470.2	475.6	492.9	499.6	504.6
33 Other	148.2	148.5	146.8	146.5	144.9	143.0	141.9	142.5	143.3	143.6	144.0
34 Trading account assets	26.9	23.5	24.9	24.3	27.5	30.2	28.5	29.9	32.6	33.2	31.2
35 Total loans	2,038.0	2,023.5	2,011.9	2,018.0	2,015.6	2,012.3	1,997.1	1,997.4	1,992.1	1,997.8	2,001.4
36 Interbank loans	150.9	148.3	134.2	144.5	139.0	150.4	146.4	148.0	149.2	156.0	155.1
37 Loans excluding interbank	1,887.0	1,875.2	1,877.7	1,873.5	1,876.6	1,861.8	1,850.7	1,849.3	1,842.9	1,841.8	1,846.3
38 Commercial and industrial	508.4	506.3	502.4	495.0	491.2	482.6	475.3	472.6	470.7	467.9	463.0
39 Real estate	797.1	799.7	804.9	808.9	812.1	808.2	806.9	806.9	810.3	809.5	809.8
40 Revolving home equity	63.3	63.6	64.4	65.7	66.6	67.0	67.6	68.7	69.3	69.6	70.3
41 Other real estate	733.8	736.1	740.3	743.0	743.7	741.2	739.4	738.2	741.1	739.9	739.5
42 Individual	376.4	371.5	372.0	370.7	369.8	368.3	368.2	366.7	363.7	361.8	368.2
43 All other	205.1	197.7	198.4	198.8	203.6	202.6	200.2	203.1	198.1	202.6	205.4
44 Total cash assets	172.7	177.0	171.6	193.6	184.3	187.6	172.3	177.0	179.7	197.8	202.2
45 Reserves with Federal Reserve Banks	17.0	24.0	21.9	25.8	28.3	23.9	22.1	24.9	25.0	23.9	28.5
46 Cash in vault	29.8	28.8	29.1	31.1	29.8	29.7	31.0	30.1	30.6	29.5	30.7
47 Cash items in process of collection	78.2	74.9	72.6	85.5	76.2	86.1	70.1	73.8	73.4	88.1	85.5
48 Demand balances at U.S. depository institutions	25.8	25.8	24.8	28.8	26.5	25.2	25.9	24.9	27.0	30.3	30.4
49 Other cash assets	21.9	23.4	23.2	22.4	23.6	22.8	23.2	23.4	23.8	26.0	27.2
50 Other assets	171.3	167.9	161.6	162.1	159.3	168.9	163.4	162.9	170.9	166.2	172.1
51 **Total liabilities**	**2,763.7**	**2,757.0**	**2,737.8**	**2,767.7**	**2,764.1**	**2,785.7**	**2,748.6**	**2,759.8**	**2,786.3**	**2,811.3**	**2,828.1**
52 Deposits	2,255.2	2,266.2	2,258.8	2,280.8	2,271.3	2,308.6	2,284.9	2,282.0	2,296.5	2,336.3	2,338.1
53 Transaction accounts	583.8	592.2	591.4	607.5	600.9	629.3	602.1	604.0	618.1	659.2	671.4
54 Savings deposits (excluding checkable)	580.2	590.6	591.9	602.5	607.1	616.2	620.4	624.5	636.2	643.8	649.0
55 Time deposits	1,091.2	1,083.4	1,075.6	1,070.8	1,063.4	1,063.1	1,062.5	1,053.5	1,042.2	1,033.4	1,017.7
56 Borrowings	371.8	354.9	346.5	355.1	364.4	352.2	338.8	355.6	359.9	343.3	353.1
57 Other liabilities	136.8	136.0	132.6	131.9	128.4	124.9	125.0	122.3	129.9	131.7	136.9
58 Residual (assets less liabilities)[3]	222.6	223.4	224.5	226.0	225.3	224.2	224.8	225.4	225.3	226.9	227.5

1. Back data are available from the Banking and Monetary Statistics Section, Board of Governors of the Federal Reserve System, Washington, D.C., 20551. Data in this table also appear in the Board's H.8 (510) weekly statistical release. Data are partly estimated. They include all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries. Components may not sum to totals because of rounding.

2. Includes insured domestically chartered commercial banks, agencies and branches of foreign banks, Edge act and agreement corporations, and New York State foreign investment corporations. Data are estimates for the last Wednesday of the month based on a sample of weekly-reporting foreign-related institutions and quarter-end condition reports.

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

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

1.26 ASSETS AND LIABILITIES OF LARGE WEEKLY-REPORTING COMMERCIAL BANKS[1]

Millions of dollars, Wednesday figures

Account	1991								
	Oct. 30	Nov. 6	Nov. 13	Nov. 20	Nov. 27	Dec. 4	Dec. 11	Dec.18	Dec. 25
ASSETS									
1 Cash and balances due from depository institutions	102,694	101,196	127,512	107,506	114,730	115,258	112,422	110,433	120,462
2 U.S. Treasury and government securities	219,603r	221,741r	223,441r	225,472r	223,321r	226,906	225,142	224,460	221,687
3 Trading account	18,924	21,246	21,461	22,663	20,094	21,945	21,041	19,867	18,486
4 Investment account	200,679r	200,496r	201,980r	202,809r	203,227r	204,962	204,101	204,593	203,201
5 Mortgage-backed securities[2]	79,007r	77,898r	77,751r	78,391r	77,635r	77,597	77,406	78,084	78,175
All others, by maturity									
6 One year or less	25,998r	26,301r	26,872r	26,000r	25,904r	25,534	25,437	25,671	25,284
7 *One year through five years*	50,975r	51,593r	52,328r	53,686r	54,741r	55,213	54,665	54,168	53,136
8 More than five years	44,699r	44,705r	45,030r	44,731r	44,947r	46,618	46,593	46,670	46,606
9 *Other securities*	56,413r	56,097	55,935r	55,811r	56,362r	55,699	55,455	55,646	56,221
10 Trading account	1,328r	1,267	1,335r	1,309r	1,568r	1,330	1,326	1,872	1,836
11 Investment account	55,086	54,830	54,599	54,502	54,795	54,368	54,130	53,774	54,384
12 State and political subdivisions, by maturity	23,630	23,497	23,217	22,977	23,033	22,724	22,637	22,517	22,667
13 One year or less	2,988r	3,039r	2,988r	2,958r	3,051r	3,041	3,011	2,980	3,112
14 More than one year	20,642r	20,458r	20,229r	20,019r	19,982r	19,683	19,626	19,536	19,555
15 Other bonds, corporate stocks, and securities	31,456	31,333	31,382	31,525	31,762	31,645	31,492	31,257	31,717
16 Other trading account assets	12,368r	11,476	11,844r	12,217r	11,546r	11,688	11,535	11,212	10,879
17 Federal funds sold[3]	79,855	82,502	83,649	80,930	82,619	82,829	84,023	86,075	86,112
18 To commercial banks in the United States	55,329	58,156	60,326	52,732r	56,530r	56,286	56,608	57,749	57,996
19 To nonbank brokers and dealers	20,108	20,191	19,791	24,151r	21,962r	21,819	22,636	23,161	23,641
20 To others[4]	4,418	4,155	3,533	4,047	4,128	4,724	4,778	5,166	4,475
21 Other loans and leases, gross	1,002,949	1,003,238	1,006,363	1,000,754	1,000,915	998,028	996,116	1,000,859	1,001,038
22 Commercial and industrial	295,409r	296,090r	295,425r	295,162r	294,286r	292,628	290,784	291,892	289,870
23 Bankers acceptances and commercial paper	1,715	1,741	2,228	2,247	2,272	2,218	2,056	2,043	2,038
24 All other	293,694r	294,349r	293,197r	292,916r	292,014r	290,410	288,728	289,849	287,832
25 U.S. addressees	292,105r	292,896r	291,832r	291,564r	290,705r	289,090	287,469	288,491	286,344
26 Non-U.S. addressees	1,589	1,453	1,365	1,352	1,309	1,320	1,259	1,357	1,488
27 Real estate loans	395,904r	396,206r	396,815r	396,066r	395,557r	395,309	395,625	394,639	393,914
28 *Revolving, home equity*	39,375r	39,277r	39,362r	39,438r	39,525r	39,539	39,621	39,717	39,916
29 All other	356,529r	356,929r	357,453r	356,627r	356,032r	355,770	356,005	354,922	353,998
30 To individuals for personal expenditures	182,206r	181,877r	181,902r	180,659r	180,022r	180,528	181,479	182,877	183,859
31 To financial institutions	44,067	44,671	45,555	43,166	44,223	44,679	44,411	44,403	45,719
32 Commercial banks in the United States	19,808	19,671	20,183	18,966	18,998	18,960	18,940	19,193	20,127
33 Banks in foreign countries	1,681	2,058	2,130	1,686	2,164	1,964	2,150	1,934	2,484
34 Nonbank financial institutions	22,577	22,941	23,242	22,513	23,060	23,755	23,322	23,275	23,108
35 For purchasing and carrying securities	13,733	12,818	14,186	14,388	14,351	13,304	12,813	15,017	14,805
36 To finance agricultural production	6,118	6,076	6,025	6,001	5,945	5,906	5,850	5,872	5,842
37 To states and political subdivisions	18,091	17,968	17,896	17,851	17,866	17,654	17,586	17,543	17,581
38 To foreign governments and official institutions	1,006	1,019	1,407	930	1,109	1,032	941	931	947
39 All other loans[5]	21,017	21,062	21,732	21,165	22,263	21,673	21,272	22,363	23,143
40 Lease-financing receivables	25,399	25,452	25,420	25,366	25,293	25,315	25,355	25,323	25,358
41 LESS: Unearned income	3,415	3,368	3,363	3,358	3,341	3,279	3,270	3,254	3,256
42 Loan and lease reserve[6]	36,419	37,029	36,980	36,977	36,754	37,265	37,481	37,227	36,709
43 Other loans and leases, net	963,115	962,842	966,021	960,419	960,820	957,483	955,365	960,378	961,073
44 Other assets	156,524r	158,029r	154,288r	153,886r	152,966r	155,861	154,845	151,628	157,292
45 **Total assets**	**1,590,573r**	**1,593,884r**	**1,622,688r**	**1,596,242r**	**1,602,366r**	**1,605,724**	**1,598,787**	**1,599,832**	**1,613,725**

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								
	Oct. 30	Nov. 6	Nov. 13	Nov. 20	Nov. 27	Dec. 4	Dec. 11	Dec. 18	Dec. 25
LIABILITIES									
46 Deposits	1,093,752	1,103,014[r]	1,121,361	1,105,399	1,118,110[r]	1,120,281	1,112,598	1,110,132	1,119,817
47 Demand deposits	221,894	223,292[r]	244,310	230,353	244,247	239,253	234,198	238,545	251,299
48 Individuals, partnerships, and corporations	178,008	181,199[r]	193,712	182,847	194,383	192,900	188,307	190,421	200,832
49 Other holders	43,886	42,093	50,598	47,506	49,865	46,353	45,891	48,124	50,467
50 States and political subdivisions	6,995	7,328	7,176	7,459	8,311	7,658	8,020	8,047	8,671
51 U.S. government	1,634	1,373	1,548	1,630	3,405	1,664	1,799	1,848	2,129
52 Depository institutions in the United States	20,594	18,903	25,370	19,657	22,495	20,816	20,271	20,957	23,470
53 Banks in foreign countries	4,572	5,373	5,187	5,156	5,349	4,998	5,649	5,275	5,545
54 Foreign governments and official institutions	594	679	709	569	740	768	870	604	880
55 Certified and officers' checks	9,498	8,437	10,606	13,035	9,565	10,449	9,281	11,394	9,772
56 Transaction balances other than demand deposits[5]	91,735	96,312	94,621	94,311	96,196	99,801	97,628	98,320	98,859
57 Nontransaction balances	780,122	783,410	782,430	780,735	777,667[r]	781,227	780,773	773,267	769,659
58 Individuals, partnerships, and corporations	748,671[r]	752,032[r]	751,180[r]	749,673[r]	746,662[r]	750,441	749,780	743,178	740,164
59 Other holders	31,451[r]	31,378[r]	31,250[r]	31,062[r]	31,006[r]	30,787	30,993	30,089	29,495
60 States and political subdivisions	26,025	25,827	25,843	25,662	25,570	25,513	25,823	25,024	24,405
61 *U.S. government*	1,152	1,183	1,181	1,176	1,177	1,170	1,116	1,110	1,094
62 Depository institutions in the United States	3,876	3,959	3,822	3,835[r]	3,849	3,690	3,653	3,584	3,613
63 Foreign governments, official institutions, and banks	399[r]	408[r]	404[r]	389[r]	409[r]	414	401	372	384
64 Liabilities for borrowed money[6]	280,821[r]	275,717[r]	285,186[r]	272,653[r]	264,399[r]	263,726	262,038	270,337	271,114
65 Borrowings from Federal Reserve Banks	0	0	0	0	5	0	600	0	31
66 Treasury tax and loan notes	28,034	20,275[r]	23,543	18,019[r]	15,124[r]	11,005	7,290	26,117	27,780
67 Other liabilities for borrowed money[7]	252,787[r]	255,442[r]	261,643[r]	254,634[r]	249,270[r]	252,722	254,148	244,220	243,303
68 Other liabilities (including subordinated notes and debentures)	101,923[r]	100,239[r]	100,741[r]	102,428[r]	104,802[r]	105,665	107,810	103,303	107,664
69 Total liabilities	**1,476,496[r]**	**1,478,969[r]**	**1,507,288[r]**	**1,480,480[r]**	**1,487,311[r]**	**1,489,673**	**1,482,447**	**1,483,772**	**1,498,594**
70 Residual (total assets less total liabilities)[8]	114,077[r]	114,914[r]	115,400[r]	115,761[r]	115,055[r]	116,051	116,340	116,060	115,131
MEMO									
71 Total loans and leases, gross, adjusted, plus securities[9]	1,296,051[r]	1,297,228[r]	1,300,722[r]	1,303,486[r]	1,299,236[r]	1,299,904	1,296,723	1,301,311	1,297,813
72 Time deposits in amounts of $100,000 or more	172,697	172,824	170,972	170,750[r]	170,677[r]	170,555	169,399	166,249	163,955
73 Loans sold outright to affiliates[10]	1,465	1,431	1,388	1,363	1,323	1,299	1,258	1,242	1,221
74 Commercial and industrial	798	787	759	735	705	681	675	654	654
75 Other	666	644	629	628	618	618	583	588	566
76 Foreign branch credit extended to U.S. residents[11]	23,981	24,307	24,115	24,204	24,572	24,452	24,179	24,217	24,141
77 Net due to related institutions abroad	−5,017[r]	−7,322[r]	−5,149	−3,867	−3,901	−6,497	−3,421	−4,771	−4,229

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

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

1.30 LARGE WEEKLY-REPORTING U.S. BRANCHES AND AGENCIES OF FOREIGN BANKS Assets and Liabilities[1]

Millions of dollars, Wednesday figures

Account	1991								
	Oct. 30	Nov. 6^r	Nov. 13^r	Nov. 20^r	Nov. 27	Dec. 4	Dec. 11	Dec. 18	Dec. 25
1 Cash and balances due from depository institutions	16,898	16,154	19,818	17,590	16,932	16,576	16,307	17,291	17,711
2 U.S. Treasury and government agency securities	18,880	18,944	20,067	18,835	20,441	19,572	20,631	20,590	21,600
3 Other securities	7,589	7,615	7,666	7,847	7,847	7,876	7,911	8,153	8,366
4 Federal funds sold[1]	12,858	9,947	10,656	8,788	10,076	8,846	11,115	10,186	9,516
5 To commercial banks in the United States	5,983	2,546	4,007	2,746	4,080	3,963	4,512	4,115	5,233
6 To others[2]	6,874	7,402	6,649	6,042	5,996	4,883	6,602	6,071	4,284
7 Other loans and leases, gross	145,233	146,229	145,908	148,336	150,400	151,222	151,242	152,916	157,368
8 Commercial and industrial	86,537^r	87,054	87,301	88,319	89,182^r	89,320	89,182	90,450	92,190
9 Bankers acceptances and commercial paper	1,862	1,831	1,882	2,065	2,252	2,324	2,156	2,389	2,346
10 All other	84,675^r	85,223	85,419	86,254	86,930^r	86,995	87,026	88,061	89,844
11 U.S. addressees	82,388^r	82,892	83,067	83,836	84,458^r	84,534	84,512	85,420	87,233
12 Non-U.S. addressees	2,288	2,331	2,352	2,418	2,472	2,461	2,514	2,640	2,611
13 Loans secured by real estate	33,321	33,287	33,244	33,317	33,430	33,588	33,462	33,392	33,604
14 To financial institutions	19,101^r	18,991	19,131	19,278	19,962^r	20,397	20,302	20,524	21,567
15 Commercial banks in the United States	8,093	7,660	7,734	7,860	8,205	8,059	8,083	7,762	7,992
16 Banks in foreign countries	1,930	1,846	2,171	2,093	2,265	2,247	1,965	2,220	2,776
17 Nonbank financial institutions	9,078^r	9,485	9,226	9,325	9,492^r	10,091	10,254	10,541	10,798
18 For purchasing and carrying securities	3,853	4,491	3,767	4,864	5,166	5,412	5,834	6,024	7,426
19 To foreign governments and official institutions	395	388	403	415	421	408	410	410	384
20 All other	2,027	2,017	2,061	2,143	2,238	2,098	2,052	2,116	2,197
21 Other assets (claims on nonrelated parties)	30,572	30,935	31,531	32,354	31,620	31,572	33,222	30,425	31,094
22 **Total assets**[3]	**269,027**	**270,306**	**274,001**	**272,772**	**275,973**	**275,720**	**278,963**	**280,485**	**283,060**
23 Deposits or credit balances due to other than directly related institutions	93,755	92,319	93,611	95,240	94,950	93,129	95,855	98,788	97,847
24 Demand deposits[4]	3,464	3,356	3,693	4,203	3,895	3,626	3,453	4,989	4,260
25 Individuals, partnerships, and corporations	2,221	2,138	2,369	2,284	2,332	2,214	2,151	3,400	2,568
26 Other	1,243	1,217	1,324	1,919	1,563	1,412	1,303	1,590	1,692
27 Nontransaction accounts	90,291	88,963	89,919	91,037	91,055	89,503	92,402	93,799	93,586
28 Individuals, partnerships, and corporations	65,562	64,176	65,567	65,678	65,256	64,195	66,296	67,343	67,502
29 Other	24,729	24,787	24,351	25,359	25,799	25,308	26,106	26,455	26,085
30 Borrowings from other than directly related institutions	94,560^r	98,080	95,218	94,804	95,466	99,247	95,016	96,858	96,904
31 Federal funds purchased[5]	50,231	53,628	47,938	51,335	49,240	54,634	47,127	50,158	46,879
32 From commercial banks in the United States	18,867	22,018	19,620	18,226	19,151	21,059	20,183	20,707	20,123
33 From others	31,364	31,610	28,317	33,109	30,090	33,576	26,943	29,451	26,756
34 Other liabilities for borrowed money	44,329^r	44,452	47,280	43,468	46,225	44,613	47,890	46,700	50,025
35 To commercial banks in the United States	13,302	13,214	13,450	13,088	14,138	13,197	13,999	13,761	14,779
36 To others	31,027^r	31,238	33,830	30,380	32,087	31,416	33,890	32,939	35,247
37 Other liabilities to nonrelated parties	29,928^r	29,958	30,612	30,364	30,064	30,143	30,988	29,066	29,622
38 **Total liabilities**[6]	**269,027**	**270,306**	**274,001**	**272,772**	**275,973**	**275,720**	**278,963**	**280,485**	**283,060**
MEMO									
39 Total loans (gross) and securities, adjusted[7]	170,484	172,530	172,555	173,199	176,478	175,494	178,304	179,968	183,625
40 Net due to related institutions abroad	13,786	9,468	16,203	13,342	16,836	13,144	18,568	14,850	21,282

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

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING[1]

Millions of dollars, end of period

Item	1986 Dec.	1987 Dec.	1988 Dec.	1989 Dec.	1990 Dec.	1991 June	1991 July	1991 Aug.	1991 Sept.	1991 Oct.	1991 Nov.
	Commercial paper (seasonally adjusted unless noted otherwise)										
1 **All issuers**	**331,316**	**358,997**	**458,464**	**530,123**	**566,688**	**536,186**	**545,493**	**538,179**	**532,931**	**529,981**	**538,567**
Financial companies[2]											
Dealer-placed paper[3]											
2 Total	101,707	102,742	159,777	186,343	218,953	203,139	205,099	208,159	211,821	219,028	220,402
3 Bank-related (not seasonally adjusted)[4]	2,265	1,428	1,248	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Directly placed paper[5]											
4 Total	151,897	174,332	194,931	212,640	201,862	191,137	195,144	191,902	189,427	180,540	182,109
5 Bank-related (not seasonally adjusted)[5]	40,860	43,173	43,155	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
6 Nonfinancial companies[6]	77,712	81,923	103,756	131,140	145,873	141,910	145,250	138,118	131,683	130,413	136,056
	Bankers dollar acceptances (not seasonally adjusted)[7]										
7 **Total**	**64,974**	**70,565**	**66,631**	**62,972**	**54,771**	**45,539**	**44,756**	**44,228**	**43,462**	**44,910**	**43,947**
Holder											
8 Accepting banks	13,423	10,943	9,086	9,433	9,017	10,028	9,081	9,622	10,174	9,876	10,750
9 Own bills	11,707	9,464	8,022	8,510	7,930	8,414	7,906	7,826	8,237	8,306	8,754
10 Bills bought	1,716	1,479	1,064	924	1,087	1,613	1,175	1,795	1,937	1,570	1,996
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	1,203	1,274	1,665	1,678	1,862	1,705
13 Others	50,234	58,658	56,052	52,473	44,836	34,308	34,401	32,941	31,610	33,172	31,491
Basis											
14 Imports into United States	14,670	16,483	14,984	15,651	13,096	13,431	12,728	12,968	12,876	13,265	13,472
15 Exports from United States	12,960	15,227	14,410	13,683	12,703	11,416	11,468	11,044	10,966	11,105	10,486
16 All other	37,344	38,855	37,237	33,638	28,973	20,691	20,561	20,215	19,620	20,541	19,989

1. Components may not sum to totals because of rounding.
2. Institutions engaged primarily in commercial, savings, and mortgage banking; sales, personal, and mortgage financing; factoring, finance leasing, and other business lending; insurance underwriting; and other investment activities.
3. Includes all financial-company paper sold by dealers in the open market.
4. Bank-related series were discontinued in January 1989.
5. As reported by financial companies that place their paper directly with investors.
6. Includes public utilities and firms engaged primarily in such activities as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services.
7. Data on bankers acceptances are gathered from institutions whose acceptances total $100 million or more annually. The reporting group is revised every January. In January 1988, the group was reduced from 155 to 111 institutions. The current group, totaling approximately 100 institutions, accounts for more than 90 percent of total acceptances activity.

1.33 PRIME RATE CHARGED BY BANKS on Short-Term Business Loans[1]

Percent per year

Date of change	Rate	Period	Average rate	Period	Average rate	Period	Average rate
1989— Jan. 1	10.50	1989	10.87	1990— Jan.	10.11	1991— Jan.	9.52
Feb. 10	11.00	1990	10.01	Feb.	10.00	Feb.	9.05
24	11.50	1991	8.46	Mar.	10.00	Mar.	9.00
June 5	11.00			Apr.	10.00	Apr.	9.00
July 31	10.50	1989— Jan.	10.50	May	10.00	May	8.50
		Feb.	10.93	June	10.00	June	8.50
1990— Jan. 8	10.00	Mar.	11.50	July	10.00	July	8.50
		Apr.	11.50	Aug.	10.00	Aug.	8.50
1991— Jan. 2	9.50	May	11.50	Sept.	10.00	Sept.	8.20
Feb. 4	9.00	June	11.07	Oct.	10.00	Oct.	8.00
May 1	8.50	July	10.98	Nov.	10.00	Nov.	7.58
Sept. 13	8.00	Aug.	10.50	Dec.	10.00	Dec.	7.21
Nov. 6	7.50	Sept.	10.50				
Dec. 23	6.50	Oct.	10.50			1992— Jan.	6.50
		Nov.	10.50				
		Dec.	10.50				

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

1.35 INTEREST RATES Money and Capital Markets

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

Item	1989	1990	1991	1991				1991, week ending				
				Sept.	Oct.	Nov.	Dec.	Nov. 29	Dec. 6	Dec. 13	Dec. 20	Dec. 27
MONEY MARKET INSTRUMENTS												
1 Federal funds[1,2,3]	9.21	8.10	5.69	5.45	5.21	4.81	4.43	4.68	4.79	4.54	4.49	4.22
2 Discount window borrowing[2,4]	6.93	6.98	5.45	5.20	5.00	4.58	4.11	4.50	4.50	4.50	4.50	3.64
Commercial paper[3,5,6]												
3 1-month	9.11	8.15	5.89	5.57	5.29	4.95	4.98	4.91	5.12	4.93	4.86	5.05
4 3-month	8.99	8.06	5.87	5.57	5.35	4.98	4.61	4.94	4.86	4.62	4.53	4.51
5 6-month	8.80	7.95	5.85	5.59	5.33	4.93	4.49	4.84	4.77	4.48	4.41	4.34
Finance paper, directly placed[3,5,7]												
6 1-month	8.99	8.00	5.73	5.43	5.18	4.80	4.69	4.74	4.94	4.74	4.65	4.62
7 3-month	8.72	7.87	5.71	5.33	5.19	4.87	4.39	4.80	4.69	4.43	4.33	4.19
8 6-month	8.16	7.53	5.60	5.34	5.12	4.76	4.31	4.71	4.63	4.36	4.23	4.09
Bankers acceptances[3,5,8]												
9 3-month	8.87	7.93	5.70	5.38	5.21	4.85	4.42	4.78	4.67	4.42	4.35	4.33
10 6-month	8.67	7.80	5.67	5.42	5.15	4.76	4.28	4.65	4.50	4.30	4.25	4.15
Certificates of deposit, secondary market[3,9]												
11 1-month	9.11	8.15	5.82	5.47	5.23	4.86	4.84	4.82	5.04	4.83	4.76	4.84
12 3-month	9.09	8.15	5.83	5.47	5.33	4.94	4.47	4.86	4.78	4.48	4.36	4.33
13 6-month	9.08	8.17	5.91	5.60	5.32	4.92	4.41	4.83	4.70	4.41	4.32	4.25
14 Eurodollar deposits, 3-month[3,10]	9.16	8.16	5.86	5.50	5.34	4.96	4.48	4.90	4.80	4.45	4.45	4.31
U.S. Treasury bills												
Secondary market[3,5]												
15 3-month	8.11	7.50	5.38	5.22	4.99	4.56	4.07	4.39	4.32	4.16	4.03	3.81
16 6-month	8.03	7.46	5.44	5.25	5.04	4.61	4.10	4.45	4.32	4.17	4.10	3.89
17 1-year	7.92	7.35	5.52	5.26	5.04	4.64	4.17	4.50	4.38	4.23	4.14	3.97
Auction average[3,5,11]												
18 3-month	8.12	7.51	5.42	5.25	5.03	4.60	4.12	4.44	4.39	4.21	4.14	3.75
19 6-month	8.04	7.47	5.49	5.29	5.08	4.66	4.16	4.50	4.39	4.20	4.19	3.85
20 1-year	7.91	7.36	5.54	5.26	5.12	4.72	4.20	n.a.	n.a.	n.a.	4.20	n.a.
U.S. TREASURY NOTES AND BONDS												
Constant maturities[12]												
21 1-year	8.53	7.89	5.86	5.57	5.33	4.89	4.38	4.74	4.61	4.44	4.35	4.17
22 2-year	8.57	8.16	6.49	6.18	5.91	5.56	5.03	5.44	5.25	5.07	5.01	4.83
23 3-year	8.55	8.26	6.82	6.50	6.23	5.90	5.39	5.81	5.63	5.46	5.38	5.17
24 5-year	8.50	8.37	7.37	7.14	6.87	6.62	6.19	6.54	6.34	6.25	6.21	6.00
25 7-year	8.52	8.52	7.68	7.48	7.25	7.06	6.69	7.03	6.82	6.76	6.73	6.51
26 10-year	8.49	8.55	7.86	7.65	7.53	7.42	7.09	7.42	7.25	7.21	7.13	6.86
27 30-year	8.45	8.61	8.14	7.95	7.93	7.92	7.70	7.96	7.86	7.79	7.71	7.52
Composite[13]												
28 Over 10 years (long-term)	8.58	8.74	8.16	7.96	7.88	7.83	7.58	7.86	7.73	7.67	7.60	7.40
STATE AND LOCAL NOTES AND BONDS												
Moody's series[14]												
29 Aaa	7.00	6.96	6.56	6.51	6.28	6.24	n.a.	6.20	6.45	6.37	6.22	6.22
30 Baa	7.40	7.29	6.99	6.87	6.70	6.58	n.a.	6.55	6.81	6.72	6.54	6.54
31 *Bond Buyer* series[15]	7.23	7.27	6.92	6.80	6.68	6.73	6.69	6.78	6.80	6.71	6.66	6.58
CORPORATE BONDS												
32 Seasoned issues, all industries[16]	9.66	9.77	9.23	9.03	8.99	8.93	8.75	8.93	8.86	8.80	8.75	8.64
Rating group												
33 Aaa	9.26	9.32	8.77	8.61	8.55	8.48	8.31	8.46	8.39	8.35	8.31	8.22
34 Aa	9.46	9.56	9.05	8.86	8.83	8.78	8.61	8.79	8.73	8.65	8.62	8.50
35 A	9.74	9.82	9.30	9.11	9.08	9.01	8.82	9.00	8.93	8.88	8.83	8.71
36 Baa	10.18	10.36	9.80	9.51	9.49	9.45	9.26	9.46	9.37	9.30	9.26	9.14
37 A-rated, recently offered utility bonds[17]	9.79	10.01	9.32	9.05	9.02	8.95	8.68	8.98	8.80	8.76	8.57	8.49
MEMO: Dividend–price ratio[18]												
38 Preferred stocks	9.05	8.96	8.17	7.88	7.84	7.81	7.62	7.85	7.72	7.65	7.63	7.55
39 Common stocks	3.45	3.61	3.25	3.15	3.14	3.15	3.11	3.22	3.19	3.22	3.17	3.06

1. The daily effective federal funds rate is a weighted average of rates on trades through N.Y. brokers.
2. Weekly figures are averages of seven calendar days ending on Wednesday of the current week; monthly figures include each calendar day in the month.
3. Annualized using a 360-day year or bank interest.
4. Rate for the Federal Reserve Bank of New York.
5. Quoted on a discount basis.
6. An average of offering rates on commercial paper placed by several leading dealers for firms whose bond rating is AA or the equivalent.
7. An average of offering rates on paper directly placed by finance companies.
8. Representative closing yields for acceptances of the highest rated money center banks.
9. An average of dealer offering rates on nationally traded certificates of deposit.
10. Bid rates for Eurodollar deposits at 11 a.m. London time. Data are for *indication purposes only.*
11. Auction date for daily data; weekly and monthly averages computed on an issue-date basis.
12. Yields on actively traded issues adjusted to constant maturities. Source: U.S. Treasury.
13. Unweighted average of rates on all outstanding bonds neither due nor callable in less than 10 years, including one very low yielding "flower" bond.
14. General obligations based on Thursday figures; Moody's Investors Service.
15. General obligations only, with twenty years to maturity, issued by twenty state and local governmental units of mixed quality. Based on figures for Thursday.
16. Daily figures from Moody's Investors Service. Based on yields to maturity on selected long-term bonds.
17. Compilation of the Federal Reserve. This series is an estimate of the yield on recently-offered, A-rated utility bonds with a thirty-year maturity and five years of call protection. Weekly data are based on Friday quotations.
18. Standard and Poor's corporate series. Preferred stock ratio based on a sample of ten issues: four public utilities, four industrials, one financial, and one transportation. *Common stock ratios on the 500 stocks in the price index.*

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

1.36 STOCK MARKET Selected Statistics

Indicator	1989	1990	1991	1991 Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Prices and trading volume (averages of daily figures)											
Common stock prices (indexes)												
1 New York Stock Exchange (Dec. 31, 1965 = 50)	180.13	183.58	206.35	207.71	207.07	207.32	208.29	213.33	212.55	213.10	213.25	214.26
2 Industrial	228.04	225.89	258.16	260.16	260.13	261.16	262.48	268.22	266.21	265.68	264.89	266.01
3 Transportation	174.90	158.88	173.97	166.90	170.77	177.05	177.15	178.42	177.99	187.45	188.52	185.47
4 Utility	94.33	90.71	92.64	92.92	90.73	89.01	90.05	92.38	93.72	95.25	96.78	98.08
5 Finance	162.01	133.36	150.84	152.64	151.32	152.30	151.69	157.70	157.69	158.94	159.78	159.96
6 Standard & Poor's Corporation (1941–43 = 10)[1]	323.05	334.83	376.20	379.68	378.27	378.29	380.23	389.40	387.20	386.88	385.87	388.51
7 American Stock Exchange (Aug. 31, 1973 = 50)[2]	356.67	338.58	360.32	365.02	362.67	366.06	364.33	367.38	369.55	376.82	382.38	373.08
Volume of trading (thousands of shares)												
8 New York Stock Exchange	165,568	156,777	179,411	182,510	170,337	162,154	157,871	171,490	163,242	177,502	187,191	197,914
9 American Stock Exchange	13,124	13,155	12,486	13,140	10,995	11,477	10,883	12,514	13,378	13,764	14,487	17,475
	Customer financing (millions of dollars, end-of-period balances)											
10 **Margin credit at broker-dealers**[3]	**34,320**	**28,210**	**36,660**	**30,020**	**29,980**	**31,280**	**30,600**	**32,240**	**33,170**	**33,360**	**34,840**	**36,660**
Free credit balances at brokers[4]												
11 Margin accounts[5]	7,040	8,050	8,290	6,975	7,200	6,690	6,545	7,040	6,950	6,965	7,040	8,290
12 Cash accounts	18,505	19,285	19,255	17,830	16,650	18,110	16,945	17,040	17,595	17,100	17,780	19,255

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

1. Effective July 1976, includes a new financial group, banks and insurance companies. With this change the index includes 400 industrial stocks (formerly 425), 20 transportation (formerly 15 rail), 40 public utility (formerly 60), and 40 financial.
2. On July 5, 1983, the American Stock Exchange rebased its index, effectively cutting previous readings in half.
3. Since July 1983, under the revised Regulation T, margin credit at broker-dealers has included credit extended against stocks, convertible bonds, stocks acquired through exercise of subscription rights, corporate bonds, and government securities. Separate reporting of data for margin stocks, convertible bonds, and subscription issues was discontinued in April 1984.
4. Free credit balances are amounts in accounts with no unfulfilled commitments to brokers and are subject to withdrawal by customers on demand.
5. New series since June 1984.
6. These requirements, stated in regulations adopted by the Board of Governors pursuant to the Securities Exchange Act of 1934, limit the amount of credit that can be used to purchase and carry "margin securities" (as defined in the regulations) when such credit is collateralized by securities. Margin requirements on securities other than options are the difference between the market value (100 percent) and the maximum loan value of collateral as prescribed by the Board. Regulation T was adopted effective Oct. 15, 1934; Regulation U, effective May 1, 1936; Regulation G, effective Mar. 11, 1968; and Regulation X, effective Nov. 1, 1971.

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

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

1.37 SELECTED FINANCIAL INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1989	1990	1991 Jan.	Feb.	Mar.	Apr.[r]	May[r]	June[r]	July[r]	Aug.[r]	Sept.[r]	Oct.
	SAIF-insured institutions											
1 **Assets**	**1,249,055**	**1,084,821**	**1,065,993**	**1,054,654**	**1,041,977**	**1,027,464**	**1,020,677**	**1,001,582**	**984,971**	**972,529**	**949,047**	**937,776**
2 Mortgages	733,729	633,385	624,707	619,720	610,618	608,857	605,947	596,022	586,280	578,269	566,107	560,830
3 Mortgage-backed securities	170,532	155,228	151,422	149,318	147,431	143,968	141,582	139,536	137,098	135,751	135,377	135,084
4 Contra-assets to mortgage assets[1]	25,457	16,897	15,211	14,872	14,592	14,413	14,438	14,625	14,242	14,031	13,115	12,471
5 Commercial loans	32,150	24,125	23,669	23,205	22,294	21,903	21,724	20,645	20,301	20,390	18,507	18,159
6 Consumer loans	58,685	48,753	48,129	47,729	47,653	46,702	45,827	45,174	44,352	43,259	42,441	43,062
7 Contra-assets to nonmortgage loans[2]	3,592	1,939	1,700	1,876	1,827	1,742	1,739	1,745	1,676	1,546	1,399	1,372
8 Cash and investment securities	166,053	146,644	140,502	138,884	138,976	132,878	134,012	130,443	130,264	132,011	125,774	120,675
9 Other[3]	116,955	95,522	94,474	92,546	91,424	89,301	87,757	86,133	82,594	78,425	75,354	73,809
10 **Liabilities and net worth**	**1,249,055**	**1,084,821**	**1,065,993**	**1,054,654**	**1,041,977**	**1,027,464**	**1,020,677**	**1,001,582**	**984,971**	**972,529**	**949,047**	**937,776**
11 Savings capital	945,656	835,496	823,515	816,477	816,991	806,266	801,678	792,923	775,445	763,763	749,372	741,371
12 Borrowed money	252,230	197,353	188,900	183,660	169,412	164,268	159,625	151,474	146,901	142,908	132,726	127,356
13 FHLBB	124,577	100,391	95,819	94,658	90,555	86,779	82,312	78,966	76,104	74,424	68,792	66,578
14 Other	127,653	96,962	93,081	89,002	78,857	77,489	77,313	72,508	70,797	68,484	63,934	60,778
15 Other	27,556	21,332	22,178	23,355	20,350	21,752	23,647	20,480	21,647	22,642	19,070	20,368
16 Net worth	23,612	30,640	31,400	31,162	35,223	35,178	35,720	36,705	40,977	43,216	47,878	48,681

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

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

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

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

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

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS[1]

Millions of dollars

Type of account or operation	Fiscal year 1989	Fiscal year 1990	Fiscal year 1991	Calendar year 1991 July	Aug.	Sept.	Oct.	Nov.	Dec.
U.S. budget[2]									
1 Receipts, total	990,701	1,031,308	1,054,260	78,593	76,426	109,345	78,068	73,194	103,662
2 On-budget	727,035	749,652	760,377[r]	56,327	54,651	83,130[r]	57,216	50,898	80,172
3 Off-budget	263,666	281,656	293,883[r]	22,266	21,775	26,215[r]	20,852	22,296	23,490
4 Outlays, total	1,144,020	1,251,766	1,322,989	119,384	120,071	116,174	114,045	118,660	106,306
5 On-budget	933,107	1,026,711	1,081,303[r]	99,532	97,247	91,516[r]	94,062	96,367	95,607
6 Off-budget	210,911	225,065	241,685[r]	19,852	22,824	24,658[r]	19,983	22,293	10,698
7 Surplus or deficit (−), total	−153,319	−220,469	−268,729	−40,791	−43,645	−6,829	−35,976	−45,467	−2,644
8 On-budget	−206,072	−277,059	−320,926	−43,205	−42,596	−8,386	−36,846	−45,469	−15,435
9 Off-budget	52,753	56,590	52,198	2,414	−1,049	1,557	869	3	12,792
Source of financing (total)									
10 Borrowing from the public	141,806	220,101	276,802	34,434	32,574	27,970	40,657	25,641	22,825
11 Operating cash (decrease, or increase (−))	3,425	818	−1,329	6,728	18,504	−23,133	−11,235	28,195	−24,258
12 Other[3]	8,088	−451	−6,744	−371	−7,433	1,992	6,554	−8,369	4,077
MEMO									
13 Treasury operating balance (level, end of period)	*40,973*	*40,155*	*41,484*	*36,855*	*18,351*	*41,484*	*52,719*	*24,524*	*48,782*
14 Federal Reserve Banks	13,452	7,638	7,928	5,831	6,745	7,928	18,111	6,317	17,697
15 Tax and loan accounts	27,521	32,517	33,556	31,024	11,606	33,556	34,608	18,207	31,085

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

2. In accordance with the Balanced Budget and Emergency Deficit Control Act of 1985, all former off-budget entries are now presented on-budget. Federal Financing Bank (FFB) activities are now shown as separate accounts under the *agencies that use the FFB to finance their programs. The act also moved two* social security trust funds (federal old-age survivors insurance and federal disability insurance trust fund) off-budget. The Postal Service is included as an off-budget item in the *Monthly Treasury Statement* beginning in 1990.

3. Includes special drawing rights (SDRs); reserve position on the U.S. quota in the International Monetary Fund (IMF); loans to the IMF; other cash and monetary assets; accrued interest payable to the public; allocations of SDRs; deposit funds; miscellaneous liability (including checks outstanding) and asset accounts; seigniorage; increment on gold; net gain or loss for U.S. currency valuation adjustment; net gain or loss for IMF loan-valuation adjustment; and profit on sale of gold.

SOURCES. *Monthly Treasury Statement of Receipts and Outlays of the U.S. Government* (MTS) and the *Budget of the U.S. Government*.

1.39 U.S. BUDGET RECEIPTS AND OUTLAYS[1]

Millions of dollars

Source or type	Fiscal year 1990	Fiscal year 1991	Calendar year 1990 H1	1990 H2	1991 H1	1991 H2	1991 Oct.	1991 Nov.	1991 Dec.
RECEIPTS									
1 **All sources**	**1,031,308**	**1,054,260**	**548,861**	**503,123**	**540,504**	**519,288**	**78,068**	**73,194**	**103,662**
2 Individual income taxes, net	466,884	467,827	243,087	230,745	232,389	233,983	39,332	31,987	41,722
3 Withheld	388,384	404,152	190,219	207,469	193,440	210,552	37,291	32,448	39,943
4 Presidential Election Campaign Fund	32	32	30	3	31	1	0	0	0
5 Nonwithheld	151,285	142,693	117,675	31,728	109,405	33,296	3,725	1,743	2,614
6 Refunds	72,817	79,050	64,838	8,455	70,487	9,867	1,684	2,205	835
Corporation income taxes									
7 Gross receipts	110,017	113,599	58,830	54,044	58,903	54,016	3,613	2,411	22,546
8 Refunds	16,510	15,513	8,326	7,603	7,904	7,956	2,442	895	827
9 Social insurance taxes and contributions, net	380,047	396,011	210,476	178,468	214,303	186,839	28,435	31,502	30,996
10 Employment taxes and contributions[2]	353,891	370,526	195,269	167,224	199,727	175,802	27,022	28,835	30,418
11 Self-employment taxes and contributions[3]	21,795	25,457	19,017	2,638	22,150	3,306	0	0	0
12 Unemployment insurance	21,635	20,922	12,929	8,996	12,296	8,721	971	2,293	228
13 Other net receipts[4]	4,522	4,563	2,278	2,249	2,279	2,317	443	374	350
14 Excise taxes	35,345	42,430	18,153	17,535	20,703	24,690	3,640	4,200	3,912
15 Customs deposits	16,707	15,921	8,096	8,568	7,488	8,694	1,607	1,412	1,405
16 Estate and gift taxes	11,500	11,138	6,442	5,333	5,631	5,521	923	984	757
17 Miscellaneous receipts[5]	27,316	22,847	12,106	16,032	8,991	13,503	2,962	1,593	3,151
OUTLAYS									
18 **All types**	**1,251,776**	**1,322,989**	**640,867**	**647,218**	**631,737**	**694,640**	**114,045**	**118,660**	**106,306**
19 National defense	299,331	272,514	152,733	149,497	122,089	147,531	23,792	25,794	24,138
20 International affairs	13,762	16,167	6,770	8,943	7,592	7,651	1,842	1,836	1,252
21 General science, space, and technology	14,444	15,946	6,974	8,081	7,496	8,473	1,562	1,293	1,501
22 Energy	2,372	1,750	1,216	979	816	1,436	640	667	160
23 Natural resources and environment	17,067	18,708	7,343	9,933	8,324	11,221	3,179	1,829	1,580
24 Agriculture	11,958	14,864	7,450	6,878	7,684	7,335	1,615	2,291	2,409
25 Commerce and housing credit	67,160	75,639	38,672	37,491	17,992	36,579	29	2,099	−6,650
26 Transportation	29,485	31,531	13,754	16,218	14,748	17,094	2,891	2,882	2,731
27 Community and regional development	8,498	7,432	3,987	3,939	3,552	3,784	802	664	546
28 Education, training, employment, and social services	38,497	41,479	19,537	18,988	21,234	21,104	3,983	3,581	3,937
29 Health	57,716	71,183	29,488	31,424	35,608	41,458	7,194	7,283	7,329
30 Social security and medicare	346,383	373,495	175,997	176,353	190,247	193,156	32,659	32,186	32,676
31 Income security	147,314	171,618	78,475	75,948	88,778	87,215	13,695	14,970[r]	16,191
32 Veterans benefits and services	29,112	31,344	15,217	15,479	14,326	17,425	3,086	4,060	2,637
33 Administration of justice	10,004	12,295	4,868	5,265	6,187	6,586	1,129	1,124	1,142
34 General government	10,724	11,358	4,916	6,976	5,212	6,821	2,056	1,303	1,313
35 Net interest[6]	184,221	195,012	91,155	94,650	98,556	99,405	16,847	16,557	16,564
36 Undistributed offsetting receipts[7]	−36,615	−39,356	−17,688	−19,829	−18,702	−20,435	−2,956	−2,566	−3,148

1. Functional details do not sum to total outlays for calendar year data because revisions to monthly totals have not been distributed among functions. Fiscal year total for outlays does not correspond to calendar year data because revisions from the *Budget* have not been fully distributed across months.
2. Old-age, disability, and hospital insurance, and railroad retirement accounts.
3. Old-age, disability, and hospital insurance.
4. Federal employee retirement contributions and civil service retirement and disability fund.
5. Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts.
6. Net interest function includes interest received by trust funds.
7. Consists of rents and royalties on the outer continental shelf, U.S. government contributions for employee retirement.

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

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION[1]

Billions of dollars, end of month

Item	1989	1990				1991			
	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec 31
1 **Federal debt outstanding**	**2,976**	**3,082**	**3,176**	**3,266**	**3,397**	**3,492**	**3,563**	**3,683**	n.a.
2 Public debt securities	2,953	3,052	3,144	3,233	3,365	3,465	3,538	3,665	3,802
3 Held by public	2,245	2,329	2,369	2,438	2,537	2,598	2,643	2,746	n.a.
4 Held by agencies	708	723	775	796	828	867	895	920	n.a.
5 Agency securities	23	30	32	33	33	27	25	18	n.a.
6 Held by public	22	30	32	33	32	26	25	18	n.a.
7 Held by agencies	0	0	0	0	0	0	0	0	n.a.
8 **Debt subject to statutory limit**	**2,922**	**2,989**	**3,077**	**3,161**	**3,282**	**3,377**	**3,450**	**3,569**	**3,707**
9 Public debt securities	2,921	2,989	3,077	3,161	3,281	3,377	3,450	3,569	3,706
10 Other debt[2]	0	0	0	0	0	0	0	0	0
11 MEMO: Statutory debt limit	3,123	3,123	3,123	3,195	4,145	4,145	4,145	4,145	4,145

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

SOURCES. *Treasury Bulletin* and *Monthly Statement of the Public Debt of the United States.*

1.41 GROSS PUBLIC DEBT OF U.S. TREASURY Types and Ownership[1]

Billions of dollars, end of period

Type and holder	1988	1989	1990	1991	1991			
					Q1	Q2	Q3	Q4
1 **Total gross public debt**	**2,684.4**	**2,953.0**	**3,364.8**	**3,801.7**	**3,465.2**	**3,538.0**	**3,665.3**	**3,801.7**
By type								
2 Interest-bearing	2,663.1	2,931.8	3,362.0	3,798.9	3,441.4	3,516.1	3,662.8	3,798.9
3 Marketable	1,821.3	1,945.4	2,195.8	2,471.6	2,227.9	2,268.1	2,390.7	2,471.6
4 Bills	414.0	430.6	527.4	590.4	533.3	521.5	564.6	590.4
5 Notes	1,083.6	1,151.5	1,265.2	1,430.8	1,280.4	1,320.3	1,387.7	1,430.8
6 Bonds	308.9	348.2	388.2	435.5	399.3	411.2	423.4	435.5
7 Nonmarketable[2]	841.8	986.4	1,166.2	1,327.2	1,213.5	1,248.0	1,272.1	1,327.2
8 State and local government series	151.5	163.3	160.8	159.7	159.4	161.0	158.1	159.7
9 *Foreign issues*[3]	6.6	6.8	43.5	41.9	42.8	42.1	41.6	41.9
10 Government	6.6	6.8	43.5	41.9	42.8	42.1	41.6	41.9
11 Public	.0	.0	.0	.0	.0	.0	.0	.0
12 *Savings bonds and notes*	107.6	115.7	124.1	135.9	127.7	131.3	133.5	135.9
13 Government account series[4]	575.6	695.6	813.8	959.2	853.1	883.2	908.4	959.2
14 Non-interest-bearing	21.3	21.2	2.8	2.8	23.8	21.9	2.5	2.8
By holder[5]								
15 U.S. Treasury and other federal agencies and trust funds	589.2	707.8	828.3		866.8	895.1	919.6	
16 Federal Reserve Banks	238.4	228.4	259.8		247.3	255.1	264.7	
17 Private investors	1,858.5	2,015.8	2,288.3		2,360.6	2,397.9	2,489.4	
18 Commercial banks	193.8	174.8	188.2		194.8	204.2[r]	214.0	
19 Money market funds	11.8	14.9	45.4		65.7	55.2[r]	64.5	
20 Insurance companies	107.3	130.1	149.7	n.a.	149.3[r]	155.1[r]	157.0	n.a.
21 Other companies	87.1	93.4	108.9		114.9	130.8	142.0	
22 *State and local treasuries*	313.6	338.7	329.6		*329.5*[r]	*327.0*[r]	*326.0*	
Individuals								
23 Savings bonds	109.6	117.7	126.2		129.7	133.2	135.4	
24 Other securities	79.2	98.7	107.6		108.6	110.3	122.1	
25 Foreign and international[6]	362.2	392.9	423.2[r]		430.7[r]	441.2[r]	444.8	
26 *Other miscellaneous investors*[7]	593.4	654.6	822.4[r]		837.4[r]	840.9[r]	883.6	

1. Components may not sum to totals because of rounding.
2. Includes (not shown separately) securities issued to the Rural Electrification Administration, depository bonds, retirement plan bonds, and individual retirement bonds.
3. Nonmarketable series denominated in dollars, and series denominated in foreign currency held by foreigners.
4. *Held almost entirely by U.S. Treasury and other federal agencies and trust funds.*
5. Data for Federal Reserve Banks and U.S. government agencies and trust funds are actual holdings; data for other groups are Treasury estimates.
6. Consists of investments of foreign balances and international accounts in the United States.
7. Includes savings and loan associations, nonprofit institutions, credit unions, mutual savings banks, corporate pension trust funds, dealers and brokers, certain U.S. Treasury deposit accounts, and federally-sponsored agencies.

SOURCES. Data by type of security, U.S. Treasury Department, *Monthly Statement of the Public Debt of the United States;* data by holder, the *Treasury Bulletin.*

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

Millions of dollars, daily averages, par value

Item	1991			1991, week ending								
	Sept.	Oct.r	Nov.	Oct. 30	Nov. 6	Nov. 13	Nov. 20	Nov. 27	Dec. 4	Dec. 11	Dec. 18	Dec. 25
IMMEDIATE TRANSACTIONS[2]												
By type of security												
U.S. Treasury securities												
1 Bills	31,075	35,273	36,255	41,013	32,939	36,867	43,054	33,172	28,497	34,550	32,812	30,887
Coupon securities, by maturity												
2 Less than 3.5 years	36,099r	38,280	42,034	43,917r	45,317r	40,115	40,949	43,680	33,775	37,494	37,514	34,775
3 3.5 to 7.5 years	28,214r	35,454	33,385	37,926r	30,987r	33,301	33,625	35,448	31,799	36,389	32,629	32,028
4 7.5 to 15 years	13,463r	16,202	18,691	18,208r	21,848r	24,758	18,049	12,975	13,578	19,959	13,752	13,611
5 15 years or more	13,586r	15,710	18,559	15,822	19,192	27,845	17,930	12,646	11,601	21,265	13,150	15,500
Federal agency securities												
Debt, maturing in												
6 Less than 3.5 years	4,384r	4,428	4,089	5,094r	3,507r	4,104	3,985	4,625	4,205	4,998	4,983	4,352
7 3.5 to 7.5 years	676r	571	700	567r	741r	739	761	528	933	843	680	375
8 7.5 years or more	607r	736	904	722r	1,072r	966	928	643	1,167	999	707	597
Mortgage-backed securities												
9 Pass-throughs	12,324r	11,954	14,169	12,543	10,604	14,232	16,805	15,129	10,193	15,685	14,184	11,919
10 All others[3]	2,314	2,638	2,934	2,831	2,489	3,336	2,752	3,249	2,440	3,019	3,161	2,388
By type of counterparty												
Primary dealers and brokers												
11 U.S. Treasury securities	74,771r	88,007	93,694	99,777r	95,578r	100,884	97,235	87,085	72,738	93,105	78,984	72,246
Federal agency securities												
12 Debt	1,436r	1,585	1,387	1,988r	1,226r	1,553	1,440	1,251	1,790	1,693	1,495	1,026
13 Mortgage-backed	6,736	6,803	8,245	7,867	5,756	7,960	10,429	8,865	5,317	8,323	7,672	5,996
Customers												
14 U.S. Treasury securities	47,665r	52,913	55,231	57,110r	54,706r	62,002	56,372	50,836	46,511	56,553	50,873	54,554
Federal agency securities												
15 Debt	4,231r	4,150	4,305	4,396r	4,093r	4,256	4,233	4,545	4,516	5,148	4,876	4,299
16 Mortgage-backed	7,902r	7,788	8,858	7,507	7,336	9,609	9,128	9,513	7,315	10,381	9,673	8,312
FUTURE AND FORWARD TRANSACTIONS[4]												
By type of deliverable security												
U.S. Treasury securities												
17 Bills	3,616	3,073	3,740	3,810	2,498	4,714	4,770	2,851	4,102	6,001	2,170	2,431
Coupon securities, by maturity												
18 Less than 3.5 years	996	1,312	1,673	1,332	2,329	1,451	1,429	1,667	1,195	1,381	1,289	4,096
19 3.5 to 7.5 years	541	812	864	758	1,171	646	764	890	872	1,305	867	1,888
20 7.5 to 15 years	881	941	1,224	1,041	1,079	1,434	1,384	1,101	776	1,498	1,218	703
21 15 years or more	8,235	9,273	10,328	9,757	9,199	12,835	10,724	9,707	5,937	10,178	6,612	8,496
Federal agency securities												
Debt, maturing in												
22 Less than 3.5 years	45	92	94	181	60	30	142	139	22	22	204	315
23 3.5 to 7.5 years	51	38	73	10	12	24	83	140	134	47	17	16
24 7.5 years or more	33	25	63	74	8	11	72	142	49	13	54	24
Mortgage-backed												
25 Pass-throughs[3]	11,134	12,076	12,374	10,945	8,836	15,672	13,419	12,541	7,270	13,528	9,813	9,683
26 Others	2,012	2,339	1,745	2,668r	1,840	1,205	2,483	1,525	927	2,024	1,169	1,456
OPTION TRANSACTIONS[5]												
By type of underlying security												
U.S. Treasury, coupon securities, by maturity												
27 Less than 3.5 years	1,725	1,025	975	886	1,302	1,353	726	693	807	1,200	425	2,273
28 3.5 to 7.5 years	340	420	640	346	1,206	668	488	319	631	1,058	234	517
29 7.5 to 15 years	337	381	523	263	453	578	862	174	631	381	252	413
30 15 years or more	2,551	2,205	3,482	2,334	4,168	4,140	4,247	1,962	1,877	2,420	1,739	2,528
Federal agency, mortgage-backed securities												
31 Pass-throughs	603	532	334	222	296	585	371	127	339	875	176	713

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

Dealers report cumulative transactions for each week ending Wednesday.

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

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

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

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

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

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

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

Millions of dollars

Item	1991			1991, week ending								
	Sept.	Oct.	Nov.	Oct. 23	Oct. 30	Nov. 6	Nov. 13	Nov. 20	Nov. 27	Dec. 4	Dec. 11	Dec. 18
	Positions[2]											
NET IMMEDIATE TRANSACTIONS[3]												
By type of security												
U.S. Treasury securities												
1 Bills	15,937	15,720	15,482	18,827	16,581	19,828	16,398	15,573	10,990	14,921	17,261	18,469
Coupon securities, by maturity												
2 Less than 3.5 years	4,049[r]	6,362[r]	7,368	8,971[r]	4,172	10,364	9,298	5,724	5,197	5,771	3,636	7,501
3 3.5 to 7.5 years	567[r]	−2,993[r]	−8,509	−5,126[r]	−2,478	−6,213	−8,110	−10,259	−8,204	−10,663	−8,291	−8,598
4 7.5 to 15 years	−4,997[r]	−3,733[r]	−3,844	−4,368[r]	−4,342	−1,436	−4,168	−3,475	−4,885	−6,332	−6,640	−5,232
5 15 years or more	−12,134	−8,144[r]	−7,296	−8,449[r]	−7,921	−13,095	−9,280	−3,637	−5,493	−3,816	−2,050	−1,450
Federal agency securities												
Debt, maturing in												
6 Less than 3.5 years	4,805[r]	4,104[r]	4,099	5,148[r]	2,961	3,398	4,078	4,694	3,298	6,035	3,841	4,121
7 3.5 to 7.5 years	1,905[r]	1,940[r]	2,314	1,870[r]	2,042	2,039	2,170	2,382	2,462	2,698	2,796	2,678
8 7.5 years or more	5,167[r]	5,108[r]	4,231	4,929[r]	5,065	4,733	4,453	4,204	3,685	4,046	3,720	3,580
Mortgage-backed securities												
9 Pass-throughs	29,377	25,712	27,555	28,443	23,981	26,339	30,512	35,559	21,506	18,525	27,315	26,517
10 All others[4]	12,611	14,414[r]	15,780	14,143	14,299	14,610	13,735	15,918	17,795	17,868	16,620	16,373
Other money market instruments												
11 Certificates of deposit	3,020	3,355	3,147	3,346	3,849	2,838	3,456	3,481	2,644	3,435	2,610	2,562
12 Commercial paper	5,912	6,481	6,194	6,080	7,381	6,792	7,204	5,404	5,847	5,296	5,889	6,148
13 Bankers acceptances	1,575	1,495	1,574	1,140	1,692	1,542	1,676	1,331	1,630	1,840	1,564	1,257
FUTURE AND FORWARD TRANSACTIONS[5]												
By type of deliverable security												
U.S. Treasury securities												
14 Bills	−7,828	−8,523	−10,708	−8,621	−9,506	−8,532	−10,164	−12,389	−10,350	−13,238	−11,880	−8,267
Coupon securities, by maturity												
15 Less than 3.5 years	1,615	1,195	394	967	1,384	463	1,005	86	111	209	441	2,984
16 3.5 to 7.5 years	−868	−1,553	−1,565	−2,019	−1,677	−1,551	−1,356	−1,994	−1,566	−1,077	−945	−235
17 7.5 to 15 years	−1,892	−1,061	−500	−437	−1,429	345	−712	−1,005	−575	−337	449	−730
18 15 years or more	−5,582	−3,551	−2,016	−2,344	−3,148	455	−275	−4,383	−2,594	−4,149	−5,747	−5,356
Federal agency securities												
Debt, maturing in												
19 Less than 3.5 years	−41	35	54	101	80	20	54	−1	180	−45	−14	−97
20 3.5 to 7.5 years	−1	−60	16	−52	−2	63	−59	28	75	−65	109	145
21 7.5 years or more	−26	−18	94	−37	15	11	0	30	287	180	56	−83
Mortgage-backed securities												
22 Pass-throughs	−18,899	−15,336	−14,580	−17,278	−12,342	−13,903	−18,225	−21,511	−9,585	−2,912	−12,654	−12,046
23 All others[4]	1,994	1,363[r]	1,883	2,707	2,011	2,332	2,205	2,024	1,081	1,779	2,223	1,506
24 Certificates of deposit	−128,658	−153,734[r]	−175,570	−151,431	−152,683	−170,520	−165,050	−185,057	−179,251	−179,492	−190,448	−190,469
	Financing[6]											
Reverse repurchase agreements												
25 Overnight and continuing	189,584	182,835	179,781	173,955	182,466	181,381	180,831	193,464	162,257	183,095	180,718	172,652
26 Term	247,564	251,079	254,361	257,128	252,322	260,401	270,775	243,308	252,491	234,131	245,766	236,075
Repurchase agreements												
27 Overnight and continuing	296,224	287,307	270,661	283,271	284,866	281,537	275,784	300,749	221,264	282,007	285,609	286,300
28 Term	227,932	234,937	255,652	243,006	242,167	245,312	260,551	237,837	292,960	219,421	232,870	225,806
Securities borrowed												
29 Overnight and continuing	61,963	59,052	62,159	59,490	60,827	59,239	60,457	63,251	64,400	64,191	62,784	62,399
30 Term	22,150	23,690	28,080	21,843	24,119	25,057	25,908	27,247	32,989	29,679	30,823	29,610
Securities loaned												
31 Overnight and continuing	8,725	9,304	9,271	9,620	9,327	9,137	9,256	10,129	9,330	7,434	7,352	8,763
32 Term	1,416	742	1,363	865	479	554	511	632	4,057	387	410	396
Collateralized loans												
33 Overnight and continuing	8,520	8,547	10,097	8,370	8,051	9,941	10,805	9,642	10,204	9,567	9,692	10,719
MEMO: Matched book[7]												
Reverse repurchases												
34 Overnight and continuing	127,648	124,310	123,670	117,562	123,866	123,131	122,262	134,835	114,179	124,129	119,955	123,691
35 Term	197,099	205,104	205,613	209,371	209,807	210,788	214,846	197,454	205,149	193,840	203,366	200,344
Repurchases												
36 Overnight and continuing	149,490	143,450	135,345	135,493	147,118	141,217	133,231	151,640	112,602	143,575	148,199	140,897
37 Term	169,284	181,206	192,103	186,484	187,542	192,282	200,996	179,090	208,512	163,073	178,622	175,124

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

2. Securities positions are reported at market value.

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

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

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

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

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

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

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1987	1988	1989	1990	1991 June	1991 July	1991 Aug.	1991 Sept.	1991 Oct.
1 **Federal and federally sponsored agencies**	**341,386**	**381,498**	**411,805**	**434,668**	**429,228**[r]	**432,637**[r]	**437,942**[r]	**436,189**[r]	**438,032**
2 Federal agencies	37,981	35,668	35,664	42,159	40,591	40,380	40,923	42,409	42,638
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	11,244	11,244	11,244	11,267[r]	11,267
5 Federal Housing Administration[4]	183	150	328	393	428	300	315	336	337
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	6,651	6,621	6,621	8,421[r]	8,421
8 Tennessee Valley Authority	18,089	18,335	17,899	23,435	22,261	22,208	22,745	22,378	22,606
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	388,637[r]	392,257[r]	397,019[r]	393,780[r]	395,394
11 Federal Home Loan Banks	115,727	135,836	136,108	117,895	105,775	106,397	107,469	106,510	105,945
12 Federal Home Loan Mortgage Corporation	17,645	22,797	26,148	30,941	28,836	29,559	31,650	31,502	31,818
13 Federal National Mortgage Association	97,057	105,459	116,064	123,403	126,606	128,764	128,589	127,460	128,594
14 Farm Credit Banks[8]	55,275	53,127	54,864	53,590	51,712	51,318	52,056	52,010	52,488
15 Student Loan Marketing Association[9]	16,503	22,073	28,705	34,194	36,232	36,742	37,778	36,821	37,072
16 Financing Corporation[10]	1,200	5,850	8,170	8,170	8,170	8,170	8,170	8,170	8,170
17 Farm Credit Financial Assistance Corporation[11]	0	690	847	1,261	1,261	1,261	1,261	1,261	1,261
18 Resolution Funding Corporation[12]	0	0	4,522	23,055	29,996	29,996	29,996	29,996	29,996
MEMO									
19 **Federal Financing Bank debt**[13]	**152,417**	**142,850**	**134,873**	**179,083**	**185,129**	**186,752**	**188,920**	**194,234**	**192,747**
Lending to federal and federally sponsored agencies									
20 Export-Import Bank[3]	11,972	11,027	10,979	11,370	11,238	11,238	11,238	11,261[r]	11,261
21 Postal Service[6]	5,853	5,892	6,195	6,698	6,401	6,401	6,401	8,201[r]	8,201
22 Student Loan Marketing Association	4,940	4,910	4,880	4,850	4,850	4,850	4,850	4,850	4,820
23 Tennessee Valley Authority	16,709	16,955	16,519	14,055	12,881	12,828	12,373	11,875	11,375
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	52,254	51,334	51,334	50,694	48,534
26 Rural Electrification Administration	21,191	19,246	19,265	18,890	18,894	18,832	18,846	18,597	18,599
27 Other	32,078	26,324	23,724	70,896	78,611	81,269	83,878	88,756	89,957

1. Consists of mortgages assumed by the Defense Department between 1957 and 1963 under family housing and homeowners assistance programs.
2. Includes participation certificates reclassified as debt beginning Oct. 1, 1976.
3. On-budget after Sept. 30, 1976.
4. Consists of debentures issued in payment of Federal Housing Administration insurance claims. Once issued, these securities may be sold privately on the securities market.
5. Certificates of participation issued before fiscal 1969 by the Government National Mortgage Association acting as trustee for the Farmers Home Administration; Department of Health, Education, and Welfare; Department of Housing and Urban Development; Small Business Administration; and the Veterans Administration.
6. Off-budget.
7. Includes outstanding noncontingent liabilities: notes, bonds, and debentures. Some data are estimated.
8. Excludes borrowing by the Farm Credit Financial Assistance Corporation, shown in line 17.
9. Before late 1982, the Association obtained financing through the Federal Financing Bank (FFB). Borrowing excludes that obtained from the FFB, which is shown on line 22.
10. The Financing Corporation, established in August 1987 to recapitalize the Federal Savings and Loan Insurance Corporation, undertook its first borrowing in October 1987.
11. The Farm Credit Financial Assistance Corporation, established in January 1988 to provide assistance to the Farm Credit System, undertook its first borrowing in July 1988.
12. The Resolution Funding Corporation, established by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, undertook its first borrowing in October 1989.
13. The FFB, which began operations in 1974, is authorized to purchase or sell obligations issued, sold, or guaranteed by other federal agencies. Since FFB incurs debt solely for the purpose of lending to other agencies, its debt is not included in the main portion of the table in order to avoid double counting.
14. Includes FFB purchases of agency assets and guaranteed loans; the latter contain loans guaranteed by numerous agencies with the guarantees of any particular agency being generally small. The Farmers Home Administration item consists exclusively of agency assets, while the Rural Electrification Administration entry contains both agency assets and guaranteed loans.

1.45 NEW SECURITY ISSUES Tax-Exempt State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1988	1989	1990	1991 May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1 **All issues, new and refunding**[1]	**114,522**	**113,646**	**120,339**	**14,753**	**13,804**	**11,629**	**15,744**	**13,240**	**11,357**	**17,734**[r]	**15,775**
By type of issue											
2 General obligation	30,312	35,774	39,610	4,946	4,442	3,900	5,919	5,253	3,088	6,510	5,695
3 Revenue	84,210	77,873	81,295	9,807	9,362	7,729	9,825	7,987	8,269	11,224	10,080
By Type of issuer											
4 State	8,830	11,819	15,149	1,890	1,529	650	2,328	3,371	7,195[r]	1,171	n.a.
5 Special district or statutory authority[2]	74,409	71,022	72,661	9,549	5,057	7,320	8,890	6,272	605	10,817	n.a.
6 Municipality, county, or township	31,193	30,805	32,510	3,314	7,218	3,659	4,526	3,597	3,557	5,746	n.a.
7 **Issues for new capital, total**	**79,665**	**84,062**	**103,235**	**11,191**[r]	**10,008**[r]	**9,513**[r]	**12,164**[r]	**9,586**[r]	**8,967**[r]	**13,495**[r]	**12,373**
By use of proceeds											
8 Education	15,021	15,133	17,042	2,462	2,684	2,214	1,826	1,244	1,524	1,297	1,740
9 Transportation	6,825	6,870	11,650	1,642	1,829	621	1,498	1,249	1,476	2,682	471
10 Utilities and conservation	8,496	11,427	11,739	1,815	2,830	2,077	1,977	2,343	2,151	1,915	1,813
11 Social welfare	19,027	16,703	23,099	3,373	2,455	2,287	5,291	2,862	1,386	n.a.	n.a.
12 Industrial aid	5,624	5,036	6,117	743	1,040	425	565	1,262	553	349	962
13 Other purposes	24,672	28,894	34,607	3,889	2,509	3,790	4,019	3,704	4,014	4,631	4,743

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

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

1.46 NEW SECURITY ISSUES U.S. Corporations

Millions of dollars

Type of issue, offering, or issuer	1988	1989	1990	1991 Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
1 **All issues**[1]	**410,898**	**379,535**	**339,551**	**33,588**[r]	**37,439**[r]	**31,740**[r]	**23,181**[r]	**35,821**[r]	**32,090**[r]	**34,787**	**32,810**
2 **Bonds**[2]	**353,097**	**321,664**	**299,313**	**28,275**[r]	**30,021**[r]	**26,122**[r]	**20,499**[r]	**29,091**[r]	**26,669**[r]	**25,923**	**23,757**
By type of offering											
3 Public, domestic	202,026[r]	180,759[r]	189,521[r]	24,417[r]	27,191[r]	23,701[r]	18,943[r]	27,221[r]	23,772[r]	23,506[r]	22,017
4 Private placement, domestic[3]	127,704	117,420	86,988	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5 Sold abroad	23,078[r]	22,851	23,054	3,857	2,830	2,421	1,555	1,870	2,897	2,416[r]	1,740
By industry group											
6 Manufacturing	70,306	76,656	53,110	7,613	6,614[r]	4,238	3,827	8,099[r]	6,903[r]	4,730[r]	4,425
7 Commercial and miscellaneous	62,794	49,744	40,019	3,261[r]	1,210	1,773	1,500	1,388	1,012	1,209	2,044
8 Transportation	10,275	10,032	12,706	502	665	567	697	809[r]	231	684	150
9 Public utility	20,834	18,688	17,521	2,095[r]	2,722[r]	1,644[r]	1,457[r]	1,897[r]	1,290[r]	1,530	2,939
10 Communication	5,593	8,461	6,664	645[r]	337	1,838	745[r]	668	408	958	169
11 Real estate and financial	183,294	158,083	169,287	14,159[r]	18,474[r]	16,062[r]	12,273[r]	16,230[r]	16,825[r]	16,812[r]	14,030
12 **Stocks**[2]	**57,802**	**57,870**	**40,165**	**5,313**	**7,418**	**5,618**	**2,682**	**6,730**	**5,421**	**8,864**	**9,053**
By type of offering											
13 Public preferred	6,544	6,194	3,998	543	1,392	1,731	203	1,952	666	3,527	3,240
14 Common	35,911	26,030	19,443	4,771	6,027	3,887	2,479	4,778	4,755	5,337	5,813
15 Private placement[3]	15,346	25,647	16,736	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
By industry group											
16 Manufacturing	7,608	9,308	5,649	1,796	2,291	1,909	685	3,167	1,842	3,623	4,054
17 Commercial and miscellaneous	8,449	7,446	10,171	1,521	1,563	851	1,427	2,050	858	2,095	2,158
18 Transportation	1,535	1,929	369	416	277	0	18	56	0	16	0
19 Public utility	1,898	3,090	416	71	573	471	143	150	55	320	174
20 Communication	515	1,904	3,822	0	0	295	46	8	0	25	84
21 Real estate and financial	37,798	34,028	19,738	1,510	2,714	2,091	350	1,298	2,666	2,622	2,583

1. Figures represent gross proceeds of issues maturing in more than one year; they are the principal amount or number of units calculated by multiplying by the offering price. Figures exclude secondary offerings, employee stock plans, investment companies other than closed-end, intracorporate transactions, equities sold abroad, and Yankee bonds. Stock data include ownership securities issued by limited partnerships.
2. Monthly data cover only public offerings.
3. Monthly data are not available.

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

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Assets

Millions of dollars

Item[1]	1989	1990	1991 Apr.	May	June	July	Aug.	Sept.	Oct.[r]	Nov.
1 **Sales of own shares**[2]	**306,445**	**345,780**	**40,356**	**36,719**	**33,922**	**39,329**	**38,014**	**37,316**	**45,218**	**41,610**
2 Redemptions of own shares	272,165	289,573	32,895	26,972	27,629	28,767	28,128	26,319	27,957	28,398
3 Net sales[3]	34,280	56,207	7,461	9,747	6,293	10,562	9,886	10,997	17,261	13,212
4 **Assets**[4]	**553,871**	**570,744**	**647,053**	**671,852**	**661,643**	**[illegible]**	**712,782**	**730,426**	**753,344**	**753,372**
5 Cash[5]	44,780	48,638	52,982	55,450	55,057	55,293	52,791	53,884	59,902	59,552
6 Other	509,091	522,106	594,071	616,402	606,586	635,193	659,992	676,543	695,492	693,820

1. Data on sales and redemptions exclude money market mutual funds but include limited-maturity municipal bond funds. Data on asset positions exclude both money market mutual funds and limited-maturity municipal bond funds.
2. *Includes reinvestment of dividends.* Excludes reinvestment of capital gains distributions.
3. Does not includes sales or redemptions resulting from transfers of shares into or out of money market mutual funds *within the same fund family.*
4. Market value at end of period, less current liabilities.
5. *Includes all U.S.* Treasury securities and other short-term debt securities.

SOURCE. Investment Company Institute. Data based on reports of membership, which comprises substantially all open-end investment companies registered with the Securities and Exchange Commission. Data reflect underwritings of new companies.

1.48 CORPORATE PROFITS AND THEIR DISTRIBUTION

Billions of dollars; quarterly data at seasonally adjusted annual rates

Account	1988	1989	1990	1989 Q4	1990 Q1	1990 Q2	1990 Q3	1990 Q4	1991 Q1	1991 Q2	1991 Q3
1 Profits with inventory valuation and capital consumption adjustment	365.0	351.7	319.0	334.7	340.2	339.8	299.8	296.1	302.1	303.5	306.1
2 Profits before taxes	347.5	344.5	332.3	332.8	336.6	331.6	335.1	326.1	309.1	306.2	318.2
3 Profits tax liability	137.0	138.0	135.3	129.8	137.6	137.9	138.8	127.1	119.4	123.5	128.6
4 Profits after taxes	210.5	206.6	197.0	203.0	199.1	193.7	196.3	199.0	189.7	182.7	189.6
5 Dividends	115.3	127.9	133.7	130.7	132.3	132.5	133.8	136.2	137.8	136.7	138.1
6 Undistributed profits	95.2	78.7	63.3	72.3	66.7	61.2	62.5	62.8	51.9	46.1	51.5
7 Inventory valuation	−27.3	−17.5	−14.2	−13.5	−6.6	3.8	−32.6	−21.2	6.7	9.9	−4.8
8 Capital consumption adjustment	44.7	24.7	.8	15.4	10.2	4.4	−2.7	−8.8	−13.6	−12.6	−7.3

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

1.50 TOTAL NONFARM BUSINESS EXPENDITURES on New Plant and Equipment

Billions of dollars; quarterly data at seasonally adjusted annual rates

Industry	1990	1991	1992[1]	1990 Q2	1990 Q3	1990 Q4	1991[1] Q1	1991[1] Q2	1991[1] Q3	1991[1] Q4	1992[1] Q1
1 **Total nonfarm business**	**532.61**	**529.97**	**558.60**	**534.55**	**534.11**	**530.13**	**535.50**	**524.57**	**527.86**	**531.96**	**563.31**
Manufacturing											
2 Durable goods industries	82.58	77.04	79.38	84.15	82.48	79.03	81.24	79.69	74.51	72.74	80.58
3 Nondurable goods industries	110.04	107.27	104.68	110.87	111.57	110.69	109.90	107.66	102.54	108.98	107.52
Nonmanufacturing											
4 Mining	9.88	10.06	9.50	9.77	9.97	10.12	9.89	10.09	10.09	10.15	10.58
Transportation											
5 Railroad	6.40	5.84	6.78	6.67	5.66	6.81	5.59	6.27	6.50	5.02	5.52
6 Air	8.87	9.84	12.34	9.37	9.55	7.54	11.18	10.10	9.81	8.27	12.88
7 Other	6.20	6.50	7.12	5.90	5.87	6.82	6.48	6.68	6.52	6.32	6.41
Public utilities											
8 Electric	44.10	43.56	47.34	42.83	43.80	45.88	43.36	42.87	43.09	44.90	48.54
9 Gas and other	23.11	22.42	24.10	21.80	23.88	24.36	23.68	21.71	23.38	20.92	22.98
10 Commercial and other[2]	241.43	247.44	267.35	243.18	241.32	238.87	244.19	239.50	251.42	254.66	268.28

1. Figures are amounts anticipated by business.
2. "Other" consists of construction, wholesale and retail trade, finance and insurance, personal and business services, and communication.

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

1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities

Billions of dollars, end of period; not seasonally adjusted

Account	1987	1988	1989	1990				1991		
				Q1	Q2	Q3	Q4	Q1	Q2	Q3
ASSETS										
1 Accounts receivable, gross[1]	388.1	426.2	445.7	452.8	468.8	474.0	486.7	478.9	487.9	487.8
2 Consumer	141.1	146.2	140.8	137.9	138.6	140.9	136.0	131.6	133.9	132.5
3 Business	207.4	236.5	256.0	262.9	274.8	275.4	290.8	290.0	295.5	296.6
4 Real estate	39.5	43.5	48.9	52.1	55.4	57.7	59.9	57.3	58.5	58.7
5 LESS: Reserves for unearned income	45.3	50.0	52.0	51.9	54.3	55.1	56.6	57.0	58.7	59.6
6 Reserves for losses	6.8	7.3	7.7	7.9	8.2	8.6	9.2	10.3	10.8	12.9
7 Accounts receivable, net	336.0	368.9	386.1	393.0	406.3	410.3	420.9	411.6	418.4	415.2
8 All other	58.3	72.4	91.6	92.5	95.5	102.8	99.6	103.4	106.1	111.9
9 **Total assets**	**394.2**	**441.3**	**477.6**	**485.5**	**501.9**	**513.1**	**520.6**	**515.0**	**524.5**	**527.1**
LIABILITIES AND CAPITAL										
10 Bank loans	16.4	15.4	14.5	13.9	15.8	15.6	19.4	22.0	22.7	24.0
11 Commercial paper	128.4	142.0	149.5	152.9	152.4	148.6	152.7	141.2	140.6	138.1
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	70.5	72.8	82.0	82.7	77.8	81.7	87.4
15 Not elsewhere classified	n.a.	137.9	147.8	145.7	153.0	156.6	157.0	162.4	164.2	163.4
16 All other liabilities	52.8	59.8	62.6	61.7	66.1	68.7	66.0	68.0	72.2	72.1
17 Capital, surplus, and undivided profits	31.5	35.6	39.4	40.7	41.8	41.6	42.8	43.7	43.0	42.1
18 **Total liabilities and capital**	**394.2**	**441.3**	**477.6**	**485.5**	**501.9**	**513.1**	**520.6**	**515.0**	**524.5**	**527.1**

1. Excludes pools of securitized assets.

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

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

Type of credit	1988	1989	1990	1991					
				June	July	Aug.	Sept.	Oct.	Nov.
1 **Total**	**234,891**	**258,957**	**292,638**	**298,228**	**300,161**	**305,024**	**307,599**	**310,876**	**311,632**
Retail financing of installment sales									
2 Automotive	37,210	39,479	38,110	35,390	35,491	34,665	34,119	34,167	33,664
3 Equipment	28,185	29,627	31,784	32,189	32,194	33,146	34,822	33,989	33,375
4 Pools of securitized assets[2]	n.a.	698	951	707	793	833	797	769	746
Wholesale									
5 Automotive	32,953	33,814	32,283	29,305	29,454	30,637	30,072	31,831	32,292
6 Equipment	5,971	6,928	11,569	10,427	11,344	10,631	10,594	11,075	10,414
7 All other	9,357	9,985	9,126	8,851	8,807	8,712	8,695	8,407	8,418
8 Pools of securitized assets[2]	n.a.	0	2,950	2,805	2,843	3,508	4,053	4,458	4,639
Leasing									
9 Automotive	24,693	26,804	39,129	41,603	43,024	44,628	45,387	45,837	45,299
10 Equipment	57,658	68,240	75,626	83,961	84,311	86,145	86,732	87,701	90,079
11 Pools of securitized assets[2]	n.a.	1,247	1,849	1,725	1,750	1,679	1,844	1,803	1,885
12 Loans on commercial accounts receivable and factored commercial accounts receivable	17,687	18,511	22,475	24,040	23,125	23,366	23,204	23,295	23,338
13 All other business credit	21,176	23,623	26,784	27,225	27,025	27,073	27,279	27,544	27,483
	Net change (during period)								
1 **Total**	**28,899**	**24,066**	**33,681**	**1,057**	**1,933**	**4,862**	**2,576**	**3,277**	**756**
Retail financing of installment sales									
2 Automotive	1,071	2,269	−1,369	−615	100	−825	−547	48	−503
3 Equipment	3,111	1,442	2,157	−501	4	952	1,676	−833	−614
4 Pools of securitized assets[2]	n.a.	−26	253	−30	86	40	−36	−28	−23
Wholesale									
5 Automotive	2,883	861	−1,532	−750	149	1,183	−564	1,759	461
6 Equipment	393	957	4,641	−573	917	−713	−37	481	−662
7 All other	1,028	628	−859	231	−44	−95	−17	−289	11
8 Pools of securitized assets[2]	n.a.	0	2,950	−50	38	665	545	405	181
Leasing									
9 Automotive	2,596	2,111	12,325	865	1,421	1,604	759	450	−538
10 Equipment	14,166	10,581	7,386	−165	350	1,834	587	969	2,378
11 Pools of securitized assets[2]	n.a.	526	602	25	25	−71	165	−41	82
12 Loans on commercial accounts receivable and factored commercial accounts receivable	−483	825	3,964	2,268	−914	240	−162	91	43
13 All other business credit	4,135	2,446	3,161	352	−199	47	207	264	−60

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

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

1.53 MORTGAGE MARKETS Conventional Mortgages on New Homes

Millions of dollars, except as noted

Item	1988	1989	1990	1991						
				June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Terms and yields in primary and secondary markets									
PRIMARY MARKETS										
Terms[1]										
1 Purchase price (thousands of dollars)	150.0	159.6	153.2	166.7	165.1	159.0	157.8	153.4	162.6	159.1
2 Amount of loan (thousands of dollars)	110.5	117.0	112.4	121.9	121.6	115.7	114.3	115.0	116.0	113.8
3 Loan-price ratio (percent)	75.5	74.5	74.8	74.2	75.0	74.6	73.3	76.5	73.5	73.1
4 Maturity (years)	28.0	28.1	27.3	26.8	27.0	27.1	25.9	27.5	26.4	26.4
5 Fees and charges (percent of loan amount)[2]	2.19	2.06	1.93	1.69	1.85	1.74	1.86	1.61	1.53	1.50
6 Contract rate (percent per year)	8.81	9.76	9.68	9.18	9.12	9.19	9.00	8.78	8.38	8.28
Yield (percent per year)										
7 OTS series[3]	9.18	10.11	10.01	9.46	9.43	9.48	9.30	9.04	8.64	8.53
8 HUD series[4]	10.30	10.21	10.08	9.60	9.46	9.22	8.88	8.76	8.67	8.30
SECONDARY MARKETS										
Yield (percent per year)										
9 FHA mortgages (HUD series)[5]	10.49	10.24	10.17	9.71	9.59	9.14	9.06	8.71	8.69	8.10
10 GNMA securities[6]	9.83	9.71	9.51	9.04	8.93	8.69	8.60	8.34	8.09	7.81
	Activity in secondary markets									
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
Mortgage holdings (end of period)										
11 Total	101,329	104,974	113,329	122,806	123,770	124,230	124,954	125,884	126,624	128,983
12 FHA/VA-insured	19,762	19,640	21,028	21,474	21,511	21,529	21,636	21,576	21,547	21,796
13 Conventional	81,567	85,335	92,302	101,332	102,259	102,701	103,318	104,308	105,077	107,187
Mortgage transactions (during period)										
14 Purchases	23,110	22,518	23,959	3,145	3,183	3,069	3,032	3,408	3,299	5,114
Mortgage commitments (during period)[7]										
15 Issued[8]	n.a.	n.a.	23,689	3,032	2,975	3,453	3,196	4,122	3,806	5,285
16 To sell[9]	n.a.	n.a.	5,270	841	1,374	1,051	762	917	569	78
FEDERAL HOME LOAN MORTGAGE CORPORATION										
Mortgage holdings (end of period)[9]										
17 Total	15,105	20,105	20,419	23,649	24,061	24,217	23,906	24,922	25,239	n.a.
18 FHA/VA-insured	620	590	547	486	481	475	471	462	468	n.a.
19 Conventional	14,485	19,516	19,871	23,164	23,581	23,742	23,435	24,460	24,772	n.a.
Mortgage transactions (during period)										
20 Purchases	44,077	78,588	75,517	10,052	8,649	9,191	9,155	8,644	10,170	n.a.
21 Sales	39,780	73,446	73,817	10,694	8,057	8,803	9,305	7,449	9,545	9,929
Mortgage commitments (during period)[10]										
22 Contracted	66,026	88,519	102,401	9,008	8,890	12,430	7,468	6,358	11,594	n.a.

1. Weighted averages based on sample surveys of mortgages originated by major institutional lender groups; compiled by the Federal Housing Finance Board in cooperation with the Federal Deposit Insurance Corporation.
2. Includes all fees, commissions, discounts, and "points" paid (by the borrower or the seller) to obtain a loan.
3. Average effective interest rates on loans closed, assuming prepayment at the end of ten years; from Office of Thrift Supervision (OTS).
4. Average contract rates on new commitments for conventional first mortgages; from U.S. Department of Housing and Urban Development (HUD).
5. Average gross yields on thirty-year, minimum-downpayment, first mortgages insured by the Federal Housing Administration (FHA) for immediate delivery in the private secondary market. Based on transactions on first day of subsequent month. Large monthly movements in average yields may reflect market adjustments to changes in maximum permissible contract rates.
6. Average net yields to investors on fully modified pass-through securities backed by mortgages and guaranteed by the Government National Mortgage Association (GNMA), assuming prepayment in twelve years on pools of thirty-year mortgages insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs carrying the prevailing ceiling rate. Monthly figures are averages of Friday figures from the *Wall Street Journal*.
7. Includes some multifamily and nonprofit hospital loan commitments in addition to one- to four-family loan commitments accepted in the Federal National Mortgage Association's (FNMA's) free market auction system, and through the FNMA-GNMA tandem plans.
8. Does not include standby commitments issued, but includes standby commitments converted.
9. Includes participation as well as whole loans.
10. Includes conventional and government-underwritten loans. The Federal Home Loan Mortgage Corporation's mortgage commitments and mortgage transactions include activity under mortgage securities swap programs, while the corresponding data for FNMA exclude swap activity.

1.54 MORTGAGE DEBT OUTSTANDING[1]

Millions of dollars, end of period

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

1. Based on data from various institutional and governmental sources, with figures for some quarters estimated in part by the Federal Reserve. Multifamily debt refers to loans on structures of five or more units.
2. Includes loans held by nondeposit trust companies but not loans held by bank trust departments.
3. Includes savings banks and savings and loan associations. Beginning 1987:1, data reported by institutions insured by the Federal Savings and Loan Insurance Corporation include loans in process and other contra-assets (credit balance accounts that must be subtracted from the corresponding gross asset categories to yield net asset levels).
4. Assumed to be entirely loans on one- to four-family residences.
5. Securities guaranteed by the Farmers Home Administration (FmHA) sold to the Federal Financing Bank were reallocated from FmHA mortgage pools to FmHA mortgage holdings in 1986:4 because of accounting changes by the FmHA.
6. Outstanding principal balances of mortgage-backed securities insured or guaranteed by the agency indicated. Includes private pools, which are not shown as a separate line item.
7. Other holders include mortgage companies, real estate investment trusts, state and local credit agencies, state and local retirement funds, noninsured pension funds, credit unions, and other U.S. agencies.

1.55 CONSUMER INSTALLMENT CREDIT Total Outstanding and Net Change[1]

Millions of dollars, amounts outstanding, end of period

Holder and type of credit	1989	1990	1991								
			Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.[r]	Nov.
	Seasonally adjusted										
1 **Total**	**718,863**	**735,102**	**732,442**	**733,621**	**732,289**	**730,591**	**729,962**	**729,108**	**729,151**	**730,817**	**730,844**
2 Automobile	290,676	284,585	280,689	279,746	276,494	274,496	273,565	271,906	270,223	270,013	269,061
3 Revolving	199,082	220,110	224,817	225,994	227,301	227,737	228,199	229,453	232,070	233,661	234,675
4 Mobile home	22,471	20,919	20,123	20,098	19,796	19,907	19,615	19,495	18,892	18,943	19,068
5 Other	206,633	209,487	206,813	207,782	208,697	208,451	208,582	208,253	207,966	208,200	208,040
	Not seasonally adjusted										
6 **Total**	**730,901**	**748,300**	**725,462**	**727,907**	**727,717**	**728,023**	**727,754**	**731,531**	**732,183**	**731,222**	**732,955**
By major holder											
7 Commercial banks	342,770	347,466	335,754	336,425	334,746	333,442	334,273	335,662	335,509	335,258	334,259
8 Finance companies	140,832	137,450	131,552	133,462	134,045	133,903	134,120	135,509	132,471	131,778	130,679
9 Credit unions	93,114	92,911	90,772	91,413	91,549	91,924	92,017	92,843	93,305	92,746	92,468
10 Retailers	44,154	43,552	38,497	37,817	36,782	36,702	36,392	37,296	37,281	37,359	38,651
11 Savings institutions	57,253	45,616	42,491	41,707	40,764	39,827	39,012	37,893	37,036	37,424	37,010
12 Gasoline companies	3,935	4,822	4,296	4,357	4,507	4,591	4,712	4,857	4,753	4,529	4,388
13 Pools of securitized assets[2]	48,843	76,483	82,100	82,726	85,324	87,634	87,228	87,471	91,828	92,128	95,500
By major type of credit[3]											
14 Automobile	290,705	284,813	277,798	277,508	275,582	275,018	274,222	274,190	273,358	272,092	269,868
15 Commercial banks	126,288	126,259	123,411	122,710	121,631	121,605	121,319	120,577	119,730	119,276	118,502
16 Finance companies	82,721	74,396	69,233	70,500	69,689	70,304	70,444	71,571	69,853	69,364	67,907
17 Pools of securitized assets[2]	18,235	24,537	27,755	26,875	27,085	26,039	25,609	25,071	26,812	26,803	27,123
18 Revolving	210,310	232,370	221,400	222,627	224,301	225,596	226,145	229,224	231,281	231,862	235,684
19 Commercial banks	130,811	132,433	124,619	126,009	126,047	124,106	124,645	125,787	125,524	126,234	125,734
20 Retailers	39,583	39,029	34,179	33,513	32,458	32,381	32,076	32,962	32,964	33,055	34,319
21 Gasoline companies	3,935	4,822	4,296	4,357	4,507	4,591	4,712	4,857	4,753	4,529	4,388
22 Pools of securitized assets[2]	23,477	44,335	46,722	47,116	49,667	52,897	53,094	54,017	56,438	56,290	59,459
23 Mobile home	22,240	20,666	20,030	20,052	19,721	19,875	19,639	19,468	18,996	19,026	19,030
24 Commercial banks	9,112	9,763	9,632	9,565	9,386	9,652	9,552	9,534	9,614	9,600	9,662
25 Finance companies	4,716	5,252	5,328	5,573	5,595	5,652	5,669	5,700	5,300	5,358	5,401
26 Other	207,646	210,451	206,234	207,720	208,113	207,534	207,748	208,649	208,548	208,242	208,373
27 Commercial banks	76,559	79,011	78,092	78,141	77,682	78,079	78,757	79,764	80,641	80,148	80,361
28 Finance companies	53,395	57,801	56,991	57,388	58,761	57,947	58,007	58,238	57,318	57,056	57,371
29 Retailers	4,571	4,523	4,318	4,304	4,324	4,321	4,316	4,334	4,317	4,304	4,332
30 Pools of securitized assets[2]	7,131	7,611	7,603	8,735	8,572	8,698	8,525	8,383	8,578	9,035	8,918

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

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

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

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

1.56 TERMS OF CONSUMER INSTALLMENT CREDIT[1]

Percent per year, except as noted

Item	1988	1989	1990	1991 May	June	July	Aug.	Sept.	Oct.	Nov.
INTEREST RATES										
Commercial banks[2]										
1 48-month new car[3]	10.85	12.07	11.78	11.28	n.a.	n.a.	11.06	n.a.	n.a.	10.61
2 24-month personal	14.68	15.44	15.46	15.16	n.a.	n.a.	15.24	n.a.	n.a.	14.88
3 120-month mobile home[3]	13.54	14.11	14.02	13.80	n.a.	n.a.	13.73	n.a.	n.a.	13.37
4 Credit card	17.78	18.02	18.17	18.22	n.a.	n.a.	18.24	n.a.	n.a.	18.19
Auto finance companies										
5 New car	12.60	12.62	12.54	12.95	12.77	12.55	12.40	12.38	12.23	10.79
6 Used car	15.11	16.18	15.99	15.85	15.74	15.66	15.63	15.60	15.46	15.06
OTHER TERMS[4]										
Maturity (months)										
7 New car	56.2	54.2	54.6	55.5	55.5	55.5	55.4	55.4	55.4	54.1
8 Used car	46.7	46.6	46.1	47.3	47.3	47.4	47.2	47.2	47.0	47.0
Loan-to-value ratio										
9 New car	94	91	87	87	88	88	88	87	88	88
10 Used car	98	97	95	96	97	96	97	96	97	96
Amount financed (dollars)										
11 New car	11,663	12,001	12,071	12,204	12,343	12,572	12,518	12,460	12,684	13,245
12 Used car	7,824	7,954	8,289	8,873	8,916	8,989	8,902	8,996	9,077	9,029

1. Data in this table also appear in the Board's G.19 (421) monthly statistical release. For ordering address, see inside front cover.
2. Data are available only for the second month of each quarter.
3. Before 1983 the maturity for new car loans was 36 months, and for mobile home loans was 84 months.
4. At auto finance companies.

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS

Billions of dollars; quarterly data at seasonally adjusted annual rates

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

1.57—Continued

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

1.58 DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

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

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

NOTES BY LINE NUMBER.
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 lines 11 and 12. Also line 20 less line 26 plus line 32. Also sum of lines 28 and 47 less lines 40 and 46.
18. Includes farm and commercial mortgages.
25. Line 38 less lines 39 and 45.
26. Excludes equity issues and investment company shares. Includes line 19.
28. Foreign deposits at commercial banks, plus bank borrowings from foreign branches, plus liabilities of foreign banking agencies to foreign affiliates, less claims on foreign affiliates and deposits by banking institutions in foreign banks.
29. Demand deposits and note balances at commercial banks.
30. Excludes investment of these reserves in corporate equities.
31. Mainly retained earnings and net miscellaneous liabilities.
32. Line 13 less line 20 plus line 26.
33–37. Lines 14–18 less amounts acquired by private finance plus amounts borrowed by private finance. Line 37 includes mortgages.
39. Mainly an offset to line 9.
46. Sum of lines 32 and 38, or line 13 less line 27 plus lines 39 and 45.
47. Line 2 divided by line 1.
48. Line 20 divided by line 13.
49. Sum of lines 10 and 28.
50, 52. Includes issues by financial institutions.

NOTE. Full statements for sectors and transaction types in flows and in amounts outstanding 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, end of period

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

1.60 SUMMARY OF CREDIT MARKET CLAIMS, BY HOLDER

Billions of dollars, except as noted, end of period

Transaction category or sector	1986	1987	1988	1989	1989	1990				1991	
					Q4	Q1	Q2	Q3	Q4	Q1	Q2
1 **Total funds advanced in credit markets to domestic nonfinancial sectors**	**7,646.3**	**8,343.9**	**9,096.0**	**9,805.2**	**9,805.2**	**10,073.3**	**10,226.8**	**10,386.9**	**10,557.3**	**10,615.5**	**10,735.3**
2 **Total held by federal agencies and foreign sector**	**1,779.4**	**2,006.6**	**2,199.7**	**2,379.3**	**2,379.3**	**2,423.3**	**2,502.6**	**2,584.1**	**2,645.8**	**2,698.2**	**2,765.3**
By instrument											
3 U.S. government securities	509.8	570.9	651.5	682.1	682.1	682.7	714.1	745.6	763.0	786.3	808.3
4 Residential mortgages	678.5	814.1	900.4	1,038.4	1,038.4	1,081.5	1,126.5	1,171.8	1,221.0	1,260.3	1,310.0
5 Federal Home Loan Bank advances to thrifts	108.6	133.1	152.8	141.8	141.8	132.9	126.3	117.9	117.1	107.0	94.7
6 Other loans and securities	482.4	488.6	495.1	517.0	517.0	526.3	535.8	548.8	544.7	544.6	552.2
By type of lender											
7 U.S. government	255.3	240.0	217.6	207.1	207.1	217.1	227.4	242.7	240.6	248.9	258.2
8 Sponsored credit agencies and mortgage pools	835.9	1,001.0	1,113.0	1,238.2	1,238.2	1,274.8	1,315.0	1,360.5	1,403.4	1,434.8	1,471.0
9 Monetary authority	205.5	230.1	240.6	233.3	233.3	224.4	237.8	240.8	241.4	247.3	253.7
10 Foreign	482.8	535.5	628.5	700.6	700.6	707.0	722.5	740.2	760.4	767.2	782.4
Agency and foreign debt not in line 1											
11 Sponsored credit agencies and mortgage pools	810.3	978.6	1,098.4	1,249.3	1,249.3	1,288.2	1,330.1	1,367.9	1,418.4	1,452.2	1,485.1
12 Foreign	238.3	244.6	253.9	261.5	261.5	261.7	273.0	279.4	284.9	297.2	285.1
13 **Total private domestic holdings**	**6,915.6**	**7,560.4**	**8,248.5**	**8,936.8**	**8,936.8**	**9,199.9**	**9,327.3**	**9,450.1**	**9,614.8**	**9,666.8**	**9,740.3**
14 U.S. government securities	2,110.1	2,363.0	2,559.7	2,831.6	2,831.6	2,961.4	3,012.8	3,087.5	3,219.4	3,285.8	3,339.6
15 State and local obligations	679.1	728.4	790.8	821.2	821.2	822.2	827.2	837.9	841.3	842.2	847.6
16 Corporate and foreign bonds	606.6	674.3	765.6	831.6	831.6	846.7	865.5	874.0	897.1	915.5	936.8
17 Residential mortgages	1,288.5	1,399.0	1,560.2	1,670.4	1,670.4	1,781.4	1,793.5	1,802.8	1,795.0	1,776.3	1,778.0
18 Other mortgages and loans	2,339.8	2,528.7	2,724.9	2,923.8	2,923.8	2,921.0	2,954.5	2,965.9	2,979.1	2,954.0	2,933.0
19 LESS: Federal Home Loan Bank advances	108.6	133.1	152.8	141.8	141.8	132.9	126.3	117.9	117.1	107.0	94.7
20 **Total credit market claims held by private financial institutions**	**6,018.0**	**6,564.5**	**7,128.6**	**7,662.7**	**7,662.7**	**7,852.1**	**7,913.4**	**7,987.2**	**8,127.7**	**8,173.1**	**8,199.4**
By holding institution											
21 Commercial banks	2,187.6	2,323.0	2,479.3	2,656.6	2,656.6	2,679.4	2,721.2	2,750.9	2,775.3	2,785.4	2,799.3
22 Savings institutions	1,297.9	1,445.5	1,567.7	1,480.7	1,480.7	1,461.3	1,409.5	1,371.2	1,330.3	1,289.2	1,253.0
23 Insurance and pension funds	1,525.4	1,705.1	1,903.8	2,081.6	2,081.6	2,150.3	2,194.4	2,227.6	2,264.1	2,308.1	2,335.6
24 Other finance	1,007.1	1,091.0	1,177.9	1,443.8	1,443.8	1,561.1	1,588.4	1,637.5	1,758.0	1,790.5	1,811.6
By source of funds											
25 Private domestic deposits and repurchase agreements	3,199.0	3,354.2	3,599.1	3,824.3	3,824.3	3,848.4	3,837.2	3,844.6	3,884.6	3,933.6	3,895.0
26 Credit market debt	719.5	858.2	986.1	1,073.0	1,073.0	1,070.8	1,075.4	1,080.9	1,109.3	1,087.9	1,082.2
27 Other sources	2,099.5	2,352.1	2,543.5	2,765.5	2,765.5	2,932.9	3,000.8	3,061.8	3,133.7	3,151.7	3,222.2
28 Foreign funds	18.6	62.3	71.5	61.6	61.6	61.7	63.1	86.2	85.6	85.2	54.4
29 U.S. Treasury balances	27.5	21.6	29.0	25.6	25.6	16.7	32.1	36.6	30.9	26.3	36.0
30 Insurance and pension reserves	1,398.5	1,527.8	1,692.5	1,826.0	1,826.0	1,859.8	1,903.6	1,921.1	1,950.7	1,968.6	2,003.2
31 Other, net	655.0	740.3	750.5	852.3	852.3	994.7	1,002.1	1,017.9	1,066.4	1,071.5	1,128.6
Private domestic nonfinancial investors											
32 Credit market claims	1,617.0	1,854.1	2,106.0	2,347.1	2,347.1	2,418.6	2,489.2	2,543.8	2,596.5	2,581.6	2,623.0
33 U.S. government securities	848.7	936.7	1,072.2	1,206.4	1,206.4	1,254.9	1,280.1	1,322.8	1,360.8	1,370.1	1,395.4
34 State and local obligations	212.6	274.4	340.9	369.3	369.3	362.0	367.3	371.1	368.4	361.1	366.5
35 Corporate and foreign bonds	90.5	114.0	100.4	130.5	130.5	153.4	169.2	166.8	180.6	180.3	195.1
36 Open market paper	145.1	178.5	218.0	228.7	228.7	233.9	249.6	251.0	247.0	235.3	227.5
37 Other loans and mortgages	320.1	350.4	374.4	412.1	412.1	414.4	423.0	432.1	439.7	434.8	438.5
38 Deposits and currency	3,410.1	3,583.9	3,832.3	4,073.6	4,073.6	4,094.7	4,097.4	4,108.5	4,163.6	4,209.8	4,184.2
39 Currency	186.3	205.4	220.1	231.8	231.8	234.4	242.7	247.2	254.4	262.0	265.9
40 Checkable deposits	516.6	515.4	527.2	528.7	528.7	504.3	510.1	499.7	529.2	512.2	520.8
41 Small time and savings accounts	1,948.3	2,017.1	2,156.2	2,256.7	2,256.7	2,285.6	2,286.6	2,295.8	2,313.2	2,343.0	2,342.7
42 Money market fund shares	268.9	297.8	318.0	403.3	403.3	436.7	426.3	454.5	465.0	513.3	493.2
43 Large time deposits	336.7	373.9	414.7	437.8	437.8	433.4	421.6	408.1	393.8	393.2	367.8
44 Security repurchase agreements	128.5	150.1	182.9	197.9	197.9	188.4	192.7	186.6	183.4	171.9	170.4
45 Deposits in foreign countries	24.8	24.3	13.1	17.6	17.6	11.9	17.5	16.8	24.6	14.3	23.4
46 **Total of credit market instruments, deposits, and currency**	**5,027.2**	**5,438.0**	**5,938.2**	**6,420.7**	**6,420.7**	**6,513.3**	**6,586.6**	**6,652.3**	**6,760.1**	**6,791.4**	**6,807.3**
MEMO											
47 Public holdings as percent of total	22.6	23.4	23.5	23.6	23.6	23.4	23.8	24.2	24.4	24.7	25.1
48 Private financial intermediation (percent)	103.7	98.3	96.9	93.8	93.8	90.5	90.3	89.1	86.2	84.8	83.8
49 Total foreign funds	501.3	597.8	700.1	762.3	762.3	768.7	785.6	826.4	846.0	852.4	836.8
Corporate equities not included above											
50 Total market value	3,360.6	3,325.0	3,619.8	4,378.9	4,378.9	4,166.6	4,333.1	3,765.3	3,982.7	4,562.4	4,596.2
51 Mutual fund shares	413.5	460.1	478.3	555.1	555.1	550.3	587.9	547.3	579.9	643.0	681.3
52 Other equities	2,947.1	2,864.9	3,141.6	3,823.8	3,823.8	3,616.3	3,745.2	3,218.0	3,402.8	3,919.3	3,914.9
53 Holdings by financial institutions	974.6	1,039.5	1,176.1	1,492.3	1,492.3	1,434.8	1,542.1	1,301.6	1,417.4	1,663.8	1,677.1
54 Other holdings	2,385.9	2,285.5	2,443.7	2,886.6	2,886.6	2,731.8	2,791.0	2,463.6	2,565.3	2,898.6	2,919.1

NOTES BY LINE NUMBER.
1. Line 1 of table 1.59.
2. Sum of lines 3–6 or 7–10.
6. Includes farm and commercial mortgages.
11. Credit market debt of federally sponsored agencies, and net issues of federally related mortgage pool securities.
13. Line 1 less line 2 plus lines 11 and 12. Also line 20 less line 26 plus line 32. Also sum of lines 27 and 46 less lines 39 and 45.
18. Includes farm and commercial mortgages.
25. Line 38 less lines 39 and 45.
26. Excludes equity issues and investment company shares. Includes line 19.
28. Foreign deposits at commercial banks, plus bank borrowings from foreign affiliates, less claims on foreign affiliates and deposits by banking in foreign banks.
29. Demand deposits and note balances at commercial banks.
30. Excludes net investment of these reserves in corporate equities.
31. Mainly retained earnings and net miscellaneous liabilities.
32. Line 13 less line 20 plus line 26.
33–37. Lines 14–18 less amounts acquired by private finance plus amounts borrowed by private finance. Line 37 includes mortgages.
39. Mainly an offset to line 9.
46. Sum of lines 32 and 38, or line 13 less line 27 plus lines 39 and 45.
47. Line 2 divided by lines 1 plus 12.
48. Line 20 divided by line 13.
49. Sum of lines 10 and 28.
50–52. Includes issues by financial institutions.

NOTE. Full statements for sectors and transaction types in flows and in amounts outstanding can be obtained from Flow of Funds Section, Stop 95, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

Monthly data seasonally adjusted, except as noted

Measure	1989	1990	1991	1991								
				Apr.	May	June	July	Aug.	Sept.[r]	Oct.[r]	Nov.[r]	Dec.
1 **Industrial production[1] (1987=100)**	**108.1**	**109.2**	**107.1**	**105.5**	**106.4**	**107.3**	**108.1**	**108.0**	**108.4**	**108.2**	**108.0**	**107.8**
Market groupings (1987=100)												
2 Products, total	108.6	110.1	108.0	106.9	107.7	108.6	108.7	108.5	108.9	108.9	108.8	108.6
3 Final, total	109.1	110.9	109.5	108.7	109.3	110.1	110.2	109.8	110.4	110.6	110.4	110.0
4 Consumer goods	106.7	107.3	107.5	105.5	106.6	108.0	108.3	108.4	109.4	109.7	109.8	109.4
5 Equipment	112.3	115.5	112.2	112.8	112.7	112.8	112.8	111.6	111.8	111.7	111.3	110.9
6 Intermediate	106.8	107.7	103.3	101.2	102.7	104.0	104.0	104.4	104.3	103.5	103.8	103.9
7 Materials	107.4	107.8	105.6	103.4	104.5	105.4	107.0	107.2	107.5	107.3	106.6	106.6
Industry groupings (1987=100)												
8 Manufacturing	108.9	109.9	107.5	105.9	106.6	107.5	108.3	108.4	108.9	108.9	108.6	108.7
9 Capacity utilization, manufacturing (percent)[2]	83.9	82.3	78.2	77.5	77.8	78.3	78.7	78.6	78.8	78.6	78.2	78.1
10 Construction contracts (1982=100)[3]	172.9	156.2	140.8	145.0	138.0	133.0	144.0	150.0	143.0	157.0	134.0	152.0
11 Nonagricultural employment, total[4]	106.0	107.6	106.6	106.4[r]	106.5[r]	106.5[r]	106.5[r]	106.6[r]	106.7	106.7	106.5	106.5
12 Goods-producing, total	102.5	101.0	96.4	96.3[r]	96.5[r]	96.3[r]	96.3[r]	96.4[r]	96.3	96.0	95.5	95.4
13 Manufacturing, total	102.2	100.5	96.9	96.7[r]	96.9[r]	96.6[r]	96.7[r]	96.9[r]	96.8	96.6	96.4	96.2
14 Manufacturing, production worker	102.3	100.0	96.0	95.6[r]	95.8[r]	95.7[r]	96.0[r]	96.3[r]	96.0	95.9	95.6	95.5
15 Service-producing	107.1	109.7	109.9	109.6[r]	109.7[r]	109.8[r]	109.8[r]	109.9[r]	110.0	110.1	110.0	110.0
16 Personal income, total	115.2	123.1	n.a.	126.0	126.9	127.5	127.1	127.7	128.2	128.5	128.3	n.a.
17 Wages and salary disbursements	114.4	121.1	n.a.	122.9	123.8	124.8	124.2	124.9	125.4	125.2	125.2	n.a.
18 Manufacturing	110.6	113.4	n.a.	112.0	112.7	113.4	113.8	114.4	114.6	115.5	114.3	n.a.
19 Disposable personal income[5]	115.2	123.4	n.a.	127.0	128.1	128.6	128.3	128.9	129.3	129.7	129.5	n.a.
20 Retail sales[6]	113.2	117.4	118.2	117.7[r]	119.0[r]	119.0[r]	119.4[r]	118.6[r]	119.0	118.9	118.3	117.8
Prices[7]												
21 Consumer (1982–84=100)	124.0	130.7	136.2	135.2	135.6	136.0	136.2	136.6	137.2	137.4	137.8	137.9
22 Producer finished goods (1982=100)	113.6	119.2	121.7	121.1	121.8	121.9	121.6	121.7	121.3	122.3	122.3	121.9

1. A major revision of the industrial production index and the capacity utilization rates was released in April 1990. See "Industrial Production: 1989 Developments and Historical Revision," *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187–204.
2. Ratio of index of production to index of capacity. Based on data from the Federal Reserve, DRI McGraw-Hill, U.S. Department of Commerce, and other sources.
3. Index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering, from McGraw-Hill Information Systems Co., F.W. Dodge Division.
4. Based on data in *Employment and Earnings* (U.S. Department of Labor). Series covers employees only, excluding personnel in the armed forces.
5. Based on data in *Survey of Current Business* (U.S. Department of Commerce).
6. Based on U.S. Bureau of the Census data published in *Survey of Current Business*.
7. Based on data not seasonally adjusted, as published in *Monthly Labor Review*. Seasonally adjusted data for changes in the price indexes can be obtained from the Bureau of Labor Statistics, U.S. Department of Labor.

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

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

2.11 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Thousands of persons; monthly data seasonally adjusted; exceptions noted

Category	1989[r]	1990[r]	1991	1991							
				May	June	July	Aug.	Sept.	Oct.[r]	Nov.[r]	Dec.
HOUSEHOLD SURVEY DATA											
1 **Noninstitutional population[1]**	**188,601**	**190,216**	**191,883**	**191,664**	**191,805**	**191,955**	**192,095**	**192,240**	**192,386**	**192,522**	**192,661**
2 Labor force (including Armed Forces)[1]	126,077	126,954	127,421	127,401[r]	127,661[r]	127,320[r]	127,126[r]	127,708[r]	127,605	127,444	127,675
3 Civilian labor force	123,869	124,787	125,303	125,259[r]	125,524[r]	125,204[r]	125,004[r]	125,590[r]	125,508	125,374	125,619
Employment											
4 Nonagricultural industries[2]	114,142	114,728	114,644	113,474[r]	113,623[r]	113,485[r]	113,230[r]	113,806[r]	113,663	113,500	113,545
5 Agriculture	3,199	3,186	3,233	3,256[r]	3,286[r]	3,244[r]	3,254[r]	3,283[r]	3,204	3,272	3,183
Unemployment											
6 Number	6,528	6,874	8,426	8,529[r]	8,615[r]	8,475[r]	8,520[r]	8,501[r]	8,641	8,602	8,891
7 Rate (*percent of civilian labor force*)	5.3	5.5	6.7	6.8[r]	6.9[r]	6.8	6.8	6.8[r]	6.9	6.9	7.1
8 Not in labor force	62,524	63,262	64,462	64,263[r]	64,144[r]	64,635[r]	64,969[r]	64,532[r]	64,781	65,078	64,986
ESTABLISHMENT SURVEY DATA											
9 **Nonagricultural payroll employment[3]**	**108,329**	**109,971**	**108,975**	**108,887**	**108,885**	**108,859**	**108,971**	**109,066**	**109,073**	**108,808**	**108,839**
10 Manufacturing	19,442	19,111	18,427	18,426	18,378	18,402	18,442	18,414	18,377	18,338	18,306
11 Mining	693	711	697	706	704	701	693	684	679	674	670
12 Contract construction	5,187	5,136	4,696	4,715	4,710	4,695	4,691	4,699	4,671	4,583	4,596
13 Transportation and public utilities	5,644	5,826	5,823	5,819	5,809	5,809	5,820	5,829	5,828	5,819	5,796
14 Trade	25,770	25,843	25,412	25,424	25,413	25,411	25,393	25,387	25,335	25,228	25,197
15 Finance	6,695	6,739	6,707	6,712	6,703	6,688	6,687	6,692	6,697	6,692	6,696
16 Service	27,120	28,240	28,778	28,645	28,712	28,733	28,831	28,937	29,019	29,009	29,047
17 Government	17,779	18,322	18,434	18,440	18,456	18,420	18,414	18,424	18,467	18,465	18,531

1. Persons sixteen years of age and older. Monthly figures are based on sample data collected during the calendar week that contains the twelfth day; annual data are averages of monthly figures. By definition, seasonality does not exist in population figures.
2. Includes self-employed, unpaid family, and domestic service workers.
3. Includes all full- and part-time employees who worked during, or received pay for, the pay period that includes the twelfth day of the month, and exclude proprietors, self-employed persons, household and unpaid family workers, and members of the armed forces. Data are adjusted to the March 1984 benchmark, and only seasonally adjusted data are available at this time.

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

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION[1]

Seasonally adjusted

Series	1991				1991				1991			
	Q1	Q2	Q3[r]	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3[r]	Q4
	Output (1987=100)				Capacity (percent of 1987 output)				Capacity utilization rate (percent)			
1 **Total industry**	**105.8**	**106.4**	**108.1**	**108.0**	**133.6**	**134.5**	**135.3**	**136.2**	**79.2**	**79.1**	**79.9**	**79.3**
2 Manufacturing	106.1	106.7	108.5	108.8	136.0	136.9	137.9	138.9	78.0	77.9	78.7	78.3
3 Primary processing	100.6	100.8	104.1	104.2	126.8	127.5	128.1	128.8	79.4	79.1	81.2	80.9
4 Advanced processing	108.6	109.4	110.6	110.9	140.2	141.3	142.4	143.5	77.5	77.4	77.7	77.3
5 Durable goods	106.1	106.7	108.1	107.7	139.9	140.9	141.8	142.8	75.8	75.7	76.2	75.4
6 Lumber and products	92.3	94.0	95.1	94.3	125.0	125.2	125.4	125.7	73.9	75.1	75.8	75.0
7 Primary metals	97.9	95.9	102.0	103.2	128.2	128.6	129.0	129.3	76.4	74.6	79.1	79.8
8 Iron and steel	96.3	92.8	100.3	104.5	133.0	133.5	134.0	134.5	72.4	69.5	74.8	77.7
9 Nonferrous	100.2	100.3	104.5	101.3	121.3	121.5	121.7	121.9	82.6	82.6	85.8	83.1
10 Nonelectrical machinery	124.4	123.5	123.5	122.9	157.9	159.5	161.2	162.8	78.8	77.4	76.6	75.5
11 Electrical machinery	108.1	110.6	111.2	110.5	142.7	144.0	145.3	146.6	75.8	76.8	76.5	75.4
12 Motor vehicles and parts	80.8	89.5	95.9	97.0	133.4	134.2	134.9	135.6	60.5	66.7	71.1	71.5
13 Aerospace and miscellaneous transportation equipment	109.9	106.4	105.2	102.8	137.0	137.9	138.7	139.6	80.2	77.2	75.9	73.6
14 Nondurable goods	106.1	106.7	109.1	110.1	130.9	131.9	132.9	133.8	81.0	80.9	82.1	82.2
15 Textile mill products	94.6	99.4	104.1	104.5	117.3	117.7	118.0	118.3	80.6	84.5	88.2	88.3
16 Paper and products	102.6	102.7	107.6	105.9	116.4	117.1	117.9	118.7	88.2	87.7	91.2	89.3
17 Chemicals and products	109.1	109.3	112.1	114.3	138.4	139.7	141.0	142.3	78.8	78.2	79.5	80.3
18 Plastics materials	113.2	115.6	125.4	130.4	135.7	139.2	142.6	146.1	83.4	83.0	87.9	89.3
19 Petroleum products	107.3	107.6	108.1	105.6	121.4	121.4	121.4	121.4	88.4	88.6	89.0	87.0
20 Mining	102.0	101.1	101.8	99.6	113.8	114.3	114.6	114.7	89.6	88.4	88.9	86.9
21 Utilities	106.2	109.6	110.4	108.4	128.1	128.4	128.8	129.2	82.9	85.3	85.7	83.9
22 Electric	109.3	114.4	115.2	112.2	123.8	124.3	124.7	125.2	88.3	92.1	92.4	89.6

Series	Previous cycle		Latest cycle		1990	1991							
	High	Low	High	Low	Dec.	May	June	July	Aug.	Sept.[r]	Oct.[r]	Nov.[r]	Dec.[p]
	Capacity utilization rate (percent)												
1 **Total industry**	**89.2**	**72.6**	**87.3**	**71.8**	**80.6**	**79.1**	**79.6**	**80.0**	**79.8**	**79.9**	**79.6**	**79.3**	**79.0**
2 Manufacturing	88.9	70.8	87.3	70.0	79.4	77.8	78.3	78.7	78.6	78.8	78.6	78.2	78.1
3 Primary processing	92.2	68.9	89.7	66.8	81.5	79.0	79.9	81.1	81.2	81.3	81.2	80.7	80.9
4 Advanced processing	87.5	72.0	86.3	71.4	78.5	77.3	77.6	77.8	77.5	77.7	77.6	77.2	77.0
5 Durable goods	88.8	68.5	86.9	65.0	77.2	75.7	76.0	76.4	76.0	76.2	75.8	75.4	75.1
6 Lumber and products	90.1	62.2	87.6	60.9	74.9	73.9	77.2	75.6	76.0	75.8	73.5	75.5	75.9
7 Primary metals	100.6	66.2	102.4	46.8	81.4	75.3	74.9	78.5	79.6	79.3	79.4	80.0	79.9
8 Iron and steel	105.8	66.6	110.4	38.3	80.8	70.4	69.5	74.3	75.0	75.1	76.2	78.5	78.4
9 Nonferrous	92.9	61.3	90.5	62.2	82.3	83.1	83.5	85.1	86.7	85.7	84.5	82.4	82.3
10 Nonelectrical machinery	96.4	74.5	92.1	64.9	79.5	77.4	77.1	77.2	76.5	76.1	76.0	75.3	75.1
11 Electrical machinery	87.8	63.8	89.4	71.1	76.6	76.8	77.2	76.6	76.8	76.2	75.2	75.6	75.3
12 Motor vehicles and parts	93.4	51.1	93.0	44.5	59.0	66.9	68.9	71.8	67.9	73.6	74.2	70.7	69.8
13 Aerospace and miscellaneous transportation equipment	77.0	66.6	81.1	66.9	82.8	76.7	76.8	76.1	76.1	75.3	74.8	73.9	72.1
14 Nondurable goods	87.9	71.8	87.0	76.9	82.4	80.7	81.4	82.0	82.1	82.3	82.4	82.1	82.2
15 Textile mill products	92.0	60.4	91.7	73.8	82.1	84.3	86.4	88.4	88.8	87.4	89.1	87.9	87.9
16 Paper and products	96.9	69.0	94.2	82.0	91.0	86.5	89.7	91.9	90.4	91.4	90.5	88.1	89.2
17 Chemicals and products	87.9	69.9	85.1	70.1	79.9	78.2	78.2	79.3	79.7	79.6	80.2	80.2	80.4
18 Plastics materials	102.0	50.6	90.9	63.4	86.5	84.5	84.1	89.6	87.1	87.0	89.5	90.4	88.0
19 Petroleum products	96.7	81.1	89.5	68.2	87.0	88.6	90.2	89.2	88.4	89.4	87.1	86.6	87.3
20 Mining	94.4	88.4	96.6	80.6	90.8	87.6	89.2	89.6	88.5	88.5	87.8	86.5	86.2
21 Utilities	95.6	82.5	88.3	76.2	85.1	86.7	86.7	86.2	85.9	85.1	84.1	85.2	82.5
22 Electric	99.0	82.7	88.3	78.7	90.6	93.7	94.1	93.6	92.7	90.8	89.8	90.9	88.1

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

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

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

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value[1]

Monthly data seasonally adjusted

Group	1987 proportion	1991 avg.	1990 Dec.	1991 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.[r]	Oct.[r]	Nov.[r]	Dec.[p]
			Index (1987 = 100)												
MAJOR MARKETS															
1 **Total index**	**100.0**	**107.1**	**107.2**	**106.6**	**105.7**	**105.0**	**105.5**	**106.4**	**107.3**	**108.1**	**108.0**	**108.4**	**108.2**	**108.0**	**107.8**
2 Products	60.8	108.0	108.4	107.8	106.9	106.5	106.9	107.7	108.6	108.7	108.5	108.9	108.9	108.8	108.6
3 Final products	46.0	109.5	109.2	109.1	108.3	108.1	108.7	109.3	110.1	110.2	109.8	110.4	110.6	110.4	110.0
4 Consumer goods, total	26.0	107.5	105.7	105.6	104.7	104.7	105.5	106.6	108.0	108.3	108.4	109.4	109.7	109.8	109.4
5 Durable consumer goods	5.6	102.3	96.0	97.6	95.2	95.9	99.3	101.1	104.2	105.5	104.0	107.7	107.5	106.4	105.2
6 Automotive products	2.5	98.0	86.7	90.6	88.1	88.9	94.2	97.4	100.4	102.3	98.6	106.5	106.7	104.1	102.5
7 Autos and trucks	1.5	90.2	74.6	79.6	74.7	76.7	85.0	89.2	92.5	98.1	90.2	103.0	105.1	99.0	96.7
8 Autos, consumer	.9	84.6	77.2	83.2	78.6	76.3	78.3	81.9	83.8	92.8	83.0	94.6	92.6	89.8	88.2
9 Trucks, consumer	.6	....	70.2	73.6	68.1	77.4	96.3	101.6	107.1	106.9	102.2	117.1	126.1	114.5	111.0
10 Auto parts and allied goods	1.0	109.6	104.8	107.1	108.3	107.3	108.0	109.5	112.2	108.6	111.3	111.8	109.1	111.8	111.1
11 Other	3.1	105.8	103.4	103.2	100.7	101.4	103.4	104.1	107.3	108.1	108.3	108.7	108.2	108.2	107.4
12 Appliances, A/C, and TV	.8	99.5	89.9	92.8	94.5	96.2	97.3	96.8	104.8	100.6	99.6	104.1	102.1	102.4	99.1
13 Carpeting and furniture	.9	99.2	100.9	100.3	92.0	93.9	97.0	96.9	99.2	103.1	103.9	101.8	101.4	101.5	101.0
14 Miscellaneous home goods	1.4	113.5	112.5	110.8	109.8	109.2	110.8	112.8	113.8	115.5	115.9	115.6	116.0	115.8	116.2
15 Nondurable consumer goods	20.4	108.9	108.4	107.8	107.3	107.1	107.2	108.1	109.0	109.0	109.6	109.8	110.3	110.7	110.5
16 Foods and tobacco	9.1	106.8	107.5	106.3	105.9	105.4	105.3	106.2	106.9	106.9	107.1	107.8	108.1	108.2	108.1
17 Clothing	2.6	93.6	92.1	90.6	90.8	90.4	90.6	92.0	93.9	94.3	94.8	95.2	96.3	96.8	97.0
18 Chemical products	3.5	116.0	113.5	114.7	114.8	114.2	115.0	113.9	114.3	115.4	117.4	117.3	117.7	118.4	118.8
19 Paper products	2.5	123.4	122.7	122.1	121.0	122.2	122.7	121.8	123.3	122.1	122.6	124.8	125.5	126.2	126.7
20 Energy	2.7	107.5	106.6	106.5	105.2	105.5	104.4	109.0	110.0	109.4	109.5	106.7	107.2	107.8	105.2
21 Fuels	.7	103.4	98.1	99.8	103.4	104.3	101.4	103.6	104.9	105.2	104.0	104.4	103.5	102.8	103.8
22 Residential utilities	2.0	109.0	109.7	109.0	105.9	105.9	105.5	111.0	111.9	110.9	111.5	107.6	108.5	109.7	105.8
23 Equipment	20.0	112.2	113.6	113.6	112.9	112.5	112.8	112.7	112.8	112.8	111.6	111.8	111.7	111.3	110.9
24 Business equipment	13.9	121.5	121.2	121.6	120.6	120.3	121.3	121.7	121.9	122.5	121.3	122.2	122.2	121.8	121.8
25 Information processing and related	5.6	131.5	127.5	130.1	131.6	131.2	131.5	131.8	130.9	131.1	130.3	130.3	131.5	133.3	133.9
26 Office and computing	1.9	155.4	148.9	155.0	157.3	155.1	155.6	155.6	154.0	156.0	153.1	152.2	155.5	157.0	158.7
27 Industrial	4.0	108.2	112.3	111.5	109.1	109.5	109.3	109.3	109.1	109.0	108.6	108.2	106.9	104.5	104.2
28 Transit	2.5	126.8	123.4	124.0	120.3	120.4	124.1	125.9	128.0	131.2	126.7	132.7	133.1	130.2	128.7
29 Autos and trucks	1.2	88.6	75.3	79.8	75.0	76.7	84.4	87.9	90.8	96.6	86.2	99.3	101.1	96.5	96.1
30 Other	1.9	113.6	118.5	115.0	112.5	110.8	112.7	113.0	114.8	114.0	114.8	114.2	113.2	113.7	114.6
31 Defense and space equipment	5.4	90.9	95.8	94.4	94.5	93.9	92.5	91.5	91.0	90.0	89.8	89.1	88.9	88.4	87.1
32 Oil and gas well drilling	.6	....	107.3	106.4	108.2	107.7	105.1	101.3	103.0	97.8	86.7	80.1	79.0	78.1	75.8
33 Manufactured homes	.2	....	83.4	83.1	77.3	79.3	83.1	86.6	90.8	86.5	90.3	86.2	86.3	87.0	89.3
34 Intermediate products, total	14.7	103.3	106.0	103.8	102.6	101.3	101.2	102.7	104.0	104.0	104.4	104.3	103.5	103.8	103.9
35 Construction supplies	6.0	96.0	101.0	97.7	96.4	94.0	94.9	95.8	97.4	96.9	96.7	96.5	94.9	95.4	95.8
36 Business supplies	8.7	108.4	109.4	108.1	106.8	106.4	105.6	107.5	108.5	109.0	109.7	109.7	109.5	109.7	109.6
37 Materials	39.2	105.6	105.3	104.8	103.9	102.6	103.4	104.5	105.4	107.0	107.2	107.5	107.3	106.6	106.6
38 Durable goods materials	19.4	107.1	107.5	106.8	105.5	103.3	104.9	106.2	106.7	108.2	109.1	109.3	108.7	108.4	108.6
39 Durable consumer parts	4.2	96.6	91.1	94.2	90.4	87.5	92.1	95.5	97.3	100.2	100.1	101.3	101.5	100.0	99.5
40 Equipment parts	7.3	114.4	116.9	115.9	116.2	114.8	114.6	114.8	113.6	113.5	114.3	113.9	113.5	113.6	113.9
41 Other	7.9	106.0	107.4	105.2	103.8	101.0	102.6	103.8	105.3	107.5	109.0	109.3	108.0	108.0	108.6
42 Basic metal materials	2.8	106.0	109.6	104.6	104.8	101.2	101.6	103.0	105.9	108.8	110.2	109.5	107.7	108.0	108.4
43 Nondurable goods materials	9.0	106.1	104.9	104.9	103.6	102.8	103.1	103.7	104.9	108.1	107.8	108.3	109.4	108.1	109.0
44 Textile materials	1.2	97.1	91.4	89.1	91.5	92.7	94.7	96.8	98.1	101.4	101.5	99.5	101.6	99.2	99.6
45 Pulp and paper materials	1.9	106.5	108.5	106.0	104.1	102.4	102.0	101.5	106.9	110.3	108.2	110.4	110.1	107.3	108.7
46 Chemical materials	3.8	106.6	105.7	106.7	104.1	102.7	102.9	103.9	103.9	107.7	107.9	108.2	110.3	109.8	110.6
47 Other	2.1	110.0	107.6	109.3	108.8	108.8	109.0	109.2	108.6	110.5	110.9	111.3	111.5	110.7	111.4
48 Energy materials	10.9	102.3	102.0	101.1	101.1	101.3	101.1	102.4	103.4	104.1	103.3	103.6	103.0	102.4	101.1
49 Primary energy	7.2	102.5	101.9	101.3	102.1	101.5	100.5	101.2	104.7	106.2	104.5	103.8	102.9	101.5	100.7
50 Converted fuel materials	3.7	102.0	102.1	100.9	99.2	100.8	102.4	104.7	101.0	100.1	101.0	103.4	103.2	104.1	102.0
SPECIAL AGGREGATES															
51 Total excluding autos and trucks	97.3	107.6	108.1	107.4	106.6	105.7	106.1	106.9	107.8	108.4	108.5	108.6	108.4	108.3	108.1
52 Total excluding motor vehicles and parts	95.3	107.9	108.6	107.8	107.0	106.2	106.5	107.3	108.1	108.6	108.8	108.8	108.6	108.6	108.4
53 Total excluding office and computing machines	97.5	105.8	106.1	105.4	104.4	103.7	104.2	105.2	106.2	106.9	106.8	107.3	107.1	106.7	106.5
54 Consumer goods excluding autos and trucks	24.5	108.5	107.6	107.2	106.5	106.4	106.7	107.6	108.9	108.9	109.5	109.8	110.0	110.4	110.1
55 Consumer goods excluding energy	23.3	107.5	105.6	105.5	104.7	104.6	105.6	106.3	107.7	108.1	108.3	109.7	110.0	110.0	109.8
56 Business equipment excluding autos and trucks	12.7	124.7	125.6	125.7	125.0	124.5	124.9	125.0	125.0	125.0	124.7	124.4	124.3	124.3	124.3
57 Business equipment excluding office and computing equipment	12.0	116.0	116.7	116.2	114.6	114.6	115.7	116.3	116.7	117.0	116.2	117.3	116.8	116.1	115.9
58 Materials excluding energy	28.4	106.8	106.6	106.2	104.9	103.1	104.3	105.4	106.1	108.2	108.7	109.0	108.9	108.3	108.7

2.13—Continued

Group	SIC[2] code	1987 proportion	1991 avg.	1990 Dec.	1991 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.[r]	Oct.[r]	Nov.[r]	Dec.[p]
				Index (1987 = 100)												
MAJOR INDUSTRIES																
1 **Total index**	....	**100.0**	**107.1**	**107.2**	**106.6**	**105.7**	**105.0**	**105.5**	**106.4**	**107.3**	**108.1**	**108.0**	**108.4**	**108.2**	**108.0**	**107.8**
2 Manufacturing	....	84.4	107.5	107.5	107.0	106.1	105.2	105.9	106.6	107.5	108.3	108.4	108.9	108.9	108.6	108.7
3 Primary processing	....	26.7	102.4	102.9	102.0	100.8	99.0	99.6	100.7	102.1	103.7	104.1	104.4	104.4	103.9	104.4
4 Advanced processing	....	57.7	109.8	109.5	109.3	108.5	108.0	108.9	109.3	109.9	110.5	110.3	111.0	111.0	110.8	110.7
5 Durable goods	....	47.3	107.1	107.5	107.2	106.1	105.0	106.0	106.7	107.3	108.1	107.8	108.4	108.1	107.7	107.5
6 Lumber and products	24	2.0	94.0	93.5	94.2	91.5	91.2	92.7	92.5	96.7	94.8	95.3	95.2	92.4	94.9	95.5
7 Furniture and fixtures	25	1.4	99.2	102.0	99.0	94.9	95.4	98.3	98.5	99.4	100.5	101.3	101.2	100.3	100.2	101.8
8 Clay, glass, and stone products	32	2.5	95.0	100.7	97.2	98.9	94.4	94.2	95.1	95.0	95.8	95.5	94.4	94.1	92.8	93.3
9 Primary metals	33	3.3	99.6	104.2	99.7	99.5	94.7	94.5	96.9	96.4	101.2	102.6	102.3	102.6	103.5	103.4
10 Iron and steel	331,2	1.9	98.3	107.3	99.0	98.0	92.0	91.6	94.0	92.9	99.5	100.6	100.8	102.4	105.6	105.6
11 Raw steel	....	.1	97.3	100.6	104.7	97.9	89.8	91.0	88.9	94.0	102.6	102.4	100.9	101.3	99.1	97.3
12 Nonferrous	333–6,9	1.4	101.5	99.8	100.6	101.6	98.4	98.5	101.0	101.5	103.5	105.5	104.4	103.0	100.5	100.4
13 Fabricated metal products	34	5.4	100.4	101.9	101.7	99.1	97.8	98.0	99.1	99.8	100.9	101.4	101.9	101.7	101.5	101.9
14 Nonelectrical machinery	35	8.6	123.6	124.7	125.5	124.5	123.1	123.5	123.6	123.4	123.9	123.3	123.1	123.3	122.6	122.7
15 Office and computing machines	357	2.5	155.4	148.9	155.0	157.3	155.1	155.6	155.6	154.0	156.0	153.0	152.2	155.4	157.0	158.7
16 Electrical machinery	36	8.6	110.1	108.7	107.6	108.2	108.6	109.7	110.6	111.5	111.0	111.5	111.0	109.9	110.9	110.7
17 Transportation equipment	37	9.8	98.6	96.6	97.6	95.5	95.0	97.2	98.2	99.7	101.3	99.0	102.2	102.4	99.7	98.0
18 Motor vehicles and parts	371	4.7	90.4	78.5	83.0	79.4	79.8	86.2	89.8	92.5	96.7	91.6	99.5	100.4	95.8	94.8
19 Autos and light trucks	....	2.3	89.4	74.9	80.1	75.3	76.6	84.0	88.2	91.2	97.3	89.1	101.8	103.2	97.6	95.5
20 Aerospace and miscellaneous transportation equipment	372–6,9	5.1	106.0	112.9	110.8	110.0	108.8	107.2	105.8	106.1	105.4	105.6	104.6	104.3	103.2	100.9
21 Instruments	38	3.3	118.4	117.3	119.0	119.3	118.4	118.6	118.2	117.3	116.5	116.9	118.1	118.2	119.4	119.9
22 Miscellaneous	39	1.2	119.5	119.1	116.1	114.6	115.3	117.5	118.7	119.8	121.6	123.2	121.5	121.1	121.3	122.0
23 Nondurable goods	....	37.2	108.0	107.4	106.8	106.0	105.4	105.9	106.5	107.6	108.6	109.0	109.6	110.0	109.8	110.3
24 Foods	20	8.8	108.6	109.1	108.3	107.6	107.4	107.6	107.8	108.6	108.3	108.7	109.5	109.8	110.0	110.0
25 Tobacco products	21	1.0	100.4	101.1	100.0	100.1	98.2	97.6	98.7	99.4	102.6	103.1	102.7	102.2	99.8	100.5
26 Textile mill products	22	1.8	100.6	96.1	94.0	94.3	95.4	97.2	99.2	101.7	104.2	104.7	103.2	105.4	104.0	104.1
27 Apparel products	23	2.4	96.3	94.9	92.9	93.1	92.5	93.2	95.2	96.2	97.8	98.3	98.1	98.7	99.2	99.5
28 Paper and products	26	3.6	104.7	105.4	104.2	102.2	101.3	101.3	101.3	105.3	108.1	106.5	108.0	107.2	104.5	106.1
29 Printing and publishing	27	6.4	112.4	112.8	112.1	110.9	110.4	110.7	110.6	111.2	111.9	112.3	113.3	114.3	114.8	115.4
30 Chemicals and products	28	8.6	111.2	109.9	110.1	109.1	108.2	109.0	109.2	109.6	111.5	112.3	112.6	113.9	114.1	114.8
31 Petroleum products	29	1.3	107.1	105.6	104.7	108.8	108.5	105.7	107.5	109.6	108.3	107.3	108.6	105.7	105.2	106.0
32 Rubber and plastic products	30	3.0	110.0	106.9	108.8	106.1	104.4	106.6	109.2	110.5	110.1	112.6	113.8	113.2	112.8	112.7
33 Leather and products	31	.3	88.2	92.6	89.6	90.8	91.5	90.0	89.5	90.9	91.0	87.1	85.8	83.9	84.4	83.2
34 Mining	....	7.9	101.0	103.4	101.7	102.9	101.5	100.9	100.2	102.1	102.7	101.3	101.4	100.6	99.2	98.9
35 Metal	10	.3	150.0	162.0	143.1	148.0	147.6	145.7	148.0	157.0	153.0	155.5	153.1	146.6	151.1	151.7
36 Coal	11,12	1.2	109.4	110.6	108.4	112.8	109.9	105.9	103.4	110.2	116.0	110.8	110.1	107.9	108.4	109.6
37 Oil and gas extraction	13	5.7	95.7	96.7	96.0	97.2	96.4	96.6	96.0	96.9	96.4	95.7	96.0	96.0	93.7	92.8
38 Stone and earth minerals	14	.7	108.1	118.9	119.2	112.0	108.0	107.0	107.5	106.4	107.8	107.0	107.3	105.4	105.2	106.5
39 Utilities	....	7.6	108.7	108.8	107.6	104.6	106.4	105.9	111.4	111.5	110.9	110.7	109.7	108.6	110.0	106.7
40 Electric	491,3PT	6.0	112.7	111.8	110.4	107.8	109.8	109.8	116.4	117.1	116.6	115.6	113.4	112.2	113.8	110.4
41 Gas	492,3PT	1.6	94.2	97.6	97.5	92.8	93.6	91.6	92.8	90.7	89.7	92.4	95.8	94.8	95.8	92.9
SPECIAL AGGREGATES																
42 Manufacturing excluding motor vehicles and parts	....	79.8	108.5	109.1	108.4	107.6	106.7	107.1	107.6	108.3	109.0	109.3	109.5	109.4	109.4	109.5
43 Manufacturing excluding office and computing machines	....	82.0	106.0	106.2	105.6	104.5	103.7	104.4	105.1	106.1	106.9	107.0	107.6	107.5	107.2	107.2
				Gross value (billions of 1982 dollars, annual rates)												
MAJOR MARKETS																
44 **Products, total**	....	**1,734.8**	**1,878.7**	**1,859.4**	**1,860.4**	**1,848.4**	**1,845.4**	**1,853.3**	**1,875.7**	**1,890.5**	**1,895.3**	**1,885.5**	**1,901.8**	**1,907.0**	**1,899.0**	**1,889.8**
45 Final	....	1,350.9	1,481.3	1,450.8	1,459.6	1,452.8	1,455.6	1,464.6	1,478.1	1,490.5	1,496.1	1,484.5	1,501.5	1,508.2	1,500.3	1,490.7
46 Consumer goods	....	833.4	879.4	857.6	857.9	852.7	857.4	862.9	874.4	884.2	888.3	882.7	898.3	901.6	899.5	896.7
47 Equipment	....	517.5	601.9	593.2	601.7	600.1	598.2	601.7	603.7	606.2	607.8	601.8	603.3	606.6	600.7	594.0
48 Intermediate	....	384.0	397.4	408.7	400.8	395.6	389.8	388.7	397.6	400.1	399.2	401.0	400.3	398.8	398.7	399.2

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

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

2. Standard industrial classification.

2.14 HOUSING AND CONSTRUCTION

Monthly figures at seasonally adjusted annual rates, except as noted

Item	1988	1989	1990	1991 Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.[r]	Oct.[r]	Nov.
	Private residential real estate activity (thousands of units, except as noted)												
NEW UNITS													
1 Permits authorized	1,456	1,339	1,111	876	892	913	966	999	1,005	953	982	1,028	993
2 One-family	994	932	794	695	689	742	760	780	794	769	782	796	787
3 Two-or-more-family	462	407	317	181	203	171	206	219	211	184	200	232	206
4 Started	1,488	1,376	1,193	992	907	977	983	1,034	1,049	1,056	1,017	1,090	1,075
5 One-family	1,081	1,003	895	788	742	801	831	869	879	883	861	889	910
6 Two-or-more-family	407	373	298	204	165	176	152	165	170	173	156	201	165
7 Under construction at end of period[1]	919	850	711	709	680	674	665	655	652	649	632	634	640
8 One-family	570	535	449	457	442	443	443	446	451	455	453	454	463
9 Two-or-more-family	350	315	262	252	238	231	222	209	201	194	179	180	177
10 Completed	1,530	1,423	1,308	1,096	1,190	1,089	1,070	1,105	1,069	1,054	1,194	1,048	984
11 One-family	1,085	1,026	966	838	881	821	800	815	806	821	869	870	787
12 Two-or-more-family	445	396	342	258	309	268	270	290	263	233	325	178	197
13 Mobile homes shipped	218	198	188	157	157	175	174	173	175	178	172	172	172
Merchant builder activity in one-family units													
14 Number sold	675	650	535	488	495	506	507	518	507	522[r]	501	520	520
15 Number for sale at end of period[1]	368	363	318	313	308	303	299	295	296	291[r]	291	288	285
Price of units sold (thousands of dollars)[2]													
16 Median	113.3	120.4	122.3	119.9	122.5	121.0	116.0	119.0	120.0	120.8[r]	120.2	125.0	117.4
17 Average	139.0	148.3	149.0	147.8	156.4	150.8	145.4	145.9	148.2	141.8[r]	148.5	149.0	141.1
EXISTING UNITS (one-family)													
18 Number sold	3,594	3,439	3,316	3,160	3,220	3,310	3,540	3,590	3,320	3,250	3,120	3,160	3,310
Price of units sold (thousands of dollars)[2]													
19 Median	89.2	92.9	95.2	94.0	98.2	100.3	101.1	102.0	103.6	102.2	99.7	99.2	97.9
20 Average	112.5	118.0	118.3	119.7	125.2	128.9	130.6	130.5	132.2	131.0	127.7	126.4	124.9
	Value of new construction[3] (millions of dollars)												
CONSTRUCTION													
21 Total put in place	**432,222**	**443,720**	**446,433**	**410,072**	**401,883**	**407,050**	**399,030**	**398,189**	**398,409[r]**	**403,151[r]**	**406,983**	**409,424**	**406,313**
22 Private	337,440	345,416	337,776	300,495	293,262	299,044	291,048	290,871	290,299[r]	293,402[r]	296,621	296,665	293,558
23 Residential	198,101	196,551	182,856	155,622	152,447	151,836	154,567	158,282	158,039[r]	162,800[r]	166,578	167,490	167,328
24 Nonresidential, total	139,339	148,865	154,920	144,873	140,815	147,208	136,481	132,589	132,260[r]	130,602[r]	130,043	129,175	126,230
25 Industrial buildings	16,451	20,412	23,849	23,249	23,089	24,301	20,683	20,868	20,885[r]	20,418	20,321	21,436	21,637
26 Commercial buildings	64,025	65,496	62,866	54,023	51,766	54,824	50,220	47,596	47,144[r]	46,341[r]	45,589	44,435	41,384
27 Other buildings	19,038	19,683	21,591	20,850	20,628	21,928	20,858	20,429	20,674[r]	19,973[r]	20,615	20,680	20,538
28 Public utilities and other	39,825	43,274	46,614	46,751	45,332	46,155	44,720	43,696	43,557[r]	43,870[r]	43,518	42,624	42,671
29 Public	94,783	98,303	108,655	109,577	108,621	108,007	107,982	107,318	108,110[r]	109,749[r]	110,361	112,759	112,756
30 Military	3,579	3,520	2,734	1,723	1,866	1,828	1,918	1,864	1,759[r]	1,783	2,261	1,829	1,888
31 Highway	29,227	28,171	30,595	30,699	29,996	28,591	29,246	28,776	28,854[r]	30,047[r]	28,610	28,833	27,455
32 Conservation and development	4,739	4,989	4,718	5,529	4,586	5,833	5,123	5,807	4,688[r]	4,901[r]	4,226	6,205	6,174
33 Other	57,238	61,623	70,608	71,626	72,173	71,755	71,695	70,871	72,809[r]	73,018[r]	75,264	75,892	77,239

1. Not at annual rates.
2. Not seasonally adjusted.
3. Recent data on value of new construction may not be strictly comparable with data for previous periods because of changes by the Bureau of the Census in its estimating techniques. For a description of these changes, see *Construction Reports* (C-30-76-5), issued by the Bureau in July 1976.

SOURCE. Bureau of the Census estimates for all series except (1) mobile homes, which are private, domestic shipments as reported by the Manufactured Housing Institute and seasonally adjusted by the Census Bureau, and (2) sales and prices of existing units, which are published by the National Association of Realtors. All back and current figures are available from the originating agency. Permit authorizations are those reported to the Census Bureau from 17,000 jurisdictions beginning in 1984.

2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data, except as noted

Item	Change from 12 months earlier		Change from 3 months earlier (annual rate)				Change from 1 month earlier					Index level, Dec. 1991[1]
	1990 Dec.	1991 Dec.	1991				1991					
			Mar.	June	Sept.	Dec.	Aug.	Sept.	Oct.	Nov.	Dec.	
CONSUMER PRICES[2] (1982–84=100)												
1 **All items**	**6.1**	**3.1**	**2.4**	**3.0**	**3.3**	**3.2**	**.2**	**.4**	**.1**	**.4**	**.3**	**137.9**
2 Food	5.3	1.9	2.4	5.1	−3.2	3.3	−.3	.1	−.1	.6	.3	136.7
3 Energy items												
4 All items less food and energy	18.1	−7.4	−30.7	−1.2	1.6	5.6	−.2	1.0	.2	.8	.4	101.9
5 Commodities	5.2	4.4	6.8	3.2	4.6	3.1	.4	.4	.1	.3	.3	144.4
6 Services	3.4	4.0	7.9	3.2	4.1	.9	.5	.2	−.1	.4	−.1	130.3
	6.0	4.6	6.4	3.0	4.6	4.3	.3	.5	.3	.3	.5	152.5
PRODUCER PRICES (1982=100)												
7 Finished goods	5.7	−.1	−3.5	.7	.3	2.3	.2	.1	.7	.2	−.2	121.9
8 Consumer foods	2.6	−1.6	1.0	−.6	−6.3	−.3	−.5[r]	−.4[r]	.4	−.1	−.4	122.2
9 Consumer energy	30.7	−9.6	−35.5	.0	5.3	1.0	1.8	.8	1.7	.0	−1.4	76.6
10 Other consumer goods	3.7	3.4	5.9	1.2	2.4	4.2	.2	.0	.6	.4	.1	135.7
11 Capital equipment	3.4	2.5	4.6	1.6	1.0	2.9	.1[r]	.1[r]	.4	.2	.2	128.0
Intermediate materials												
12 Excluding foods and feeds	4.6	−2.7	−9.8	−.7	.4	−.3	.3[r]	.2[r]	−.1	.1	−.1	113.8
13 Excluding energy	1.9	−.8	−2.3	−1.0	−.3	.3	−.1[r]	.1[r]	−.1	.1	.1	121.0
Crude materials												
14 Foods	−4.2	−5.6	.0	−12.5	−8.1	−1.9	−1.8[r]	1.3[r]	.1	−.2	−.4	101.9
15 Energy	19.1	−16.7	−54.0	.5	.0	4.2	.9[r]	−2.4[r]	3.9	1.2	−3.9	77.9
16 Other	.6	−8.0	−4.7	−13.3	−4.0	−10.1	.2	−.9	−.5	−1.8	−.4	122.2

1. Not seasonally adjusted.
2. Figures for consumer prices are for all urban consumers and reflect a rental-equivalence measure of homeownership.

SOURCE. Bureau of Labor Statistics.

2.16 GROSS DOMESTIC PRODUCT AND INCOME

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

Account	1988	1989	1990	1990		1991		
				Q3	Q4	Q1	Q2	Q3
GROSS DOMESTIC PRODUCT								
1 **Total**	**4,900.4**	**5,244.0**	**5,513.8**	**5,570.5**	**5,557.5**	**5,589.0**	**5,652.6**	**5,709.2**
By source								
2 Personal consumption expenditures	3,296.1	3,517.9	3,742.6	3,785.2	3,812.0	3,827.7	3,868.5	3,916.4
3 Durable goods	437.1	459.8	465.9	467.1	451.9	440.7	440.0	452.9
4 Nondurable goods	1,073.8	1,146.9	1,217.7	1,228.4	1,246.4	1,246.3	1,252.9	1,257.4
5 Services	1,785.2	1,911.2	2,059.0	2,089.6	2,113.6	2,140.7	2,175.6	2,206.1
6 Gross private domestic investment	793.6	837.6	802.6	821.8	750.9	709.3	708.8	740.9
7 Fixed investment	777.4	801.6	802.7	807.7	787.4	748.4	745.8	744.5
8 Nonresidential	545.4	570.7	587.0	596.3	585.2	560.0	554.6	546.8
9 Structures	182.0	193.1	198.7	201.7	191.2	184.0	180.0	169.0
10 Producers' durable equipment	363.4	377.6	388.3	394.7	394.0	375.9	374.7	377.8
11 Residential structures	232.0	230.9	215.7	211.4	202.2	188.4	191.2	197.7
12 Change in business inventories	16.2	36.0	.0	14.1	−36.5	−39.2	−37.1	−3.6
13 Nonfarm	27.5	35.5	−2.0	9.6	−28.9	−35.0	−34.0	−3.2
14 Net exports of goods and services	−108.0	−82.9	−74.4	−82.5	−76.6	−36.8	−17.2	−37.3
15 Exports	444.2	504.9	550.4	548.7	572.6	565.9	589.8	597.0
16 Imports	552.2	587.8	624.8	631.2	649.2	602.7	607.0	634.3
17 Government purchases of goods and services	918.7	971.4	1,042.9	1,046.0	1,071.2	1,088.8	1,092.5	1,089.1
18 Federal	387.0	401.4	424.9	424.7	434.5	451.5	452.1	444.9
19 State and local	531.7	570.0	618.0	621.4	636.7	637.3	640.4	644.2
By major type of product								
20 Final sales, total	4,884.2	5,208.1	5,513.8	5,556.5	5,594.0	5,628.2	5,689.6	5,712.8
21 Goods	1,925.8	2,062.1	2,167.6	2,181.6	2,194.5	2,208.6	2,223.2	2,214.1
22 Durable	835.6	892.9	934.7	939.3	927.2	916.4	939.5	929.4
23 Nondurable	1,090.1	1,169.2	1,233.0	1,242.3	1,267.3	1,292.1	1,283.7	1,284.7
24 Services	2,460.9	2,634.7	2,834.0	2,864.8	2,905.5	2,951.7	2,999.0	3,035.1
25 Structures	497.5	511.3	512.2	510.1	494.0	467.9	467.4	463.5
26 Change in business inventories	16.2	36.0	.0	14.1	−36.5	−39.2	−37.1	−3.6
27 Durable goods	24.3	26.9	−7.0	14.5	−29.4	−43.5	−33.5	−9.2
28 Nondurable goods	−8.1	9.1	7.0	−.4	−7.1	4.3	−3.6	5.6
MEMO								
29 **Total GDP in 1987 dollars**	**4,718.6**	**4,836.9**	**4,884.9**	**4,903.3**	**4,855.1**	**4,824.0**	**4,840.7**	**4,862.7**
NATIONAL INCOME								
30 **Total**	**4,002.6**	**4,244.7**	**4,459.6**	**4,475.2**	**4,506.8**	**4,489.8**	**4,530.8**	**4,559.8**
31 Compensation of employees	2,921.3	3,101.3	3,290.3	3,325.3	3,340.0	3,342.9	3,377.4	3,405.3
32 Wages and salaries	2,443.0	2,585.8	2,738.9	2,769.9	2,778.3	2,771.1	2,800.2	2,822.4
33 Government and government enterprises	449.0	478.6	514.0	517.7	525.4	536.0	540.1	541.8
34 Other	1,994.0	2,107.2	2,224.9	2,252.2	2,253.0	2,235.1	2,260.1	2,280.6
35 Supplement to wages and salaries	478.3	515.5	551.4	555.4	561.6	571.8	577.2	582.9
36 Employer contributions for social insurance	247.8	261.7	277.3	279.1	281.7	287.5	288.7	290.2
37 Other labor income	230.5	253.7	274.0	276.3	279.9	284.2	288.5	292.8
38 Proprietors' income[1]	324.3	347.0	373.2	368.8	373.9	364.2	380.0	382.5
39 Business and professional[1]	293.4	305.5	330.7	336.5	332.7	331.4	340.4	350.5
40 Farm[1]	30.9	41.4	42.5	32.4	41.2	32.8	39.6	32.0
41 Rental income of persons[2]	4.3	−7.9	−12.9	−10.4	−9.5	−11.9	−11.7	−14.2
42 Corporate profits[1]	365.0	351.7	319.0	299.8	296.1	302.1	303.5	306.1
43 Profits before tax[3]	347.5	344.5	332.3	335.1	326.1	309.1	306.2	318.2
44 Inventory valuation adjustment	−27.3	−17.5	−14.2	−32.6	−21.2	6.7	9.9	−4.8
45 Capital consumption adjustment	44.7	24.7	.8	−2.7	−8.8	−13.6	−12.6	−7.3
46 Net interest	387.7	452.6	490.1	491.8	506.4	492.6	481.6	480.1

1. With inventory valuation and capital consumption adjustments.
2. With capital consumption adjustment.
3. For after-tax profits, dividends, and the like, see table 1.48.

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

2.17 PERSONAL INCOME AND SAVING

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

Account	1988	1989	1990	1990		1991		
				Q3	Q4	Q1	Q2	Q3
PERSONAL INCOME AND SAVING								
1 **Total personal income**	**4,075.9**	**4,380.2**	**4,679.8**	**4,719.3**	**4,764.7**	**4,768.0**	**4,821.1**	**4,853.3**
2 Wage and salary disbursements	2,443.0	2,585.8	2,738.9	2,769.8	2,778.2	2,770.9	2,800.6	2,822.4
3 Commodity-producing industries	699.1	723.8	745.4	751.2	745.2	733.4	735.2	742.3
4 Manufacturing	524.5	542.1	555.8	560.4	557.3	549.3	552.3	559.9
5 Distributive industries	575.3	607.5	634.6	640.4	639.0	635.1	642.0	644.0
6 Service industries	719.6	775.9	845.0	860.6	868.8	866.5	883.0	894.4
7 Government and government enterprises	449.0	478.6	514.0	517.7	525.2	535.8	540.5	541.8
8 Other labor income	230.5	253.7	274.0	276.3	279.9	284.2	288.5	292.8
9 Proprietors' income[1]	324.3	347.0	373.2	368.8	373.9	364.2	380.0	382.5
10 Business and professional[1]	293.4	305.5	330.7	336.5	332.7	331.4	340.4	350.5
11 Farm[1]	30.9	41.4	42.5	32.4	41.2	32.8	39.6	32.0
12 Rental income of persons[2]	4.3	−7.9	−12.9	−10.4	−9.5	−11.9	−11.7	−14.2
13 Dividends	108.4	119.8	124.8	124.8	127.0	128.7	127.4	128.7
14 Personal interest income	583.2	669.0	721.3	729.1	736.9	730.1	721.8	716.7
15 Transfer payments	576.7	624.4	684.9	687.7	705.8	737.2	751.5	763.7
16 Old-age survivors, disability, and health insurance benefits	300.4	325.1	352.0	353.0	358.4	373.1	377.2	381.7
17 LESS: Personal contributions for social insurance	194.5	211.7	224.3	226.7	227.5	235.4	237.0	239.3
18 EQUALS: Personal income	4,075.9	4,380.2	4,679.8	4,719.3	4,764.7	4,768.0	4,821.1	4,853.3
19 LESS: Personal tax and nontax payments	527.7	591.7	621.0	627.5	627.2	617.1	613.6	615.1
20 EQUALS: Disposable personal income	3,548.2	3,788.6	4,058.8	4,091.8	4,137.5	4,151.0	4,207.5	4,238.2
21 LESS: Personal outlays	3,392.0	3,621.6	3,852.2	3,895.3	3,921.7	3,937.5	3,977.9	4,024.9
22 EQUALS: Personal saving	156.2	166.9	206.6	196.5	215.8	213.4	229.6	213.3
MEMO								
Per capita (1987 dollars)								
23 Gross domestic product	19,251.5	19,550.5	19,540.2	19,585.9	19,337.5	19,166.5	19,187.7	19,220.9
24 Personal consumption expenditures	12,902.3	13,027.6	13,050.8	13,106.5	12,951.6	12,877.4	12,892.0	12,930.2
25 Disposable personal income	13,889.0	14,030.0	14,154.0	14,168.0	14,058.0	13,965.0	14,022.0	13,992.0
26 Saving rate (percent)	4.4	4.4	5.1	4.8	5.2	5.1	5.5	5.0
GROSS SAVING								
27 **Gross saving**	**704.5**	**744.2**	**711.8**	**698.3**	**678.3**	**747.7**	**713.9**	**698.0**
28 Gross private saving	802.8	827.3	851.3	821.9	853.9	873.8	893.0	876.4
29 Personal saving	156.2	166.9	206.6	196.5	215.8	213.4	229.6	213.3
30 Undistributed corporate profits[1]	112.6	85.8	49.9	27.2	32.8	45.0	43.4	39.4
31 Corporate inventory valuation adjustment	−27.3	−17.5	−14.2	−32.6	−21.2	6.7	9.9	−4.8
Capital consumption allowances								
32 Corporate	327.6	350.5	365.5	367.5	372.7	380.1	383.2	384.6
33 Noncorporate	206.4	224.0	229.3	230.8	232.7	235.3	236.8	239.1
34 Government surplus, or deficit (−), national income and product accounts	−98.3	−83.0	−139.5	−123.6	−175.6	−126.1	−179.1	−178.4
35 Federal	−136.6	−124.2	−165.3	−149.7	−193.6	−146.4	−206.7	−210.2
36 State and local	38.4	41.1	25.7	26.1	18.0	20.4	27.6	31.8
37 **Gross investment**	**676.1**	**741.5**	**719.9**	**726.5**	**680.4**	**765.8**	**730.4**	**720.0**
38 Gross private domestic	793.6	837.6	802.6	821.8	750.9	709.3	708.8	740.9
39 Net foreign	−117.5	−96.0	−82.8	−95.3	−70.4	56.5	21.7	−20.9
40 **Statistical discrepancy**	**−28.4**	**−2.7**	**8.1**	**28.2**	**2.1**	**18.0**	**16.5**	**22.0**

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

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

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

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

Item credits or debits	1988	1989	1990	1990 Q3	1990 Q4	1991 Q1	1991 Q2	1991 Q3[p]
1 Balance on current account	−126,236	−106,305	−92,123	−23,881	−23,402	10,501	3,028	−10,459
2 Not seasonally adjusted	....	....	....	−29,112	−25,136	15,507	4,593	−15,593
3 Merchandise trade balance[2]	−126,986	−115,917	−108,115	−28,760	−27,728	−18,394	−15,391	−20,486
4 Merchandise exports	320,337	361,451	389,550	96,638	100,580	100,900	104,245	104,532
5 Merchandise imports	−447,323	−477,368	−497,665	−125,398	−128,308	−119,294	−119,636	−125,018
6 Military transactions, net	−5,743	−6,203	−7,219	−1,683	−2,243	−2,329	−1,484	−1,168
7 Investment income, net	5,353	2,688	11,945	2,802	6,133	4,883	2,345	2,502
8 Other service transactions, net	16,082	28,618	33,595	8,086	9,716	9,402	10,429	10,630
9 Remittances, pensions, and other transfers	−4,437	−4,420	−4,843	−1,302	−1,201	−1,316	−1,315	−1,267
10 U.S. government grants (excluding military)	−10,506	−11,071	−17,486	−3,024	−8,079	18,255	8,444	−670
11 Change in U.S. government assets other than official reserve assets, net (increase, −)	2,966	1,320	2,976	−314	4,759	1,422	−493	2,715
12 Change in U.S. official reserve assets (increase, −)	−3,912	−25,293	−2,158	1,739	−1,092	−353	1,014	3,878
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	127	−535	−192	363	−93	31	−190	6
15 Reserve position in International Monetary Fund	1,025	471	731	8	−4	−341	72	−114
16 Foreign currencies	−5,064	−25,229	−2,697	1,368	−995	−43	1,132	3,986
17 Change in U.S. private assets abroad (increase, −)	−85,112	−104,637	−58,524	−28,114	−38,370	−1,992	−15,503	−18,564
18 Bank-reported claims[3]	−56,322	−51,255	5,333	−9,984	−24,513	20,598	1,215	−178
19 Nonbank-reported claims	−3,064	2,581	−1,944	676	−2,509	−1,308	−2,076	....
20 U.S. purchases of foreign securities, net	−7,846	−22,575	−28,476	−1,014	−7,546	−9,430	−12,833	−12,511
21 U.S. direct investments abroad, net	−17,880	−33,388	−33,437	−17,792	−3,802	−11,852	−1,809	−5,875
22 Change in foreign official assets in United States (increase, +)	39,657	8,624	32,425	13,341	20,301	6,631	−3,105	4,309
23 U.S. Treasury securities	41,741	149	28,643	11,849	20,119	2,381	−2,287	5,717
24 Other U.S. government obligations	1,309	1,383	667	134	708	−29	−219	407
25 Other U.S. government liabilities[4]	−568	281	1,703	−248	1,102	1,012	370	1,302
26 Other U.S. liabilities reported by U.S. banks[3]	−319	4,976	2,998	1,871	−707	2,501	−1,084	−3,144
27 Other foreign official assets[5]	−2,506	1,835	−1,586	−265	−921	766	115	27
28 Change in foreign private assets in United States (increase, +)	181,877	207,925	53,879	35,754	18,732	−7,360	6,608	18,507
29 U.S. bank-reported liabilities[3]	70,235	63,382	9,975	26,968	17,261	−18,795	−28,687	8,840
30 U.S. nonbank-reported liabilities	5,626	5,454	3,779	4,260	−1,840	−1,616	−760	....
31 Foreign private purchases of U.S. Treasury securities, net	20,239	29,618	1,131	24	−2,029	3,409	13,434	−1,389
32 Foreign purchases of other U.S. securities, net	26,353	38,920	1,781	−2,558	802	5,306	15,073	9,653
33 Foreign direct investments in United States, net	59,424	70,551	37,213	7,060	4,538	4,336	7,548	1,403
34 Allocation of special drawing rights	0	0	0	0	0	0	0	0
35 Discrepancy	−9,240	18,366	63,526	1,475	19,072	−8,849	8,451	−386
36 Due to seasonal adjustments	....	....	....	−6,473	2,007	3,995	166	−6,059
37 Statistical discrepancy in recorded data before seasonal adjustment	−9,240	18,366	63,526	7,948	17,066	−12,844	8,285	5,673
MEMO								
Changes in official assets								
38 U.S. official reserve assets (increase, −)	−3,912	−25,293	−2,158	1,739	−1,092	−353	1,014	3,878
39 Foreign official assets in United States excluding line 25 (increase, +)	40,225	8,343	30,722	13,589	19,199	5,619	−3,475	3,007
40 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22)	−2,996	10,738	2,163	−1,699	575	988	−3,162	−4,298

1. Seasonal factors not calculated for lines 6, 10, 12–16, 18–20, 22–34, and 38–40.
2. Data are on an international accounts (IA) basis. The data differ from the Census basis data, shown in table 3.11, for reasons of coverage and timing. Military exports are excluded from merchandise trade data and are included in line 6.
3. Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.
4. Associated primarily with military sales contracts and other transactions arranged with or through foreign official agencies.
5. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and state and local governments.

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

3.11 U.S. FOREIGN TRADE[1]

Millions of dollars; exports, F.A.S. value; imports, Customs value; monthly data seasonally adjusted

Item	1988	1989	1990	1991 May	June	July	Aug.	Sept.	Oct.[r]	Nov.[p]
1 Exports of domestic and foreign merchandise, excluding grant-aid shipments	322,426	363,812	393,592	35,271	34,975	35,227	34,380	35,348	37,114	37,462
2 General imports, including merchandise for immediate consumption plus entries into bonded warehouses	440,952	473,211	495,311	40,062	38,764	41,176	40,910	42,282	43,434	41,032
3 **Trade balance**	**−118,526**	**−109,399**	**−101,718**	**−4,790**	**−3,789**	**−5,949**	**−6,530**	**−6,934**	**−6,320**	**−3,570**

1. The Census basis data differ from merchandise trade data shown in table 3.10, U.S. International Transactions Summary, because of coverage and timing. On the *export* side, the largest difference is the exclusion of military sales (which are combined with other military transactions and reported separately in the "service account" in table 3.10, line 6). On the *import* side, this table includes imports of gold, ship purchases, imports of electricity from Canada, and other transactions; military payments are excluded and shown separately in table 3.10, as indicated above. Since Jan. 1, 1987 census data have been released forty-five days after the end of the month; the previous month is revised to reflect late documents. Total exports and the trade balance reflect adjustments for undocumented exports to Canada. Components may not sum to totals because of rounding.

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

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Type	1988	1989	1990	1991 June	July	Aug.	Sept.	Oct.	Nov.	Dec.[p]
1 **Total**	**47,802**	**74,609**	**83,316**	**74,940**	**74,816**	**73,514**	**74,731**	**74,508**	**74,651**	**77,719**
2 Gold stock, including Exchange Stabilization Fund[1]	11,057	11,059	11,058	11,062	11,062	11,062	11,062	11,059	11,058	11,057
3 Special drawing rights[2,3]	9,637	9,951	10,989	10,309	10,360	10,479	10,722	10,710	10,942	11,240
4 Reserve position in International Monetary Fund[2]	9,745	9,048	9,076	8,629	8,730	8,726	9,094	9,065	8,943	9,488
5 Foreign currencies[4]	17,363	44,551	52,193	44,940	44,664	43,247	43,853	43,674	43,708	45,934

1. Gold held "under earmark" at Federal Reserve Banks for foreign and international accounts is not included in the gold stock of the United States; see table 3.13. Gold stock is valued at $42.22 per fine troy ounce.
2. Special drawing rights are valued according to a techique adopted by the International Monetary Fund (IMF) in July 1974. Values are based on a weighted average of exchange rates for the currencies of member countries. From July 1974 through December 1980, 16 currencies were used; since January 1981, 5 currencies have been used. U.S. SDR holdings and reserve positions in the IMF also have been valued on this basis since July 1974.
3. Includes allocations by the International Monetary Fund of SDRs as follows: $867 million on Jan. 1, 1970; $717 million on Jan. 1, 1971; $710 million on Jan. 1, 1972; $1,139 million on Jan. 1, 1979; $1,152 million on Jan. 1, 1980; and $1,093 million on Jan. 1, 1981; plus net transactions in SDRs.
4. Valued at current market exchange rates.

3.13 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS[1]

Millions of dollars, end of period

Assets	1988	1989	1990	1991 June	July	Aug.	Sept.	Oct.	Nov.	Dec.[p]
1 Deposits	347	589	369	223	314	256	384	223	346	968
Assets held in custody										
2 U.S. Treasury securities[2]	232,547	224,911	278,499	273,893	274,514	279,394	279,013	280,249	285,905	281,107
3 Earmarked gold[3]	13,636	13,456	13,387	13,354	13,330	13,330	13,330	13,326	13,307	13,303

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

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

Millions of dollars, end of period

Assets	1988	1989	1990	1991 May	1991 June	1991 July	1991 Aug.	1991 Sept.	1991 Oct.	1991 Nov.
					All foreign countries					
1 **Total, all currencies**	**505,595**	**545,366**	**556,925**	**531,269[r]**	**533,017[r]**	**529,313[r]**	**528,077[r]**	**547,359[r]**	**546,570[r]**	**550,777**
2 Claims on United States	169,111	198,835	188,496	173,144[r]	181,135[r]	174,802[r]	169,061[r]	177,572[r]	176,959[r]	177,828
3 Parent bank	129,856	157,092	148,837	135,278[r]	142,222[r]	137,159[r]	130,169[r]	137,036[r]	136,570[r]	137,165
4 Other banks in United States	14,918	17,042	13,296	10,619[r]	12,011	11,100	12,447[r]	13,692	13,432[r]	13,543
5 Nonbanks	24,337	24,701	26,363	27,247	26,902	26,543	26,445	26,844	26,957	27,120
6 Claims on foreigners	299,728	300,575	312,449	298,979[r]	294,421	294,826	296,855[r]	300,229[r]	299,915[r]	304,049
7 Other branches of parent bank	107,179	113,810	135,003	118,311[r]	115,420[r]	112,205[r]	112,916[r]	114,845[r]	108,269[r]	107,180
8 Banks	96,932	90,703	72,602	75,834[r]	75,196[r]	77,711[r]	76,393[r]	77,293[r]	80,060[r]	84,980
9 Public borrowers	17,163	16,456	17,555	17,425[r]	17,223[r]	18,416[r]	19,110[r]	18,930[r]	18,685[r]	18,940
10 Nonbank foreigners	78,454	79,606	87,289	87,409[r]	86,582[r]	86,494[r]	88,436[r]	89,161[r]	92,901[r]	92,949
11 Other assets	36,756	45,956	55,980	59,146[r]	57,461	59,685	62,161[r]	69,558[r]	69,696[r]	68,900
12 **Total payable in U.S. dollars**	**357,573**	**382,498**	**379,479**	**364,030[r]**	**373,441[r]**	**365,008[r]**	**359,316[r]**	**368,149[r]**	**365,223[r]**	**365,143**
13 Claims on United States	163,456	191,184	180,174	167,067[r]	174,775[r]	168,353[r]	163,593[r]	171,393[r]	170,615[r]	171,701
14 Parent bank	126,929	152,294	142,962	131,104[r]	138,262[r]	132,883[r]	126,746[r]	133,450[r]	132,929[r]	133,984
15 Other banks in United States	14,167	16,386	12,513	10,227[r]	11,502	10,605	11,973[r]	13,109	12,904[r]	12,668
16 Nonbanks	22,360	22,504	24,699	25,736	25,011	24,865	24,874	24,834	24,782	25,049
17 Claims on foreigners	177,685	169,690	174,451	172,816[r]	171,752	169,494	167,039[r]	166,996[r]	164,543[r]	165,490
18 Other branches of parent bank	80,736	82,949	95,298	85,464[r]	84,318[r]	79,112[r]	79,317[r]	80,179[r]	75,649	75,823
19 Banks	54,884	48,396	36,440	43,632[r]	43,578[r]	45,589[r]	41,761[r]	40,656[r]	41,132[r]	42,808
20 Public borrowers	12,131	10,961	12,298	12,544[r]	12,479[r]	13,565[r]	14,160[r]	13,609[r]	13,889[r]	13,671
21 Nonbank foreigners	29,934	27,384	30,415	31,176[r]	31,377[r]	31,228[r]	31,801[r]	32,552[r]	33,873	33,188
22 *Other assets*	16,432	21,624	24,854	24,147[r]	26,914	27,161	28,684[r]	29,760[r]	30,065[r]	27,952
					United Kingdom					
23 **Total, all currencies**	**156,835**	**161,947**	**184,818**	**169,192**	**165,534**	**161,869**	**162,879**	**172,113**	**172,795**	**174,648**
24 Claims on United States	40,089	39,212	45,560	38,338	37,574	32,475	31,315	34,409	32,615	32,531
25 Parent bank	34,243	35,847	42,413	34,830	34,534	29,241	28,189	31,205	29,021	28,901
26 Other banks in United States	1,123	1,058	792	1,104	711	860	816	997	1,502	1,259
27 Nonbanks	4,723	2,307	2,355	2,404	2,329	2,374	2,310	2,207	2,092	2,371
28 Claims on foreigners	106,388	107,657	115,536	106,053	103,608	103,067	103,935	105,699	108,397	111,160
29 Other branches of parent bank	35,625	37,728	46,367	39,060	38,333	36,588	38,382	39,077	36,757	36,474
30 Banks	36,765	36,159	31,604	32,048	31,019	31,866	30,168	31,658	33,375	36,709
31 Public borrowers	4,019	3,293	3,860	3,657	3,584	3,676	3,717	3,502	3,492	3,512
32 Nonbank foreigners	29,979	30,477	33,705	31,288	30,672	30,937	31,668	31,462	34,773	34,465
33 Other assets	10,358	15,078	23,722	24,801	24,352	26,327	27,629	32,005	31,783	30,957
34 ***Total payable in U.S. dollars***	**103,503**	**103,208**	**116,762**	**105,588**	**106,536**	**101,040**	**100,966**	**105,243**	**103,439**	**103,591**
35 Claims on United States	38,012	36,404	41,259	35,274	34,726	29,352	28,870	31,772	29,995	30,054
36 Parent bank	33,252	34,329	39,609	32,771	32,790	27,085	26,608	29,673	27,404	27,689
37 Other banks in United States	964	843	334	970	555	759	680	727	1,378	894
38 Nonbanks	3,796	1,232	1,316	1,533	1,381	1,508	1,582	1,372	1,213	1,471
39 Claims on foreigners	60,472	59,062	63,701	60,125	58,565	57,861	56,127	56,354	57,155	59,037
40 Other branches of parent bank	28,474	29,872	37,142	31,297	30,108	29,111	30,279	30,840	28,655	29,047
41 Banks	18,494	16,579	13,135	16,118	14,983	15,723	12,534	12,485	13,269	15,480
42 Public borrowers	2,840	2,371	3,143	3,152	3,082	3,032	3,083	2,899	2,969	2,848
43 Nonbank foreigners	10,664	10,240	10,281	9,558	10,392	9,995	10,231	10,130	12,262	11,662
44 Other assets	5,019	7,742	11,802	10,691	13,245	13,827	15,969	17,117	16,289	14,500
					Bahamas and Caymans					
45 **Total, all currencies**	**170,639**	**176,006**	**162,316**	**159,991[r]**	**169,194[r]**	**170,044[r]**	**166,333[r]**	**170,219[r]**	**170,529[r]**	**170,846**
46 Claims on United States	105,320	124,205	112,989	108,239[r]	115,128[r]	114,870[r]	111,787[r]	116,263[r]	117,782[r]	118,164
47 Parent bank	73,409	87,882	77,873	75,266[r]	80,963[r]	81,974[r]	77,566[r]	80,890[r]	83,286[r]	83,348
48 Other banks in United States	13,145	15,071	11,869	8,955[r]	10,718	9,683	11,119[r]	12,063	11,028[r]	11,457
49 Nonbanks	18,766	21,252	23,247	24,018	23,447	23,213	23,102	23,310	23,468	23,359
50 Claims on foreigners	58,393	44,168	41,356	42,955[r]	45,346	46,696	46,318[r]	45,640[r]	43,662[r]	44,177
51 Other branches of parent bank	17,954	11,309	13,416	12,490[r]	12,886	10,880	10,774	10,645	9,086	10,268
52 Banks	28,268	22,611	16,310	18,578[r]	20,917	21,836	21,113[r]	20,535[r]	20,300[r]	19,865
53 Public borrowers	5,830	5,217	5,807	5,965[r]	5,916	7,136	7,394[r]	7,149[r]	7,435[r]	7,363
54 Nonbank foreigners	6,341	5,031	5,823	5,922[r]	5,627	6,844	7,037	7,311[r]	6,841	6,681
55 Other assets	6,926	7,633	7,971	8,797[r]	8,720	8,478	8,228[r]	8,316[r]	9,085[r]	8,505
56 **Total payable in U.S. dollars**	**163,518**	**170,780**	**158,390**	**156,205[r]**	**165,290[r]**	**166,115[r]**	**162,260[r]**	**166,287[r]**	**166,598[r]**	**166,582**

1. Since June 1984, reported claims held by foreign branches have been reduced by an increase in the reporting threshold for "*shell*" branches from $50 million to $150 million equivalent in total assets, the threshold now applicable to *all reporting branches.*

3.14—Continued

Liabilities	1988	1989	1990	1991 May	June	July	Aug.	Sept.	Oct.	Nov.
					All foreign countries					
57 **Total, all currencies**	**505,595**	**545,366**	**556,925**	**531,269r**	**533,017r**	**529,313r**	**528,077r**	**547,359r**	**546,570r**	**550,777**
58 Negotiable certificates of deposit (CDs)	28,511	23,500	18,060	17,753	16,503	19,692	18,796	17,579	18,928	18,334
59 To United States	185,577	197,239	189,412	173,664r	188,025r	182,270r	178,249r	188,448r	186,246r	188,686
60 Parent bank	114,720	138,412	138,748	118,864r	128,352r	127,284r	122,179r	131,998r	130,092r	131,235
61 Other banks in United States	14,737	11,704	7,463	9,034r	11,789	10,090	10,085	11,843	10,356	13,040
62 Nonbanks	56,120	47,123	43,201	45,766r	47,884	44,896	45,985r	44,607r	45,798r	44,411
63 To foreigners	270,923	296,850	311,668	301,433	290,277	287,887	290,257	295,645	295,282r	298,152
64 Other branches of parent bank	111,267	119,591	139,113	119,765	116,253	112,521	112,845	114,101	108,534r	109,085
65 Banks	72,842	76,452	58,986	66,207	57,236	59,975	62,329	62,700	68,502r	68,231
66 Official institutions	15,183	16,750	14,791	19,803	20,394	17,245	18,030	19,420	17,247	19,394
67 Nonbank foreigners	71,631	84,057	98,778	95,658	96,394	98,146	97,053	99,424	100,999r	101,442
68 Other liabilities	20,584	27,777	37,785	38,419	38,212	39,464	40,775	45,687	46,114r	45,605
69 **Total payable in U.S. dollars**	**367,483**	**396,613**	**383,522**	**360,925r**	**372,871r**	**363,869r**	**360,397r**	**367,771r**	**366,449r**	**369,742**
70 Negotiable CDs	24,045	19,619	14,094	13,258	12,620	14,538	14,183	13,180	14,157	13,813
71 To United States	173,190	187,286	175,654	161,340r	175,882r	170,610r	167,207r	176,709r	174,274r	176,254
72 Parent bank	107,150	132,563	130,510	111,630r	121,118r	120,558r	115,999r	125,496r	123,399r	124,477
73 Other banks in United States	13,468	10,519	6,052	7,704r	10,647	8,815	8,449	10,368	9,011	11,584
74 Nonbanks	52,572	44,204	39,092	42,006r	44,117	41,237	42,759r	40,845r	41,864r	40,193
75 To foreigners	160,766	176,460	179,002	171,227	170,334	163,451	164,188	163,551	161,850	164,275
76 Other branches of parent bank	84,021	87,636	98,128	85,857	84,952	79,909	79,277	79,679	75,243	76,224
77 Banks	28,493	30,537	20,251	21,706	21,142	21,470	23,330	21,246	25,657	24,507
78 Official institutions	8,224	9,873	7,921	12,339	13,972	11,563	11,496	12,591	10,565	13,375
79 Nonbank foreigners	40,028	48,414	52,702	51,325	50,268	50,509	50,085	50,035	50,385	50,169
80 Other liabilities	9,482	13,248	14,772	15,100	14,035	15,270	14,819	14,331	16,168	15,400
					United Kingdom					
81 **Total, all currencies**	**156,835**	**161,947**	**184,818**	**169,192**	**165,534**	**161,869**	**162,879**	**172,113**	**172,795**	**174,648**
82 Negotiable CDs	24,528	20,056	14,256	13,486	12,196	14,889	14,148	12,941	14,145	13,506
83 To United States	36,784	36,036	39,928	28,618	31,084	26,599	27,915	31,534	29,137	30,560
84 Parent bank	27,849	29,726	31,806	19,951	23,238	19,545	20,367	23,707	21,080	22,629
85 Other banks in United States	2,037	1,256	1,505	1,413	1,092	1,490	1,662	1,724	2,053	1,934
86 Nonbanks	6,898	5,054	6,617	7,254	6,754	5,564	5,886	6,103	6,004	5,997
87 To foreigners	86,026	92,307	108,531	104,322	99,756	97,263	96,773	98,572	100,267	102,299
88 Other branches of parent bank	26,812	27,397	36,709	30,155	29,371	28,591	27,457	29,898	26,879	26,977
89 Banks	30,609	29,780	25,126	28,459	22,994	24,310	25,131	23,560	28,470	28,245
90 Official institutions	7,873	8,551	8,361	12,342	13,062	10,010	10,722	12,071	10,045	12,628
91 Nonbank foreigners	20,732	26,579	38,335	33,366	34,329	34,352	33,463	33,043	34,873	34,449
92 Other liabilities	9,497	13,548	22,103	22,766	22,498	23,118	24,043	29,066	29,246	28,283
93 **Total payable in U.S. dollars**	**105,907**	**108,178**	**116,094**	**104,077**	**104,523**	**99,756**	**100,131**	**104,303**	**103,238**	**104,433**
94 Negotiable CDs	22,063	18,143	12,710	11,610	10,833	12,758	12,337	11,249	12,397	12,042
95 To United States	32,588	33,056	34,697	24,245	27,106	22,355	23,788	27,272	24,394	25,517
96 Parent bank	26,404	28,812	29,955	18,457	21,848	17,924	18,949	22,228	19,391	20,923
97 Other banks in United States	1,752	1,065	1,156	1,002	892	1,233	1,216	1,259	1,704	1,481
98 Nonbanks	4,432	3,179	3,586	4,786	4,366	3,198	3,623	3,785	3,299	3,113
99 To foreigners	47,083	50,517	60,014	58,849	58,068	55,433	54,848	56,829	56,639	57,527
100 Other branches of parent bank	18,561	18,384	25,957	21,671	20,452	19,509	18,480	20,878	18,319	18,678
101 Banks	13,407	12,244	9,488	9,654	8,758	9,678	9,731	8,408	12,044	10,548
102 Official institutions	4,348	5,454	4,692	8,914	10,032	7,519	7,929	9,149	7,050	9,995
103 Nonbank foreigners	10,767	14,435	19,877	18,610	18,826	18,727	18,708	18,394	19,226	18,306
104 Other liabilities	4,173	6,462	8,673	9,373	8,516	9,210	9,158	8,953	9,808	9,347
					Bahamas and Caymans					
105 **Total, all currencies**	**170,639**	**176,006**	**162,316**	**159,991r**	**169,194r**	**170,044r**	**166,333r**	**170,219r**	**170,529r**	**170,846**
106 Negotiable CDs	953	678	646	694	696	904	963	1,055	981	1,034
107 To United States	122,332	124,859	114,738	116,304r	126,182r	127,083r	123,117r	128,217r	130,223r	129,781
108 Parent bank	62,894	75,188	74,941	72,566r	76,980r	81,541r	77,159r	82,142r	84,853r	82,909
109 Other banks in United States	11,494	8,883	4,526	6,446r	9,449	7,484	7,036	8,841	7,070	9,876
110 Nonbanks	47,944	40,788	35,271	37,292r	39,753	38,058	38,922r	37,234r	38,300r	36,996
111 To foreigners	45,161	47,382	44,444	40,696	40,180	39,624	39,994	38,868	36,861	37,857
112 Other branches of parent bank	23,686	23,414	24,715	22,017	21,701	21,765	21,846	20,767	19,675	19,555
113 Banks	8,336	8,823	5,588	5,832	5,734	4,877	5,558	5,431	5,218	5,984
114 Official institutions	1,074	1,097	622	736	931	661	655	647	666	646
115 Nonbank foreigners	12,065	14,048	13,519	12,111	11,814	12,321	11,935	12,023	11,302	11,672
116 Other liabilities	2,193	3,087	2,488	2,297	2,136	2,433	2,259	2,079	2,464	2,174
117 **Total payable in U.S. dollars**	**162,950**	**171,250**	**157,132**	**155,766r**	**164,906r**	**165,708r**	**162,040r**	**165,556r**	**166,226r**	**166,157**

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1989	1990	1991r May	1991r June	1991r July	1991r Aug.	1991r Sept.	1991r Oct.	1991r Nov.p
1 **Total**[1]	**312,477**	**344,529r**	**352,233**	**347,118**	**350,476**	**356,885**	**350,518**	**357,230**	**364,352**
By type									
2 Liabilities reported by banks in the United States[2]	36,496	39,880r	42,576	41,232	43,417	47,374	38,402	40,731	41,176
3 U.S. Treasury bills and certificates[3]	76,985	79,424	82,421	84,526	86,071	88,596	90,394	94,428	92,705
U.S. Treasury bonds and notes									
4 Marketable	179,269	202,487	203,640	197,808	197,104	196,815	197,645	198,157	205,372
5 Nonmarketable[4]	568	4,491	4,642	4,672	4,704	4,734	4,765	4,796	4,827
6 U.S. securities other than U.S. Treasury securities[5]	19,159	18,247	18,954	18,880	19,180	19,366	19,312	19,118	20,272
By area									
7 Western Europe[1]	132,849	167,191	167,655	164,009	166,349	170,467	165,061	170,427	172,659
8 Canada	9,482	8,671	9,507	9,229	9,260	10,001	9,608	9,121	9,428
9 Latin America and Caribbean	9,313	21,184r	27,732	29,415	30,064	31,377	31,911	32,507	33,821
10 Asia	153,338	138,096	137,035	134,310	134,806	134,826	133,082	133,965	137,078
11 Africa	1,030	1,434	1,189	1,259	1,183	1,202	1,558	1,519	1,383
12 Other countries[6]	6,469	7,955	9,114	8,892	8,812	9,010	9,296	9,689	9,981

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

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

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

Millions of dollars, end of period

Item	1987	1988	1989	1990r Dec.	1991r Mar.	1991r June	1991r Sept.
1 Banks' own liabilities	55,438	74,980	67,835	70,477	64,929	59,487	63,183
2 Banks' own claims	51,271	68,983	65,127	66,796	66,919	61,619	65,038
3 Deposits	18,861	25,100	20,491	29,672	27,586	27,792	30,596
4 Other claims	32,410	43,884	44,636	37,124	39,333	33,827	34,442
5 Claims of banks' domestic customers[2]	551	364	3,507	6,309	5,569	1,646	2,348

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	1991						
				May[r]	June[r]	July[r]	Aug.	Sept.	Oct.[r]	Nov.[p]
1 **All foreigners**	**685,339**	**736,878**	**759,634[r]**	**733,101**	**729,866**	**726,807**	**733,321[r]**	**735,950[r]**	**745,925**	**754,638**
2 Banks' own liabilities	514,532	577,498	577,229[r]	556,826	550,103	548,063	552,670[r]	554,557[r]	561,071	571,844
3 Demand deposits	21,863	22,032	21,723	18,864	18,797	17,929	18,423	19,841	17,593	21,616
4 Time deposits[2]	152,164	168,780	168,017[r]	151,937	148,572	148,667	146,395[r]	149,708[r]	153,952	154,060
5 Other[3]	51,366	67,823	65,822[r]	72,605	65,396	66,823	72,595[r]	67,646[r]	73,037	75,524
6 *Own foreign offices*[4]	289,138	318,864	321,667[r]	313,421	317,338	314,644	315,257	317,362	316,489	320,644
7 Banks' custody liabilities[5]	170,807	159,380	182,405[r]	176,275	179,763	178,744	180,651[r]	181,393	184,854	182,794
8 U.S. Treasury bills and certificates[6]	115,056	91,100	96,796	98,019	100,876	101,809	105,325[r]	107,019	112,267	110,938
9 Other negotiable and readily transferable instruments[7]	16,426	19,526	17,578	17,013	18,040	17,351	16,508	16,820	17,089	17,235
10 Other	39,325	48,754	68,031[r]	61,243	60,848	59,584	58,818	57,554	55,498	54,621
11 **Nonmonetary international and regional organizations**[8]	**3,224**	**4,894**	**5,918**	**5,557**	**5,932**	**6,236**	**6,945[r]**	**6,915[r]**	**7,626**	**9,001**
12 Banks' own liabilities	2,527	3,279	4,540	4,175	3,878	4,127	4,971[r]	5,410[r]	5,925	7,108
13 Demand deposits	71	96	36	24	26	44	28	36	28	24
14 Time deposits[2]	1,183	927	1,050	2,151	2,025	1,742	1,550[r]	2,307[r]	2,414	2,263
15 Other[3]	1,272	2,255	3,455	2,001	1,827	2,341	3,393	3,067	3,473	4,809
16 Banks' custody liabilities[5]	698	1,616	1,378	1,381	2,054	2,109	1,974	1,505	1,701	1,893
17 U.S. Treasury bills and certificates[6]	57	197	364	662	1,287	1,404	1,269	1,032	1,246	1,530
18 Other negotiable and readily transferable instruments[7]	641	1,417	1,014	719	767	705	705	473	455	363
19 Other	0	2	0	0	0	0	0	0	0	0
20 **Official institutions**[9]	**135,241**	**113,481**	**119,303[r]**	**124,997**	**125,758**	**129,488**	**135,970[r]**	**128,796[r]**	**135,159**	**133,881**
21 Banks' own liabilities	27,109	31,108	34,910[r]	39,231	36,864	38,886	43,156[r]	33,854[r]	36,764	37,335
22 Demand deposits	1,917	2,196	1,924	1,448	1,542	1,396	1,683	1,645	1,307	1,619
23 Time deposits[2]	9,767	10,495	14,359[r]	14,529	14,671	14,970	14,747[r]	13,237[r]	13,735	12,687
24 Other[3]	15,425	18,417	18,628	23,254	20,651	22,520	26,726[r]	18,972[r]	21,722	23,029
25 Banks' custody liabilities[5]	108,132	82,373	84,393	85,766	88,894	90,602	92,814	94,942	98,395	96,546
26 U.S. Treasury bills and certificates[6]	103,722	76,985	79,424	82,421	84,526	86,071	88,596	90,394	94,428	92,705
27 Other negotiable and readily transferable instruments[7]	4,130	5,028	4,766	3,194	4,101	4,324	4,047	4,128	3,832	3,627
28 Other	280	361	203	152	267	207	171	420	135	214
29 **Banks**[10]	**459,523**	**515,275**	**540,805[r]**	**506,543**	**506,023**	**498,681**	**500,544[r]**	**509,557**	**512,386**	**519,105**
30 Banks' own liabilities	409,501	454,273	458,470[r]	432,451	432,258	427,648	429,732[r]	439,924	444,183	453,318
31 Unaffiliated foreign banks	120,362	135,409	136,802	119,030	114,920	113,004	114,475[r]	122,562	127,704	132,686
32 Demand deposits	9,948	10,279	10,053	8,675	8,584	8,423	8,252	8,959	8,124	11,392
33 Time deposits[2]	80,189	90,557	88,541[r]	72,343	69,941	70,185	70,608[r]	74,861[r]	78,253	80,449
34 Other[3]	30,226	34,573	38,208[r]	38,013	36,395	34,396	35,615[r]	38,742[r]	41,327	40,845
35 Own foreign offices[4]	289,138	318,864	321,667[r]	313,421	317,338	314,644	315,257	317,362	316,479	320,632
36 Banks' custody liabilities[5]	50,022	61,002	82,335[r]	74,092	73,765	71,033	70,812	69,633	68,203	65,787
37 U.S. Treasury bills and certificates[6]	7,602	9,367	10,669	8,712	8,664	7,970	8,242	8,161	8,363	8,005
38 Other negotiable and readily transferable instruments[7]	5,725	5,124	5,341	5,930	5,928	5,472	5,316	5,819	6,024	5,840
39 Other	36,694	46,510	66,325[r]	59,450	59,173	57,591	57,254	55,653	53,816	51,942
40 **Other foreigners**	**87,351**	**103,228**	**93,608[r]**	**96,004**	**92,153**	**92,402**	**89,862[r]**	**90,682[r]**	**90,754**	**92,651**
41 *Banks' own liabilities*	75,396	88,839	79,309[r]	80,969	77,103	77,402	74,811[r]	75,369[r]	74,199	74,083
42 Demand deposits	9,928	9,460	9,711	8,718	8,645	8,066	8,460	9,201	8,134	8,581
43 Time deposits[2]	61,025	66,801	64,067[r]	62,914	61,935	61,770	59,490[r]	59,303[r]	59,550	58,661
44 Other[3]	4,443	12,577	5,530[r]	9,337	6,523	7,566	6,861	6,865[r]	6,515	6,841
45 Banks' custody liabilities[5]	11,956	14,389	14,299	15,035	15,050	15,000	15,051[r]	15,313	16,555	18,568
46 U.S. Treasury bills and certificates[6]	3,675	4,551	6,339	6,224	6,399	6,364	7,218[r]	7,432	8,230	8,698
47 Other negotiable and readily transferable *instruments*[7]	5,929	7,958	6,457	7,170	7,244	6,850	6,440	6,400	6,778	7,405
48 Other	2,351	1,880	1,503	1,642	1,408	1,786	1,393	1,481	1,547	2,465
49 MEMO: *Negotiable time certificates of deposit in custody for foreigners*	6,425	7,203	7,073	7,728	8,186	7,073	7,062	7,542	7,596	7,137

1. Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.
2. Excludes negotiable time certificates of deposit, which are included in "Other negotiable and readily transferable instruments."
3. Includes borrowing under repurchase agreements.
4. For U.S. banks, includes amounts due to own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. For agencies, branches, and majority-owned subsidiaries of foreign banks, consists principally of amounts due to head office or parent foreign bank, and foreign branches, agencies, or wholly owned subsidiaries of head office or parent foreign bank.
5. Financial claims on residents of the United States, other than long-term securities, held by or through reporting banks.
6. Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.
7. Principally bankers acceptances, commercial paper, and negotiable time certificates of deposit.
8. Principally the International Bank for Reconstruction and Development and the Inter-American and Asian Development Banks. Data exclude "holdings of dollars" of the International Monetary Fund.
9. Foreign central banks, foreign central governments, and the Bank for International Settlements.
10. Excludes central banks, which are included in "Official institutions."

3.17—Continued

Area and country	1988	1989	1990	1991 May	June	July	Aug.	Sept.	Oct.	Nov.p
1 **Total**	**685,339**	**736,878**	**759,634r**	**733,101r**	**729,866r**	**726,807r**	**733,321r**	**735,950r**	**745,925r**	**754,638**
2 **Foreign countries**	**682,115**	**731,984**	**753,716r**	**727,544r**	**723,934r**	**720,571r**	**726,376r**	**729,035r**	**738,299r**	**745,637**
3 Europe	231,912	237,501	254,452	238,745r	236,543r	228,782r	235,018r	237,000r	246,801r	250,676
4 Austria	1,155	1,233	1,229	1,100	1,067	1,234	961	1,109	1,232r	1,273
5 Belgium-Luxembourg	10,022	10,648	12,382	11,593	11,849r	12,292	11,168	13,912	13,495r	14,466
6 Denmark	2,200	1,415	1,399	988	1,370	1,197	1,065	1,038	912	1,143
7 Finland	285	570	602	453	732	1,222	1,170	618	938	1,080
8 France	24,777	26,903	30,946	26,270	26,382	26,747	26,580	27,476r	30,450	31,102
9 Germany	6,772	7,578	7,485	8,488	7,822	7,056	7,037	7,500	7,940r	8,029
10 Greece	672	1,028	934	785	791	817	851	944	840	894
11 Italy	14,599	16,169	17,735	14,726r	14,347r	13,883	12,507	12,507	12,274	13,288
12 Netherlands	5,316	6,613	5,350	6,686	6,100	6,069	5,651	6,310	6,546	6,125
13 Norway	1,559	2,401	2,357	1,167	1,926	1,653	1,279	1,444	1,192	1,489
14 Portugal	903	2,418	2,958	2,410	2,392	2,279	2,313	2,391	2,431	2,223
15 Spain	5,494	4,364	7,544	10,095	9,392	10,496	10,396	10,834	12,282r	11,147
16 Sweden	1,284	1,491	1,837	525	745	858	1,424	1,435r	1,215r	1,105
17 Switzerland	34,199	34,496	36,690	34,757r	36,089r	34,808r	35,967r	38,341r	36,733r	36,809
18 Turkey	1,012	1,818	1,169	1,535	1,806	1,720	1,780	1,538	1,493	1,845
19 United Kingdom	111,811	102,362	109,555	99,948r	98,311r	90,059r	95,359	95,628	99,471r	99,905
20 Yugoslavia	529	1,474	928	953	925	1,016	955	854	807	544
21 Other Western Europe[11]	8,598	13,563	11,689	13,424r	11,393r	12,423	15,176r	9,640	12,961r	14,506
22 U.S.S.R	138	350	119	129	178	75	136	117	178	236
23 Other Eastern Europe[12]	591	608	1,545	2,713	2,925	2,878	3,243	3,364	3,411	3,467
24 Canada	21,062	18,865	20,349	22,812r	23,900r	22,519	23,919	24,038	24,685	23,147
25 Latin America and Caribbean	271,146	311,028	332,997r	334,298r	334,668r	339,202r	337,729r	340,519r	337,166r	341,972
26 Argentina	7,804	7,304	7,365	7,583r	7,504r	7,097r	6,978	6,858	7,190	7,481
27 Bahamas	86,863	99,341	107,386	97,518r	96,900r	98,011r	93,977	96,577	99,099	99,631
28 Bermuda	2,621	2,884	2,822	3,054	2,919	3,087	3,520	3,120	3,191	3,295
29 Brazil	5,314	6,351	5,834	5,754r	5,747r	5,837r	6,074r	6,068r	6,024r	5,810
30 British West Indies	113,840	138,309	147,321r	157,068r	157,229r	161,253r	162,590	163,040	157,921r	160,991
31 Chile	2,936	3,212	3,145	3,239r	3,229r	3,305r	3,162	3,092	3,348	3,385
32 Colombia	4,374	4,653	4,492	4,408	4,446r	4,419r	4,735	4,641	4,823	4,797
33 Cuba	10	10	11	8	7	2	9	8	4	12
34 Ecuador	1,379	1,391	1,379	1,293	1,286r	1,267r	1,236	1,226	1,237	1,236
35 Guatemala	1,195	1,312	1,541	1,595	1,663r	1,641	1,613	1,585	1,541	1,589
36 Jamaica	269	209	257	237	273	219	235	213	202	201
37 Mexico	15,185	15,423	16,650r	18,657	19,552	20,008	20,357	20,937	19,979	20,534
38 Netherlands Antilles	6,420	6,310	7,357	5,962	5,934r	5,828r	5,732	5,565	5,478	5,886
39 Panama	4,353	4,362	4,574	4,549	4,670r	4,435r	4,748	4,374	4,450r	4,563
40 Peru	1,671	1,984	1,294	1,411r	1,340r	1,333r	1,287	1,305	1,233	1,240
41 Uruguay	1,898	2,284	2,520	2,487r	2,571r	2,450r	2,439	2,507	2,410	2,511
42 Venezuela	9,147	9,482	12,271	12,664r	12,581r	12,170r	12,249	12,348r	12,237	12,002
43 Other	5,868	6,206	6,779	6,811r	6,816r	6,840r	6,788	7,055r	6,799r	6,808
44 Asia	147,838	156,201	136,844r	123,027r	120,750r	122,194r	121,689r	118,830	119,626r	119,959
China										
45 Mainland	1,895	1,773	2,421	2,446	2,412	2,408	2,247	2,198	2,494r	2,783
46 Taiwan	26,058	19,588	11,246	10,688r	9,878r	11,220r	11,579	9,425	11,753	11,494
47 Hong Kong	12,248	12,416	12,754	15,034r	14,581r	14,719r	14,206	14,468	13,931	13,796
48 India	699	780	1,233	1,968	1,959	2,122	2,373	2,474	2,503	2,614
49 Indonesia	1,180	1,281	1,238	1,343r	1,612	1,191	1,232	1,065	1,230	1,414
50 Israel	1,461	1,243	2,767	2,564	2,355	2,376	2,697	2,848	2,115	2,108
51 Japan	74,015	81,184	67,076r	52,031	51,449r	50,144r	48,875r	48,089	46,989	46,071
52 Korea	2,541	3,215	2,287	2,233r	2,211r	2,444r	2,272	2,107	2,134	2,562
53 Philippines	1,163	1,766	1,585	1,521	1,587	1,537	1,465	1,647	1,926	2,139
54 Thailand	1,236	2,093	1,443	2,502	2,386	2,368	2,650	3,348	3,114	3,583
55 Middle-East oil-exporting countries[13]	12,083	13,370	15,829	14,137r	13,371r	15,750r	14,835	15,310	15,533r	16,302
56 Other	13,260	17,491	16,965	16,560	16,949	15,915r	17,258	15,851	15,904	15,093
57 Africa	3,991	3,824	4,630	4,695	4,188	3,929	4,017	4,483	4,558	4,465
58 Egypt	911	686	1,425	1,364	1,017	999	957	1,125	1,241	1,060
59 Morocco	68	78	104	97	122	81	91	82	78	93
60 South Africa	437	206	228	202	241	221	137	242	207	173
61 Zaire	85	86	53	52	45	24	58	37	42	32
62 Oil-exporting countries[14]	1,017	1,121	1,110	1,140	1,105	960	992	1,145	1,182	1,280
63 Other	1,474	1,648	1,710	1,840	1,658	1,644	1,782	1,852	1,808	1,827
64 Other countries	6,165	4,564	4,444	3,969r	3,885r	3,945	4,004	4,165	5,463r	5,418
65 Australia	5,293	3,867	3,807	3,239r	3,103r	3,173	3,149	3,231	4,445r	4,288
66 All other	872	697	637	730	781	772	855	934	1,018	1,130
67 Nonmonetary international and regional organizations	3,224	4,894	5,918	5,557r	5,932r	6,236r	6,945r	6,915r	7,626r	9,001
68 International[15]	2,503	3,947	4,390	4,141r	4,040r	4,356r	4,371r	4,877r	5,387r	6,460
69 Latin American regional	589	684	1,048	802	1,410	1,273	1,531	1,094	1,227	1,366
70 Other regional[16]	133	263	479	614	482	607	1,043	944	1,012r	1,175

11. Includes the Bank for International Settlements and Eastern European countries not listed in line 23.
12. *Comprises Bulgaria, Czechoslovakia, Hungary, Poland, and Romania.*
13. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
14. Comprises Algeria, Gabon, Libya, and Nigeria.
15. Excludes "holdings of dollars" of the International Monetary Fund.
16. Asian, African, Middle Eastern, and European regional organizations, except the Bank for International Settlements, which is included in "Other Western Europe."

3.18 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States[1] Payable in U.S. Dollars

Millions of dollars, end of period

Area and country	1988	1989	1990	1991 May	1991 June	1991 July[r]	1991 Aug.[r]	1991 Sept.[r]	1991 Oct.[r]	1991 Nov.[p]
1 **Total**	**491,165**	**534,492**	**511,543**	**503,648[r]**	**505,424**	**497,814**	**502,559**	**498,985**	**510,532**	**510,730**
2 **Foreign countries**	**489,094**	**530,630**	**506,750**	**500,677[r]**	**501,195**	**495,415**	**500,079**	**496,416**	**508,751**	**507,440**
3 Europe	116,928	119,025	113,093	99,382[r]	99,037	97,767	98,575	103,395	103,765	107,907
4 Austria	483	415	362	220	303	269	185	297	374	325
5 Belgium–Luxembourg	8,515	6,478	5,473	7,851[r]	6,736	5,924	6,534	7,175	7,678	6,962
6 Denmark	483	582	497	909	896	898	945	670	611	656
7 Finland	1,065	1,027	1,047	862	668	642	771	908	1,196	1,378
8 France	13,243	16,146	14,468	13,589[r]	14,302	14,300	13,827	14,504	13,080	14,814
9 Germany	2,329	2,865	3,343	2,631	2,751	2,682	3,106	2,672	2,071	2,832
10 Greece	433	788	727	762	654	619	495	473	487	555
11 Italy	7,936	6,662	6,052	5,857[r]	6,339	5,911	5,931	6,541	6,370	6,362
12 Netherlands	2,541	1,904	1,761	1,960	2,132	2,234	2,101	1,955	2,175	2,226
13 Norway	455	609	782	695	701	661	599	679	682	776
14 Portugal	261	376	292	322	378	260	308	266	301	358
15 Spain	1,823	1,930	2,668	3,082	2,056	2,582	1,995	2,333	2,405	2,477
16 Sweden	1,977	1,773	2,094	1,962[r]	1,993	1,858	1,633	1,896	1,842	2,372
17 Switzerland	3,895	6,141	4,202	3,487	2,969	3,627	3,609	4,048	4,196	4,489
18 Turkey	1,233	1,071	1,405	1,445	1,593	1,458	1,407	1,382	1,192	1,147
19 United Kingdom	65,706	65,527	65,151	50,244[r]	51,369	50,775	51,625	54,305	55,499	56,052
20 Yugoslavia	1,390	1,329	1,142	965	932	877	820	802	803	848
21 Other Western Europe[2]	1,152	1,302	597	999	734	832	1,024	773	714	1,001
22 U.S.S.R.	1,255	1,179	530	956	911	772	1,015	1,157	1,358	1,669
23 Other Eastern Europe[3]	754	921	499	585	617	586	645	559	731	608
24 Canada	18,889	15,451	16,091	17,713	17,446	16,719	14,495	14,734	16,065	15,785
25 Latin America and Caribbean	214,264	230,438	231,506	244,564[r]	248,841	246,051	249,305	250,313	254,546	248,842
26 Argentina	11,826	9,270	6,967	6,362[r]	6,127	5,944	5,749	5,749	5,703	5,773
27 Bahamas	66,954	77,921	76,525	79,428[r]	78,023	81,294	78,414	80,217	85,498	84,345
28 Bermuda	483	1,315	4,056	7,182	3,893	5,804	11,773	6,847	4,292	4,095
29 Brazil	25,735	23,749	17,995	15,593[r]	15,248	12,350	12,332	11,880	11,769	11,897
30 British West Indies	55,888	68,749	88,565	105,943[r]	115,284	110,628	111,119	112,589	116,100	110,662
31 Chile	5,217	4,353	3,271	3,031[r]	2,917	2,832	2,779	2,732	2,721	2,828
32 Colombia	2,944	2,784	2,587	2,281	2,349	2,202	2,368	2,431	2,541	2,571
33 Cuba	1	1	0	0	0	0	0	0	0	0
34 Ecuador	2,075	1,688	1,387	1,339	1,344	1,263	1,238	1,115	1,095	1,090
35 Guatemala	198	197	191	220	203	190	182	185	191	191
36 Jamaica	212	297	238	181	187	144	150	150	162	161
37 Mexico	24,637	23,376	14,851	15,174[r]	15,408	15,447	15,279	16,427	16,861	17,391
38 Netherlands Antilles	1,306	1,921	7,998	1,589	1,639	1,563	1,540	3,606	1,234	1,109
39 Panama	2,521	1,740	1,471	1,410	1,429	1,501	1,490	1,489	1,558	1,652
40 Peru	1,013	771	663	722	726	712	728	712	722	724
41 Uruguay	910	929	786	615	590	577	571	577	555	550
42 Venezuela	10,733	9,652	2,571	2,223	2,222	2,405	2,394	2,443	2,386	2,634
43 Other	1,612	1,726	1,384	1,271	1,252	1,195	1,199	1,164	1,158	1,169
44 Asia	130,881	157,474	138,722	131,597[r]	128,210	127,560	130,220	120,353	126,997	127,064
China										
45 Mainland	762	634	620	567	992	659	575	621	597	692
46 Taiwan	4,184	2,776	1,952	1,390	2,019	1,696	1,522	1,460	1,577	1,589
47 Hong Kong	10,143	11,128	10,648	9,965[r]	9,312	9,051	9,154	9,467	10,203	10,173
48 India	560	621	655	478	432	409	425	449	481	449
49 Indonesia	674	651	933	982	891	874	858	852	824	856
50 Israel	1,136	813	774	829	851	818	919	945	993	902
51 Japan	90,149	111,300	90,699	88,822[r]	85,708	88,183	90,604	80,498	84,836	85,558
52 Korea	5,213	5,323	5,766	5,584	5,924	5,597	5,383	5,140	5,339	5,773
53 Philippines	1,876	1,344	1,247	1,452	1,506	1,647	1,682	1,633	1,916	1,971
54 Thailand	848	1,140	1,573	1,747	1,977	1,975	1,870	1,934	1,826	1,798
55 Middle East oil-exporting countries[4]	6,213	10,149	10,749	9,636	10,468	9,771	9,741	10,439	9,973	9,957
56 Other	9,122	11,594	13,106	10,145[r]	8,131	6,880	7,487	6,915	8,432	7,346
57 Africa	5,718	5,890	5,445	5,464	5,429	5,417	5,344	5,272	5,264	5,364
58 Egypt	507	502	380	305	315	324	315	312	294	343
59 Morocco	511	559	513	603	590	597	576	579	589	583
60 South Africa	1,681	1,628	1,525	1,641	1,626	1,627	1,610	1,498	1,494	1,493
61 Zaire	17	16	16	18	12	9	9	8	9	7
62 Oil-exporting countries[5]	1,523	1,648	1,486	1,365	1,336	1,285	1,273	1,270	1,260	1,320
63 Other	1,479	1,537	1,525	1,533	1,550	1,575	1,561	1,605	1,618	1,618
64 Other countries	2,413	2,354	1,892	1,957	2,233	1,901	2,140	2,349	2,114	2,478
65 Australia	1,520	1,781	1,413	1,470	1,621	1,384	1,464	1,526	1,503	1,719
66 All other	894	573	479	487	611	517	676	823	611	759
67 Nonmonetary international and regional organizations[6]	2,071	3,862	4,793	2,971[r]	4,229	2,399	2,480	2,569	1,781	3,290

1. Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.
2. Includes the Bank for International Settlements and Eastern European countries not listed in line 23.
3. Comprises Bulgaria, Czechoslovakia, Hungary, Poland, and Romania.
4. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
5. Comprises Algeria, Gabon, Libya, and Nigeria.
6. Excludes the Bank for International Settlements, which is included in "Other Western Europe."

3.19 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States[1]
Payable in U.S. Dollars

Millions of dollars, end of period

Type of claim	1988	1989	1990[r]	1991[r]						
				May	June	July	Aug.	Sept.	Oct.	Nov.[p]
1 **Total**	**538,689**	**593,087**	**577,559**	....	**572,720**	....	....	**566,324**	....	....
2 Banks' own claims on foreigners	491,165	534,492	511,543	503,648	505,424	497,814	502,559	498,985	510,532	510,730
3 Foreign public borrowers	62,658	60,511	41,900	38,966	39,460	35,174	35,423	35,076	34,862	35,917
4 Own foreign offices[2]	257,436	296,011	304,315	298,547	306,089	305,470	301,649	303,948	312,484	312,659
5 Unaffiliated foreign banks	129,425	134,885	117,272	117,208	115,018	115,041	116,553	113,853	119,960	117,524
6 Deposits	65,898	78,185	65,253	69,384	69,130	69,302	70,730	68,369	72,385	68,880
7 Other	63,527	56,700	52,019	47,824	45,889	45,739	45,823	45,484	47,575	48,644
8 All other foreigners	41,646	43,085	48,056	48,927	44,857	42,129	48,934	46,108	43,226	44,630
9 Claims of banks' domestic customers[3]	47,524	58,594	66,016	....	67,296	....	....	67,339	....	....
10 Deposits	8,289	13,019	14,375	....	19,390	....	....	19,512	....	....
11 Negotiable and readily transferable instruments[4]	25,700	30,983	41,333	....	35,147	....	....	35,054	....	....
12 Outstanding collections and other claims	13,535	14,592	10,307	....	12,758	....	....	12,773	....	....
13 MEMO: Customer liability on acceptances	19,596	12,899	13,628	....	10,420	....	....	8,665	....	....
14 Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States[5]	45,360	45,744	44,554	40,036	36,026	40,425	41,717	37,856	39,761	40,509

1. Data for banks' own claims are given on a monthly basis, but the data for claims of banks' own domestic customers are available on a quarterly basis only.
Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.
2. For U.S. banks, includes amounts due from own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. For agencies, branches, and majority-owned subsidiaries of foreign banks, consists principally of amounts due from head office or parent foreign bank, and foreign branches, agencies, or wholly owned subsidiaries of head office or parent foreign bank.
3. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the account of their domestic customers.
4. Principally negotiable time certificates of deposit and bankers acceptances.
5. Includes demand and time deposits and negotiable and nonnegotiable certificates of deposit denominated in U.S. dollars issued by banks abroad. For description of changes in data reported by nonbanks, see July 1979 *Bulletin*, p. 550.

3.20 BANKS' OWN CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Banks in the United States[1]
Payable in U.S. Dollars

Millions of dollars, end of period

Maturity, by borrower and area	1987	1988	1989	1990[r]	1991[r]		
				Dec.	Mar.	June	Sept.
1 **Total**	**235,130**	**233,184**	**238,123**	**206,903**	**199,254**	**199,085**	**194,788**
By borrower							
2 Maturity of one year or less[2]	163,997	172,634	178,346	165,985	158,220	159,465	159,313
3 Foreign public borrowers	25,889	26,562	23,916	19,305	21,216	18,596	16,990
4 All other foreigners	138,108	146,071	154,430	146,680	137,004	140,869	142,323
5 Maturity of more than one year[2]	71,133	60,550	59,776	40,918	41,034	39,620	35,475
6 Foreign public borrowers	38,625	35,291	36,014	22,269	22,498	20,624	17,792
7 All other foreigners	32,507	25,259	23,762	18,649	18,536	18,996	17,683
By area							
Maturity of one year or less[2]							
8 Europe	59,027	55,909	53,913	49,184	49,641	49,917	51,104
9 Canada	5,680	6,282	5,910	5,450	5,938	7,290	5,671
10 Latin America and Caribbean	56,535	57,991	53,003	49,782	42,660	41,121	47,187
11 Asia	35,919	46,224	57,755	53,258	54,042	53,177	49,293
12 Africa	2,833	3,337	3,225	3,040	3,008	2,945	2,815
13 All other[3]	4,003	2,891	4,541	5,272	2,931	5,016	3,243
Maturity of more than one year[2]							
14 Europe	6,696	4,666	4,121	3,859	4,329	4,285	3,815
15 Canada	2,661	1,922	2,353	3,290	3,387	3,820	3,671
16 Latin America and Caribbean	53,817	47,547	45,816	25,774	24,961	23,219	19,287
17 Asia	3,830	3,613	4,172	5,165	5,414	5,645	6,095
18 Africa	1,747	2,301	2,630	2,374	2,426	2,456	2,385
19 All other[3]	2,381	501	684	456	517	195	222

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]

Billions of dollars, end of period

	Area or country	1987	1988	1989		1990				1991		
				Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.
1	**Total**	**382.4**	**346.3**	**346.5**	**338.8**	**333.9**	**321.7**	**331.5[r]**	**317.8**	**324.4[r]**	**320.2**	**335.7[r]**
2	G-10 countries and Switzerland	159.7	152.7	146.4	152.9	146.6	139.3	143.6[r]	132.1	129.6	130.1[r]	134.7[r]
3	Belgium-Luxembourg	10.0	9.0	6.9	6.3	6.7	6.2	6.5	5.9	6.2	6.1	5.8
4	France	13.7	10.5	11.1	11.7	10.4	10.2	11.1	10.4	9.7	10.5	11.1
5	Germany	12.6	10.3	10.4	10.5	11.2	11.2	11.1	10.6	8.8	8.3	9.7
6	Italy	7.5	6.8	6.8	7.4	5.9	5.4	4.4	5.0	4.0	3.6	4.5
7	Netherlands	4.1	2.7	2.4	3.1	3.1	2.7	3.8	3.0	3.3	3.3	3.0
8	Sweden	2.1	1.8	2.0	2.0	2.1	2.3	2.3	2.2	2.0	2.5[r]	2.1
9	Switzerland	5.6	5.4	6.1	7.1	6.2	6.3	5.6	4.4	3.7	3.3	3.9
10	United Kingdom	68.8	66.2	63.7	67.2	64.0	59.9	62.6[r]	60.8	62.1[r]	59.8[r]	65.6
11	Canada	5.5	5.0	5.9	5.4	4.8	5.1	5.0[r]	5.9	6.8[r]	8.2	5.8
12	Japan	29.8	34.9	31.0	32.2	32.2	30.1	31.3[r]	23.9	23.2	24.6	23.2[r]
13	Other developed countries	26.4	21.0	21.0	20.7	23.0	22.4	23.0[r]	22.6	23.1	21.1	21.7
14	Austria	1.9	1.5	1.5	1.5	1.5	1.5	1.6	1.4	1.4	1.1	1.0
15	Denmark	1.7	1.1	1.1	1.1	1.2	1.1	1.1	1.1	.9	1.2	.9
16	Finland	1.2	1.1	1.1	1.0	1.1	.9	.8	.7	1.0	.8	.7
17	Greece	2.0	1.8	2.4	2.5	2.6	2.7	2.8	2.7	2.5	2.4	2.3
18	Norway	2.2	1.8	1.4	1.4	1.7	1.4	1.6	1.6	1.5	1.5	1.4
19	Portugal	.6	.4	.4	.4	.4	.8	.6	.6	.6	.6	.5
20	Spain	8.0	6.2	6.9	7.1	8.2	7.8	8.4	8.3	9.0	7.0	8.3
21	Turkey	2.0	1.5	1.2	1.2	1.3	1.4	1.6	1.7	1.7	1.9	1.6
22	Other Western Europe	1.6	1.3	1.0	.7	1.0	1.1	.7	.9	.8	.9	1.0
23	South Africa	2.9	2.4	2.1	2.0	2.0	1.9	1.9	1.8	1.8	1.8	1.6
24	Australia	2.4	1.8	2.1	1.6	2.1	1.8	2.0	1.8	1.9	2.0	2.4
25	OPEC countries[2]	17.4	16.6	16.2	17.1	15.5	15.3	14.2[r]	12.8	17.1	14.0	15.6
26	Ecuador	1.9	1.7	1.5	1.3	1.2	1.1	1.1	1.0	.9	.9	.8
27	Venezuela	8.1	7.9	7.4	7.0	6.1	6.0	6.0	5.0	5.1	5.3	5.6
28	Indonesia	1.9	1.7	2.0	2.0	2.1	2.0	2.3	2.7	2.8	2.6	2.8
29	Middle East countries	3.6	3.4	3.5	5.0	4.3	4.4	3.1[r]	2.5	6.6	3.7	5.0
30	African countries	1.9	1.9	1.9	1.7	1.8	1.8	1.7	1.7	1.6	1.5	1.5
31	Non-OPEC developing countries	97.8	85.3	81.2	77.5	68.8	66.7	67.1	65.4	66.3	65.0	65.2[r]
	Latin America											
32	Argentina	9.5	9.0	7.6	6.3	5.6	5.2	5.0	5.0	4.7	4.6	4.7
33	Brazil	24.7	22.4	20.9	19.0	17.5	16.7	15.4	14.4	13.9	11.6	10.5[r]
34	Chile	6.9	5.6	4.9	4.6	4.3	3.7	3.6	3.5	3.6	3.6	3.7
35	Colombia	2.0	2.1	1.6	1.8	1.8	1.7	1.8	1.8	1.7	1.6	1.6
36	Mexico	23.5	18.8	17.2	17.7	12.8	12.6	12.8	13.0	13.7	14.3	16.1
37	Peru	1.1	.8	.6	.6	.5	.5	.5	.5	.5	.5	.4
38	Other Latin America	2.8	2.6	2.9	2.8	2.8	2.3	2.4	2.3	2.2	2.0	1.9
	Asia											
	China											
39	Mainland	.3	.3	.3	.3	.3	.2	.2	.2	.4	.6	.4
40	Taiwan	8.2	3.7	5.0	4.5	3.8	3.6	4.0	3.5	3.6	4.1	4.1
41	India	1.9	2.1	2.7	3.1	3.5	3.6	3.6	3.3	3.5	3.0	2.8
42	Israel	1.0	1.2	.7	.7	.6	.7	.6	.5	.5	.5	.5
43	Korea (South)	5.0	6.1	6.5	5.9	5.3	5.6	6.2	6.2	6.8	6.9	6.0
44	Malaysia	1.5	1.6	1.7	1.7	1.8	1.8	1.8	1.9	2.0	2.1	2.3
45	Philippines	5.2	4.5	4.0	4.1	3.7	3.9	3.9	3.8	3.7	3.7	3.6
46	Thailand	.7	1.1	1.3	1.3	1.1	1.3	1.5	1.5	1.6	1.7	1.9
47	Other Asia[3]	.7	.9	1.0	1.0	1.2	1.1	1.6	1.7	2.1	2.3	2.8
	Africa											
48	Egypt	.6	.4	.5	.4	.4	.5	.4	.4	.4	.4	.4
49	Morocco	.9	.9	.8	.9	.9	.9	.9	.8	.8	.7	.7
50	Zaire	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
51	Other Africa[3]	1.3	1.1	1.0	1.0	.9	.8	.8	1.0	.8	.8	.8
52	Eastern Europe	3.2	3.6	3.5	3.5	3.3	2.9	2.7	2.3	2.1	2.1	1.8
53	U.S.S.R.	.3	.7	.8	.7	.8	.4	.4	.2	.3	.4	.4
54	Yugoslavia	1.8	1.8	1.7	1.6	1.4	1.4	1.3	1.2	1.0	1.0	.8
55	Other	1.1	1.1	1.1	1.3	1.2	1.1	1.1	.9	.8	.7	.7
56	Offshore banking centers	54.5	44.2	49.2	36.6	43.1	40.3	42.6[r]	42.5	49.4[r]	48.2[r]	51.9[r]
57	Bahamas	17.3	11.0	11.4	5.5	9.2	8.5	8.9	2.8	8.1[r]	6.5[r]	6.1[r]
58	Bermuda	.6	.9	1.3	1.7	1.2	2.5	4.5	4.4	4.4	4.2	7.1
59	Cayman Islands and other British West Indies	13.5	12.9	15.3	9.0	10.9	8.5	9.3[r]	11.5	13.7	15.1[r]	14.0[r]
60	Netherlands Antilles	1.2	1.0	1.1	2.3	2.6	2.3	2.2	7.9	1.1	1.4	3.5
61	Panama[4]	3.7	2.5	1.5	1.4	1.3	1.4	1.5	1.4	1.4	1.3	1.3
62	Lebanon	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1
63	Hong Kong	11.2	9.6	10.7	9.7	9.8	10.0	8.7	7.7	11.5	12.4	12.0
64	Singapore	7.0	6.1	7.8	7.0	8.0	7.0	7.5	6.6	8.9	7.2	7.7
65	Others[5]	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
66	Miscellaneous and unallocated[6]	23.2	22.6	28.7	30.3	33.3	34.5	38.1	39.8	36.6	39.6[r]	44.6

1. The banking offices covered by these data are the U.S. offices and foreign branches of U.S.-owned banks and of U.S. subsidiaries of foreign-owned banks. Offices *not* covered include (1) U.S. agencies and branches of foreign banks, and (2) foreign subsidiaries of U.S. banks. To minimize duplication, the data are adjusted to exclude the claims on foreign branches held by a U.S. office or another foreign branch of the same banking institution. The data in this table combine foreign branch claims in table 3.14 (the sum of lines 7 through 10) with the claims of U.S. offices in table 3.18 (excluding those held by agencies and branches of foreign banks and those constituting claims on own foreign branches).

Since June 1984, reported claims held by foreign branches have been reduced by an increase in the reporting threshold for "shell" branches from $50 million to $150 million equivalent in total assets, the threshold now applicable to all reporting branches.

2. This group comprises the Organization of Petroleum Exporting Countries shown individually, other members of OPEC (Algeria, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, and United Arab Emirates), and Bahrain and Oman (not formally members of OPEC).

3. Excludes Liberia.

4. Includes Canal Zone beginning December 1979.

5. Foreign branch claims only.

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

3.22 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States[1]

Millions of dollars, end of period

	Type and area or country	1987	1988	1989[r]	1990			1991		
					June	Sept.	Dec.	Mar.[r]	June	Sept.[p]
1	**Total**	**28,302**	**32,952**	**38,776**	**39,831[r]**	**45,165[r]**	**42,928[r]**	**40,753**	**39,311[r]**	**40,459**
2	Payable in dollars	22,785	27,335	33,985	35,351[r]	40,034[r]	38,529[r]	36,635	35,291[r]	36,057
3	Payable in foreign currencies	5,517	5,617	4,791	4,480[r]	5,131[r]	4,399[r]	4,119	4,019	4,402
	By type									
4	Financial liabilities	12,424	14,507	17,891	19,025	19,898	17,979	17,104	16,767	17,603
5	Payable in dollars	8,643	10,608	14,047	15,663	16,059	14,731	14,182	13,872	14,673
6	Payable in foreign currencies	3,781	3,900	3,844	3,363	3,839	3,247	2,922	2,895	2,930
7	Commercial liabilities	15,878	18,445	20,885	20,806[r]	25,267[r]	24,949[r]	23,650	22,544[r]	22,856
8	Trade payables	7,305	6,505	8,070	7,256[r]	10,960[r]	10,494[r]	8,865	8,697[r]	9,067
9	Advance receipts and other liabilities	8,573	11,940	12,815	13,550[r]	14,306[r]	14,456[r]	14,784	13,846	13,789
10	Payable in dollars	14,142	16,727	19,938	19,688[r]	23,974[r]	23,798[r]	22,453	21,420[r]	21,384
11	Payable in foreign currencies	1,737	1,717	947	1,117	1,292[r]	1,152[r]	1,197	1,124	1,472
	By area or country									
	Financial liabilities									
12	Europe	8,320	9,962	11,672	11,802	11,251	9,813	9,187	9,244	9,739
13	Belgium-Luxembourg	213	289	340	332	350	344	285	297	347
14	France	382	359	258	165	463	695	627	535	354
15	Germany	551	699	464	547	606	622	561	664	654
16	Netherlands	866	880	941	928	942	990	945	917	943
17	Switzerland	558	1,033	541	552	628	576	577	535	510
18	United Kingdom	5,557	6,533	8,830	8,832	7,632	5,976	5,551	5,706	6,370
19	Canada	360	388	610	306	309	223	272	287	305
20	Latin America and Caribbean	1,189	839	1,357	2,774	3,560	3,400	3,636	3,308	3,518
21	Bahamas	318	184	157	312	395	371	392	375	337
22	Bermuda	0	0	17	0	0	0	0	12	0
23	Brazil	25	0	0	0	0	0	0	0	1
24	British West Indies	778	645	724	1,920	2,548	2,407	2,674	2,319	2,578
25	Mexico	13	1	6	4	4	5	6	6	6
26	Venezuela	0	0	0	0	0	4	4	4	4
27	Asia	2,451	3,312	4,151	4,085	4,296	4,132	4,005	3,918	4,037
28	Japan	2,042	2,563	3,299	2,883	3,161	2,930	2,932	2,865	2,802
29	Middle East oil-exporting countries[2]	8	3	2	5	4	5	1	4	226
30	Africa	4	2	2	3	2	2	2	9	3
31	Oil-exporting countries[3]	1	0	0	1	0	0	0	7	2
32	All other[4]	100	4	100	55	479	409	2	2	1
	Commercial liabilities									
33	Europe	5,516	7,319	9,071	8,652[r]	10,039[r]	10,310[r]	9,877	8,848[r]	9,280
34	Belgium-Luxembourg	132	158	175	291	245	275	263	254	196
35	France	426	455	877	1,049	1,270[r]	1,218[r]	1,216	1,246[r]	999
36	Germany	909	1,699	1,392	990	1,051	1,270[r]	1,389	1,044	913
37	Netherlands	423	587	710	606	699	844[r]	731	750	792
38	Switzerland	559	417	693	665[r]	746[r]	775[r]	661	586	560
39	United Kingdom	1,599	2,079	2,620	2,450[r]	2,839[r]	2,792	2,852	2,336[r]	3,296
40	Canada	1,301	1,217	1,124	1,179[r]	1,263	1,251[r]	1,231	1,186	1,018
41	Latin America and Caribbean	864	1,090	1,224	1,321[r]	1,690[r]	1,671[r]	1,621	1,631	1,512
42	Bahamas	18	49	41	22	18	12	14	6[r]	14
43	Bermuda	168	286	308	412	371	538	495	505	450
44	Brazil	46	95	100	109	129	145	218	180	209
45	British West Indies	19	34	27	29	42	30	36	50[r]	46
46	Mexico	189	217	323	315[r]	592[r]	475[r]	346	364	290
47	Venezuela	162	114	164	129[r]	165[r]	130[r]	126	121	101
48	Asia	6,565	6,915	7,550	7,365[r]	9,533[r]	9,471[r]	8,669	8,847	8,943
49	Japan	2,578	3,094	2,914	3,197[r]	3,356[r]	3,639[r]	3,413	3,383	3,359
50	Middle East oil-exporting countries[2,5]	1,964	1,385	1,632	1,285[r]	2,728[r]	2,016[r]	1,569	1,699	1,812
51	Africa	574	576	886	900[r]	1,334[r]	841	655	594	835
52	Oil-exporting countries[3]	135	202	339	287[r]	610[r]	422	225	224	356
53	All other[4]	1,057	1,328	1,030	1,390	1,408	1,406[r]	1,596	1,436	1,268

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	1989r	1990			1991		
				June	Sept.	Dec.	Mar.r	June	Sept.p
1 **Total**	**30,964**	**33,805**	**33,080**	**33,098r**	**32,239r**	**34,780r**	**35,272**	**36,946r**	**38,361**
2 Payable in dollars	28,502	31,425	30,742	30,765r	29,836r	32,354r	33,068	34,948r	36,154
3 Payable in foreign currencies	2,462	2,381	2,338	2,333r	2,402r	2,426r	2,204	1,997	2,207
By type									
4 Financial claims	20,363	21,640	19,235	19,438r	17,758r	19,444r	19,392	20,687r	22,392
5 Deposits	14,894	15,643	12,336	11,615r	11,810r	13,331r	12,835	12,300r	15,522
6 Payable in dollars	13,765	14,544	11,409	10,533r	10,616r	12,318r	11,893	11,595r	14,712
7 Payable in foreign currencies	1,128	1,099	927	1,082	1,193	1,012	942	705	810
8 Other financial claims	5,470	5,997	6,899	7,823	5,949	6,114	6,557	8,387	6,870
9 Payable in dollars	4,656	5,220	6,145	7,090	5,296	5,247	5,861	7,699	6,260
10 Payable in foreign currencies	814	777	754	733	652	866	696	688	610
11 Commercial claims	10,600	12,166	13,845	13,660r	14,480r	15,336r	15,879	16,259r	15,969
12 Trade receivables	9,535	11,091	12,221	11,951r	12,702r	13,458r	13,691	13,963r	13,345
13 Advance payments and other claims	1,065	1,075	1,624	1,708r	1,778r	1,878r	2,189	2,296	2,624
14 Payable in dollars	10,081	11,660	13,188	13,142r	13,924r	14,788r	15,314	15,654r	15,182
15 Payable in foreign currencies	519	505	657	518r	556r	548r	565	605	787
By area or country									
Financial claims									
16 Europe	9,531	10,278	8,401	10,780r	8,924r	9,363r	10,524	11,756r	12,928
17 Belgium-Luxembourg	7	18	28	126	27	76	85	74	75
18 France	332	203	153	126	145	358	193	255	257
19 Germany	102	120	87	76	79	302	249	233	438
20 Netherlands	350	348	303	339	327	330	443	494	492
21 Switzerland	65	217	91	131	163	293	358	367	527
22 United Kingdom	8,467	9,039	7,496	9,757r	7,956r	7,760r	8,981	10,184r	10,886
23 Canada	2,844	2,325	1,904	2,036	1,989	2,887	1,850	1,986	2,066
24 Latin America and Caribbean	7,012	8,160	8,020	5,998r	6,107r	6,091r	6,119	5,849r	5,969
25 Bahamas	1,994	1,846	1,890	1,499r	1,443r	1,594r	1,847	1,031	1,356
26 Bermuda	7	19	7	3	4	3	6	4	19
27 Brazil	63	47	224	84	70	68	68	127	124
28 British West Indies	4,433	5,763	5,486	4,003	4,191	4,021	3,769	4,307r	4,100
29 Mexico	172	151	94	164	158	177	179	161	173
30 Venezuela	19	21	20	20	23	25	28	29	32
31 Asia	879	623	590	534	531	860	568	757	1,069
32 Japan	605	354	213	185	207	523	246	409	721
33 Middle East oil-exporting countries[2]	8	5	8	6	9	8	11	4r	3
34 Africa	65	106	140	62	49	37	62	64	61
35 Oil-exporting countries[3]	7	10	12	8	7	0	3	1	1
36 All other[4]	33	148	180	28	158	206	268	275	299
Commercial claims									
37 Europe	4,180	5,181	6,207	6,076r	6,495r	7,032r	7,181	7,545r	6,973
38 Belgium-Luxembourg	178	189	242	209	188	212r	226	220	186
39 France	650	672	963	924	1,206	1,240	1,292	1,408	1,328
40 Germany	562	669	696	670	641r	805r	873	957	855
41 Netherlands	133	212	479	480r	491	552r	604	756	651
42 Switzerland	185	344	313	234	300	301r	392	296r	259
43 United Kingdom	1,073	1,324	1,575	1,582	1,673	1,774r	1,669	1,822r	1,867
44 Canada	936	983	1,087	1,150r	1,148r	1,070r	1,212	1,240r	1,232
45 Latin America and Caribbean	1,930	2,241	2,176	2,207r	2,402r	2,333r	2,314	2,433	2,575
46 Bahamas	19	36	58	17	25	14	15	16	8
47 Bermuda	170	230	323	284	340	246	231	245	338
48 Brazil	226	299	293	233r	251	320	309	297	391
49 British West Indies	26	22	36	47	35	40	49	43	37
50 Mexico	368	461	507	576r	650r	656r	653	711	739
51 Venezuela	283	227	147	223	224	189	181	195	196
52 Asia	2,915	2,993	3,561	3,473r	3,631r	4,049r	4,306	4,159	4,216
53 Japan	1,158	946	1,197	1,097r	1,221	1,396	1,778	1,604	1,752
54 Middle East oil-exporting countries[2]	450	453	518	418	407	459	507	510	497
55 Africa	401	435	422	387	371	488r	394	428	518
56 Oil-exporting countries[3]	144	122	108	97	72	67	68	59	79
57 All other[4]	238	333	392	366r	433r	364r	471	453	455

1. For a description of the changes in the International Statistics tables, see July 1979 *Bulletin*, p. 550.
2. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
3. Comprises Algeria, Gabon, Libya, and Nigeria.
4. Includes nonmonetary international and regional organizations.

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transaction and area or country	1989	1990	1991 Jan.–Nov.	1991r May	1991r June	1991r July	1991r Aug.	1991r Sept.	1991r Oct.	1991r Nov.p
	U.S. corporate securities									
STOCKS										
1 Foreign purchases	214,071	173,293	195,981	19,230	17,356	16,462	17,934	12,919	17,201	20,515
2 Foreign sales	204,129	188,419	182,150	15,900	16,122	15,304	16,192	13,659	16,791	19,592
3 **Net purchases, or sales (−)**	**9,941**	**−15,126**	**13,830**	**3,330**	**1,234**	**1,158**	**1,742**	**−740**	**410**	**923**
4 **Foreign countries**	**10,175**	**−15,197**	**13,245**	**3,276**	**1,190**	**1,135**	**1,606**	**−850**	**365**	**886**
5 Europe	476	−8,479	1,993	1,214	710	5	753	−567	−452	−310
6 France	−708	−1,234	143	83	170	−41	39	−95	−21	−50
7 Germany	−830	−367	−107	24	45	−8	21	62	12	22
8 Netherlands	79	−397	−176	20	60	47	−209	38	6	−42
9 Switzerland	−3,277	−2,866	−132	290	346	42	96	−48	−93	−508
10 United Kingdom	3,683	−2,980	1,343	585	−148	−130	831	−501	−216	182
11 Canada	−881	886	3,678	712	383	159	439	16	385	694
12 Latin America and Caribbean	3,042	−1,330	2,456	242	287	160	315	25	366	−198
13 Middle East[1]	3,531	−2,435	−91	207	−460	272	67	−402	−6	39
14 Other Asia	3,577	−3,477	4,931	829	96	110	−33	210	267	738
15 Japan	3,330	−2,891	1,610	669	74	−15	−96	135	156	158
16 Africa	131	−63	146	21	9	6	4	−7	20	14
17 Other countries	299	−298	133	51	165	423	61	−125	−215	−91
18 **Nonmonetary international and regional organizations**	**−234**	**71**	**585**	**55**	**44**	**23**	**136**	**110**	**45**	**37**
BONDS[2]										
19 Foreign purchases	120,550	118,764	137,396	14,434	12,427	9,994	14,989	14,492	12,844	15,708
20 Foreign sales	87,533	102,047r	112,562	11,651	8,754	7,681	10,812	12,315	10,558	12,971
21 **Net purchases, or sales (−)**	**33,017**	**16,717r**	**24,834**	**2,783**	**3,673**	**2,313**	**4,177**	**2,177**	**2,286**	**2,737**
22 **Foreign countries**	**32,664**	**17,187r**	**25,016**	**2,842**	**3,735**	**2,340**	**4,274**	**2,216**	**2,349**	**2,644**
23 Europe	18,907	10,079	12,489	1,749	2,167	921	1,727	−111	1,873	1,050
24 France	372	373	779	86	2	15	−26	93	−25	110
25 Germany	−238	−377	1,464	400	−120	−1	106	156	213	274
26 Netherlands	850	172	469	23	130	−1	47	−18	44	91
27 Switzerland	−511	284	560	206	327	9	116	−52	−64	−388
28 United Kingdom	17,965	10,383	9,091	932	1,744	629	1,405	384	2,029	594
29 Canada	1,116	1,906	1,226	374	68	34	−40	−155	86	51
30 Latin America and Caribbean	3,686	4,291	1,822	−118	538	378	172	130	−365	110
31 Middle East[1]	−182	76	1,932	20	160	430	449	350	182	313
32 Other Asia	9,025	1,083r	7,697	831	898	558	2,015	2,027	526	1,167
33 Japan	6,292	727r	5,581	544	685	285	1,818	1,149	237	874
34 Africa	56	96	45	10	−1	−1	4	−2	12	13
35 Other countries	57	−344	−195	−23	−96	20	−53	−23	35	−60
36 **Nonmonetary international and regional organizations**	**353**	**−471**	**−182**	**−58**	**−62**	**−27**	**−97**	**−39**	**−63**	**93**
	Foreign securities									
37 Stocks, net purchases, or sales (−)[3]	−13,062	−9,205	−29,299	−3,292	−3,590	−3,155	−3,521	−2,159	−2,369	−1,612
38 Foreign purchases	109,850	122,641	108,698	8,627	10,053	10,174	9,586	9,913	11,292	13,114
39 Foreign sales[3]	122,912	131,846	137,997	11,919	13,643	13,329	13,107	12,072	13,661	14,726
40 Bonds, net purchases, or sales (−)	−5,493	−22,412r	−13,552	−484r	−1,945	−807	−2,168	−1,138	−4,210	768
41 Foreign purchases	234,770	314,645r	298,346	22,135r	19,918	22,041	22,186	23,442	33,201	29,925
42 Foreign sales	240,263	337,057r	311,898	22,619r	21,863	22,848	24,354	24,580	37,411	29,157
43 **Net purchases, or sales (−), of stocks and bonds**	**−18,556**	**−31,617r**	**−42,851**	**−3,776r**	**−5,536**	**−3,962**	**−5,689**	**−3,297**	**−6,579**	**−844**
44 **Foreign countries**	**−18,594**	**−28,943r**	**−42,193**	**−3,247r**	**−5,816**	**−4,476**	**−5,794**	**−3,477**	**−6,212**	**−1,279**
45 Europe	−17,663	−8,443r	−29,168	−415r	−3,428	−5,035	−4,769	−2,666	−5,150	−4,525
46 Canada	−3,730	−7,502	−7,644	−943	−1,011	278	−1,009	−352	−1,619	675
47 Latin America and Caribbean	426	−8,854r	1,454	−1,633	−26	130	108	454	549	1,127
48 Asia	2,532	−3,828	−7,534	−159	−1,172	105	−305	−1,153	−197	1,399
49 Africa	93	−137	−167	4	−198	8	−7	2	1	−41
50 Other countries	−251	−180	867	−101	19	38	188	238	204	86
51 **Nonmonetary international and regional organizations**	**38**	**−2,673**	**−658**	**−529**	**280**	**514**	**105**	**180**	**−367**	**435**

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.

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

Millions of dollars

Country or area	1989	1990	1991 Jan.–Nov.	1991r May	June	July	Aug.	Sept.	Oct.	Nov.p
	Transactions, net purchases or sales (–) during period[1]									
1 **Estimated total[2]**	**54,203**	**18,927r**	**17,897**	**15,046r**	**–5,740**	**725**	**1,356**	**–3,862**	**414**	**5,471**
2 Foreign countries[2]	52,301	18,764r	18,406	15,028r	–5,271	407	722	–2,804	–171	5,355
3 Europe[2]	36,286	18,455r	6,754	4,144r	–4,184	–1,082	1,554	464	228	5,033
4 Belgium–Luxembourg	1,048	10	526	113	–104	–109	71	–190	1	183
5 Germany[2]	7,904	5,880	–4,586	1,433	–1,458	684	–360	195	326	707
6 Netherlands	–1,141	1,077	–2,847	–165	–727	–997	–372	–426	549	–25
7 Sweden	693	1,152	–1,244	560	31	–299	–239	3	46	–74
8 Switzerland[2]	1,098	112	1,809	230	207	–218	292	–184	195	1,131
9 United Kingdom	20,198	–1,260r	3,298	1,434r	–1,249	–398	388	–32	–311	212
10 Other Western Europe	6,508	11,463r	9,794	540	–886	258	1,774	1,090	–578	2,912
11 Eastern Europe	–21	13	3	–3	3	–3	0	8	0	–13
12 Canada	698	–4,627r	–905	342	–114	395	–118	78	–838	–441
13 Latin America and Caribbean	464	14,734r	10,466	10,481	161	1,669	1,436	–1,076	–2,086	–3,840
14 Venezuela	311	33	–112	2	20	7	–20	–2	20	7
15 Other Latin America and Caribbean	–322	3,943r	6,383	5,687	–233	242	–2,010	–1,883	–14	–523
16 Netherlands Antilles	475	10,757	4,195	4,793	374	1,420	3,466	809	–2,092	–3,324
17 Asia	13,297	–10,952r	2,598	12	–879	–491	–2,115	–2,067	3,467	3,700
18 Japan	1,681	–14,785r	–2,702	711	1,422	45	–364	–3,625	4,111	503
19 Africa	116	313	371	1	104	7	27	10	39	–26
20 All other	1,439	842	–878	48	–358	–91	–62	–213	–981	929
21 *Nonmonetary international and regional organizations*	1,902	163	–509	18	–469	318	634	–1,058	585	116
22 International	1,473	287	–1,122	43	3	168	654	–1,211	287	117
23 Latin American regional	231	–2	84	–186	–9	150	–146	152	72	–133
MEMO										
24 Foreign countries[2]	52,301	18,764r	18,406	15,028r	–5,271	407	722	–2,804	–171	5,355
25 Official institutions	26,840	23,218	2,885	2,020	–5,832	–704	–289	830	512	7,215
26 Other foreign[2]	25,461	–4,453r	15,521	13,008r	560	1,111	1,011	–3,634	–683	–1,860
Oil-exporting countries										
27 Middle East[3]	8,148	–387	–6,659	–562	–505	–643	–3,731	–795	313	96
28 Africa[4]	–1	0	20	0	0	0	0	0	0	0

1. Estimated official and private transactions in marketable U.S. Treasury securities having an original maturity of more than one year. Data are based on monthly transactions reports. Excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries.
2. Includes U.S. Treasury notes, denominated in foreign currencies, publicly issued to private foreign residents.
3. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
4. Comprises Algeria, Gabon, Libya, and Nigeria.

3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Percent per year

Country	Rate on Jan. 31, 1992		Country	Rate on Jan. 31, 1992		Country	Rate on Jan. 31, 1992	
	Percent	Month effective		Percent	Month effective		Percent	Month effective
Austria	8.0	Dec. 1991	Germany, Fed. Rep. of	8.0	Dec. 1991	Norway	10.50	July 1990
Belgium	8.5	Dec. 1991	Italy	12.0	Nov. 1991	Switzerland	7.0	Aug. 1991
Canada	7.29	Jan. 1992	Japan	4.5	Dec. 1991	United Kingdom[2]	....	....
Denmark	9.5	Dec. 1991	Netherlands	8.5	Dec. 1991			
France[1]	9.6	Dec. 1991						

1. Since Feb. 1981, the rate has been that at which the Bank of France discounts Treasury bills for seven to ten days.
2. Minimum lending rate suspended as of Aug. 20, 1981.
NOTE. Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper or government securities for commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations.

3.27 FOREIGN SHORT-TERM INTEREST RATES

Averages of daily figures, percent per year

Type or country	1989	1990	1991	1991 July	Aug.	Sept.	Oct.	Nov.	Dec.	1992 Jan.
1 Eurodollars	9.16	8.16	5.86	6.01	5.65	5.50	5.34	4.96	4.48	4.06
2 United Kingdom	13.87	14.73	11.47	11.04	10.85	10.24	10.38	10.44	10.73	10.60
3 Canada	12.20	13.00	9.07	8.78	8.73	8.59	8.29	7.75	7.50	7.23
4 Germany	7.04	8.41	9.15	9.06	9.23	9.16	9.28	9.33	9.48	9.45
5 Switzerland	6.83	8.71	8.01	7.74	7.80	7.90	8.09	7.89	7.99	7.55
6 Netherlands	7.28	8.57	9.19	9.09	9.27	9.21	9.27	9.32	9.59	9.45
7 France	9.27	10.20	9.49	9.46	9.46	9.30	9.20	9.41	9.97	9.86
8 Italy	12.44	12.11	12.04	11.74	11.86	11.63	11.44	11.66	12.46	12.00
9 Belgium	8.65	9.70	9.30	9.12	9.25	9.01	9.22	9.39	9.61	9.41
10 Japan	5.39	7.75	7.33	7.56	7.31	6.70	6.41	6.22	6.02	5.18

NOTE. Rates are for three-month interbank loans, with the following exceptions: Canada, finance company paper; Belgium, three-month Treasury bills; and Japan, CD rate.

3.28 FOREIGN EXCHANGE RATES[1]

Currency units per dollar

Country/currency	1989	1990	1991	1991					1992
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
1 Australia/dollar[2]	79.186	78.069	77.872	78.235	79.369	79.251	78.660	77.122	74.756
2 Austria/schilling	13.236	11.331	11.686	12.267	11.910	11.887	11.408	11.003	11.108
3 Belgium/franc	39.409	33.424	34.195	35.890	34.878	34.787	33.391	32.198	32.501
4 Canada/dollar	1.1842	1.1668	1.1460	1.1452	1.1370	1.1279	1.1302	1.1467	1.1571
5 China, P.R./yuan	3.7673	4.7921	5.3337	5.3725	5.3869	5.3917	5.3994	5.4232	5.4618
6 Denmark/krone	7.3210	6.1899	6.4038	6.7396	6.5367	6.5246	6.2947	6.0831	6.1257
7 Finland/markka	4.2963	3.8300	4.0521	4.2325	4.1241	4.1155	4.1953	4.2447	4.2971
8 France/franc	6.3802	5.4467	5.6468	5.9244	5.7621	5.7583	5.5391	5.3406	5.3858
9 Germany/deutsche mark	1.8808	1.6166	1.6610	1.7435	1.6933	1.6893	1.6208	1.5630	1.5788
10 Greece/drachma	162.60	158.59	182.63	192.69	188.07	188.50	183.68	179.52	182.42
11 Hong Kong/dollar	7.8008	7.7899	7.7712	7.7646	7.7524	7.7542	7.7591	7.7738	7.7612
12 India/rupee	16.213	17.492	22.712	25.846	25.834	25.797	25.802	25.818	25.863
13 Ireland/pound[2]	141.80	165.76	158.26	153.38	157.87	158.21	164.75	170.46	168.73
14 Italy/lira	1,372.28	1,198.27	1,241.28	1,303.31	1,266.25	1,263.20	1,221.04	1,182.21	1,189.76
15 Japan/yen	138.07	145.00	134.59	136.82	134.30	130.77	129.63	128.04	125.46
16 Malaysia/ringgit	2.7079	2.7057	2.7503	2.7806	2.7577	2.7469	2.7412	2.7417	2.6891
17 Netherlands/guilder	2.1219	1.8215	1.8720	1.9650	1.9084	1.9039	1.8269	1.7618	1.7780
18 New Zealand/dollar[2]	59.561	59.619	57.832	57.353	57.989	56.306	56.352	55.256	54.194
19 Norway/krone	6.9131	6.2541	6.4912	6.8118	6.6266	6.6136	6.3643	6.1558	6.2044
20 Portugal/escudo	157.53	142.70	144.77	149.72	145.64	145.41	141.43	138.90	136.92
21 Singapore/dollar	1.9511	1.8134	1.7283	1.7269	1.7002	1.6940	1.6709	1.6453	1.6337
22 South Africa/rand	2.6214	2.5885	2.7633	2.8704	2.8316	2.8314	2.7916	2.7665	2.7831
23 South Korea/won	674.29	710.64	736.73	733.90	744.18	753.54	757.44	761.68	767.09
24 Spain/peseta	118.44	101.96	104.01	108.92	106.28	106.54	102.56	99.70	100.05
25 Sri Lanka/rupee	35.947	40.078	41.200	41.723	41.935	42.179	42.374	42.523	42.665
26 Sweden/krona	6.4559	5.9231	6.0521	6.3311	6.1652	6.1552	5.9246	5.7158	5.7461
27 Switzerland/franc	1.6369	1.3901	1.4356	1.5201	1.4803	1.4781	1.4348	1.3855	1.4039
28 Taiwan/dollar	26.407	26.918	26.759	26.730	26.559	26.406	25.975	25.759	25.150
29 Thailand/baht	25.725	25.609	25.528	25.720	25.617	25.397	25.497	25.431	25.328
30 United Kingdom/pound[2]	163.82	178.41	176.74	168.41	172.65	172.31	177.96	182.72	180.90
MEMO									
31 United States/dollar[3]	98.60	89.09	89.84	93.47	91.18	90.69	87.98	85.65	86.09

1. Averages of certified noon buying rates in New York for cable transfers. Data in this table also appear in the Board's G.5 (405) monthly statistical release. For ordering address, see inside front cover.
2. Value in U.S. cents.
3. Index of weighted-average exchange value of U.S. dollar against the currencies of ten industrial countries. The weight for each of the ten countries is the 1972–76 average world trade of that country divided by the average world trade of all ten countries combined. Series revised as of August 1978 (see *Federal Reserve Bulletin*, vol. 64 (August 1978), p. 700).

Guide to Statistical Releases and Special Tables

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

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

Special table follows.

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

A. Commercial and Industrial Loans

Characteristic	Amount of loans ($1,000)	Average size ($1,000)	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	Standard error				
ALL BANKS									
1 Overnight[6]	7,486,720	6,538	*	5.70	.21	6.4	62.6	7.7	Fed funds
2 One month and under (excluding overnight)	4,837,735	1,952	18	6.34	.16	30.8	84.5	8.3	Other
3 Fixed rate	3,826,970	3,685	19	6.15	.23	28.2	82.3	8.6	Other
4 Floating rate	1,010,765	702	17	7.05	.20	40.8	92.6	7.2	Prime
5 Over one month and under a year	6,511,228	472	141	6.98	.15	47.0	85.1	12.8	Prime
6 Fixed rate	2,661,556	1,076	109	6.26	.21	30.8	80.8	10.1	Other
7 Floating rate	3,849,671	340	163	7.48	.16	58.1	88.0	14.6	Prime
8 Demand[7]	11,976,360	346	*	7.39	.15	61.8	71.2	9.2	Prime
9 Fixed rate	2,193,495	1,375	*	5.99	.21	23.1	83.0	30.0	Other
10 Floating rate	9,782,863	296	*	7.71	.14	70.5	68.6	4.6	Prime
11 **Total short term**	**30,812,030**	**592**	**54**	**6.73**	**.14**	**40.3**	**74.1**	**9.5**	**Prime**
12 Fixed rate (thousands of dollars)	16,018,350	2,567	27	5.95	.20	17.9	73.4	11.4	Other
13 1–99	54,683	20	126	9.18	.10	64.1	50.0	1.3	Prime
14 100–499	195,485	237	76	7.39	.15	50.7	75.9	6.6	Other
15 500–999	274,904	682	48	6.53	.16	35.8	79.2	11.3	Other
16 1,000–4,999	2,841,805	2,294	35	6.31	.08	31.2	81.8	9.8	Other
17 5,000–9,999	3,194,643	6,593	21	6.07	.09	17.6	72.5	9.3	Other
18 10,000 and over	9,456,835	18,245	25	5.73	.10	12.6	71.1	12.7	Fed funds
19 Floating rate (thousands of dollars)	14,793,680	323	129	7.58	.14	64.6	74.9	7.4	Prime
20 1–99	918,329	28	166	8.93	.07	80.9	79.9	1.9	Prime
21 100–499	1,939,772	203	160	8.64	.05	76.9	84.9	4.3	Prime
22 500–999	1,101,852	678	151	8.34	.10	67.5	85.5	7.7	Prime
23 1,000–4,999	3,401,497	2,074	127	7.86	.14	61.3	85.8	10.0	Prime
24 5,000–9,999	1,961,525	6,706	103	7.35	.28	61.0	85.3	9.8	Prime
25 10,000 and over	5,470,709	22,807	123	6.73	.29	60.3	57.9	6.7	Fed funds
			Months						
26 **Total long term**	**3,770,332**	**537**	**44**	**7.76**	**.14**	**71.1**	**77.2**	**5.9**	**Prime**
27 Fixed rate (thousands of dollars)	575,631	540	36	6.81	.26	54.6	87.4	3.5	Other
28 1–99	16,982	22	41	9.85	.15	86.4	35.4	.0	Prime
29 100–499	41,721	235	46	8.61	.29	72.2	56.6	6.6	Other
30 500–999	25,966	719	45	8.44	.48	73.6	62.1	4.3	Other
31 1,000 and over	490,961	5,010	35	6.47	.49	51.0	93.2	3.3	Other
32 Floating rate (thousands of dollars)	3,194,701	536	45	7.93	.13	74.1	75.4	6.4	Prime
33 1–99	96,274	32	37	8.88	.10	83.9	49.5	2.5	Prime
34 100–499	414,979	230	47	8.52	.14	80.5	58.4	8.0	Prime
35 500–999	350,324	693	45	8.30	.15	76.3	63.3	9.5	Prime
36 1,000 and over	2,333,125	3,693	46	7.73	.27	72.2	81.3	5.8	Prime
			Days	Loan rate (percent): Effective[3]	Loan rate (percent): Nominal[8]				Prime rate[9]
LOANS MADE BELOW PRIME[10]									
37 Overnight[6]	7,291,473	7,356	*	5.63	5.60	5.0	61.7	7.8	7.70
38 One month and under (excluding overnight)	4,282,980	4,292	18	6.05	6.00	26.8	83.4	7.6	7.84
39 Over one month and under a year	4,081,364	2,724	115	5.97	5.92	35.1	86.5	12.7	7.74
40 Demand[7]	5,692,173	3,131	*	5.89	5.81	45.2	58.9	12.7	7.81
41 **Total short term**	**21,347,980**	**4,024**	**35**	**5.85**	**5.80**	**25.9**	**70.0**	**10.0**	**7.76**
42 Fixed rate	15,219,460	4,753	25	5.82	5.78	15.8	72.9	11.5	7.75
43 Floating rate	6,128,526	2,914	91	5.93	5.84	50.9	62.8	6.4	7.80
			Months						
44 **Total long term**	**1,472,962**	**1,961**	**47**	**6.24**	**6.15**	**54.0**	**80.2**	**5.8**	**7.79**
45 Fixed rate	439,330	2,335	35	6.08	6.03	48.9	94.9	3.5	7.87
46 Floating rate	1,033,632	1,836	52	6.31	6.20	56.1	73.9	6.8	7.76

For notes see end of table.

4.23—Continued

A.—Continued

Characteristic	Amount of loans ($1,000)	Average size ($1,000)	Weighted average maturity	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	Standard error				
LARGE BANKS									
1 Overnight[6]	6,528,170	6,982	*	5.70	.18	5.7	60.9	8.5	Fed funds
2 One month and under (excluding overnight)	4,160,260	2,838	18	6.30	.17	30.3	83.4	6.2	Other
3 Fixed rate	3,269,437	4,585	19	6.13	.22	28.2	80.8	6.1	Other
4 Floating rate	890,823	1,183	16	6.91	.22	37.9	93.1	6.7	Prime
5 Over one month and under a year	5,055,846	865	134	6.87	.14	48.1	87.4	14.5	Prime
6 Fixed rate	2,000,993	2,418	108	6.16	.18	33.1	83.8	10.3	Other
7 Floating rate	3,054,852	608	150	7.33	.17	57.9	89.8	17.2	Prime
8 Demand[7]	,9436,314	427	*	7.29	.15	63.1	65.9	10.0	Prime
9 Fixed rate	1,793,910	2,038	*	5.97	.23	23.0	80.8	34.4	Other
10 Floating rate	7,642,404	360	*	7.60	.13	72.5	62.4	4.3	Prime
11 **Total short term**	**25,180,589**	**830**	**48**	**6.63**	**.13**	**39.8**	**71.8**	**9.9**	**Prime**
12 Fixed rate (thousands of dollars)	13,445,509	4,019	25	5.91	.18	17.5	72.2	11.7	Other
13 1–99	18,110	24	122	8.82	.21	57.9	51.9	1.7	Prime
14 100–499	116,945	235	57	7.42	.16	46.8	78.4	4.5	Other
15 500–999	203,155	687	41	6.58	.18	38.3	78.6	7.8	Other
16 1,000–4,999	2,229,267	2,273	33	6.33	.13	30.4	83.0	8.5	Other
17 5,000–9,999	2,529,969	6,579	20	6.05	.12	17.8	71.7	9.4	Other
18 10,000 and over	8,348,064	18,633	23	5.72	.12	13.0	69.2	13.5	Fed funds
19 Floating rate (thousands of dollars)	11,735,080	434	116	7.45	.14	65.3	71.4	7.8	Prime
20 1–99	518,822	28	164	8.85	.11	80.4	72.8	1.8	Prime
21 100–499	1,168,412	205	148	8.59	.08	75.0	81.1	3.5	Prime
22 500–999	726,840	678	138	8.26	.14	66.4	83.4	8.1	Prime
23 1,000–4,999	2,613,260	2,151	126	7.77	.17	61.0	83.8	9.9	Prime
24 5,000–9,999	1,708,801	6,737	93	7.38	.26	64.3	85.2	10.5	Prime
25 10,000 and over	4,998,945	23,558	108	6.77	.28	63.8	56.1	7.4	Fed funds
			Months						
26 **Total long term**	**3,344,901**	**685**	**43**	**7.73**	**.16**	**72.3**	**77.8**	**5.7**	**Prime**
27 Fixed rate (thousands of dollars)	466,522	1,176	26	6.53	.30	51.2	94.3	2.1	Other
28 1–99	6,234	28	42	9.59	.17	84.5	31.1	.0	Other
29 100–499	20,337	253	52	8.46	.31	77.9	60.9	5.5	Other
30 500–999	13,415	700	36	8.33	.63	63.1	60.1	8.4	Other
31 1,000 and over	426,535	5,975	24	6.33	.81	49.1	97.9	1.7	Other
32 Floating rate (thousands of dollars)	2,878,379	641	46	7.92	.14	75.7	75.2	6.3	Prime
33 1–99	68,741	34	37	8.78	.15	85.8	44.9	2.1	Prime
34 100–499	337,152	235	48	8.47	.17	81.2	55.7	9.2	Prime
35 500–999	308,425	694	46	8.28	.16	79.1	63.6	8.4	Prime
36 1,000 and over	2,164,061	3,702	46	7.76	.27	74.0	80.8	5.6	Prime
			Days	Loan rate (percent) Effective[3]	Loan rate (percent) Nominal[8]				Prime rate[9]
LOANS MADE BELOW PRIME[10]									
37 Overnight[6]	6,368,472	7,718	*	5.64	5.61	4.1	60.0	8.7	7.69
38 One month and under (excluding overnight)	3,753,599	4,646	18	6.05	6.00	27.4	82.2	5.2	7.83
39 Over one month and under a year	3,362,187	3,621	109	5.97	5.92	38.1	87.1	13.6	7.72
40 Demand[7]	4,829,994	4,137	*	5.88	5.79	50.6	51.8	13.6	7.82
41 **Total short term**	**18,314,252**	**4,911**	**33**	**5.85**	**5.80**	**27.4**	**67.4**	**10.2**	**7.76**
42 Fixed rate	12,915,661	5,575	24	5.82	5.78	15.4	71.3	11.6	7.74
43 Floating rate	5,398,591	3,822	77	5.92	5.84	56.0	58.1	6.7	7.79
			Months						
44 **Total long term**	**1,322,293**	**2,215**	**45**	**6.22**	**6.13**	**55.3**	**79.1**	**5.8**	**7.77**
45 Fixed rate	385,809	3,804	24	6.01	5.97	49.2	97.3	1.6	7.88
46 Floating rate	936,485	1,890	54	6.30	6.19	57.9	71.6	7.5	7.73

For notes see end of table.

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

A. Commercial and Industrial Loans—Continued

Characteristic	Amount of loans ($1,000)	Average size ($1,000)	Weighted average maturity	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	Standard error				
OTHER BANKS									
1 Overnight[6]	958,550	4,561	*	5.66	.29	11.0	74.2	1.8	Fed funds
2 One month and under (excluding overnight)	677,475	670	18	6.62	.20	34.3	91.0	21.0	Foreign
3 Fixed rate	557,533	1,713	17	6.30	.28	28.2	91.4	23.1	Foreign
4 Floating rate	119,941	175	22	8.07	.17	62.4	89.0	10.8	Prime
5 Over one month and under a year	1,455,382	183	166	7.37	.18	43.0	76.9	6.7	Prime
6 Fixed rate	660,563	401	111	6.57	.28	23.8	71.5	9.4	Other
7 Floating rate	794,819	126	212	8.03	.17	59.0	81.3	4.5	Prime
8 Demand[7]	2,540,044	203	*	7.79	.17	56.9	91.2	6.4	Prime
9 Fixed rate	399,585	559	*	6.10	.24	23.7	92.9	10.3	Other
10 Floating rate	2,140,459	182	*	8.10	.18	63.1	90.9	5.6	Prime
11 **Total short term**	**5,631,451**	**260**	**83**	**7.18**	**.16**	**42.8**	**84.6**	**7.4**	**Prime**
12 Fixed rate (thousands of dollars)	2,572,845	889	39	6.10	.21	20.0	80.1	9.6	Fed funds
13 1–99	36,573	18	128	9.36	.11	67.2	49.1	1.2	Prime
14 100–499	78,541	239	104	7.34	.25	56.5	72.1	9.7	Other
15 500–999	71,749	667	68	6.41	.24	28.8	81.1	21.2	Other
16 1,000–4,999	612,538	2,374	45	6.24	.12	34.3	77.6	14.5	Fed funds
17 5,000–9,999	664,674	6,647	26	6.14	.23	16.8	75.8	8.9	Fed funds
18 10,000 and over	1,108,771	15,771	36	5.79	.15	9.3	85.6	6.8	Foreign
19 Floating rate (thousands of dollars)	3,058,605	163	186	8.08	.19	62.0	88.3	5.6	Prime
20 1–99	399,507	29	167	9.03	.06	81.6	89.1	2.1	Prime
21 100–499	771,360	200	173	8.71	.05	79.8	90.8	5.6	Prime
22 500–999	375,013	676	181	8.49	.20	69.5	89.6	7.0	Prime
23 1,000–4,999	788,238	1,853	136	8.16	.12	62.0	92.4	10.3	Prime
24 5,000–9,999	252,723	6,502	201	7.16	.58	38.1	85.8	5.3	Prime
25 10,000 and over	471,764	17,047	285	6.28	.90	22.8	77.2	.0	Fed funds
			Months						
26 **Total long term**	**425,432**	**199**	**48**	**8.00**	**.15**	**61.8**	**72.4**	**7.9**	**Prime**
27 Fixed rate (thousands of dollars)	109,109	163	80	8.05	.28	68.8	58.0	9.7	Other
28 1–99	10,748	20	41	10.00	.16	87.5	37.9	.0	Prime
29 100–499	21,384	221	40	8.74	.35	66.8	52.6	7.5	Prime
30 500–999	12,551	740	55	8.56	.53	84.9	64.3	.0	Other
31 1,000 and over	64,427	2,421	104	7.40	.60	63.2	61.9	13.9	Other
32 Floating rate (thousands of dollars)	316,323	216	37	7.98	.15	59.3	77.3	7.3	Prime
33 1–99	27,534	28	35	9.12	.11	78.9	60.8	3.6	Prime
34 100–499	77,827	209	42	8.76	.11	77.9	70.1	2.7	Prime
35 500–999	41,898	687	36	8.44	.17	55.4	61.4	17.6	Prime
36 1,000 and over	169,063	3,578	34	7.33	.33	48.6	87.3	7.5	Prime
			Days	Loan rate (percent) Effective[3]	Loan rate (percent) Nominal[8]				Prime rate[9]
LOANS MADE BELOW PRIME[10]									
37 Overnight[6]	923,001	5,556	*	5.57	5.51	11.3	73.3	1.9	7.78
38 One month and under (excluding overnight)	529,381	2,786	16	6.06	6.00	22.5	91.6	24.7	7.88
39 Over one month and under a year	719,177	1,263	143	5.96	5.88	21.1	83.7	8.9	7.82
40 Demand[7]	862,179	1,325	*	5.94	5.87	14.9	98.4	7.8	7.78
41 **Total short term**	**3,033,738**	**1,925**	**52**	**5.86**	**5.78**	**16.6**	**86.1**	**9.2**	**7.81**
42 Fixed rate	2,303,803	2,602	31	5.81	5.74	17.5	82.4	10.6	7.79
43 Floating rate	729,934	1,056	223	6.01	5.92	13.7	97.9	4.6	7.85
			Months						
44 **Total long term**	**150,669**	**976**	**61**	**6.42**	**6.32**	**41.9**	**89.8**	**6.0**	**7.98**
45 Fixed rate	53,521	617	117	6.53	6.43	46.6	77.7	16.7	7.81
46 Floating rate	97,148	1,438	30	6.36	6.26	39.3	96.4	.1	8.07

For notes see following page.

NOTES TO TABLE 4.23

1. As of Sept. 30, 1990, assets of most of the large banks were at least $7.0 billion. For all insured banks, total assets averaged $275 million.
2. Average maturities are weighted by loan size and exclude demand loans.
3. Effective (compounded) annual interest rates are calculated from the stated rate and other terms of the loans and weighted by loan size.
4. The chances are about two out of three that the average rate shown would differ by less than this amount from the average rate that would be found by a complete survey of lending at all banks.
5. The most common base rate is that used to price the largest dollar volume of loans. Base pricing rates include the prime rate (sometimes referred to as a bank's "basic" or "reference" rate); the federal funds rate; domestic money market rates other than the federal funds rate; foreign money market rates; and other base rates not included in the foregoing classifications.
6. Overnight loans mature on the following business day.
7. Demand loans have no stated date of maturity.
8. Nominal (not compounded) annual interest rates are calculated from the stated rate and other terms of the loans and weighted by loan size.
9. The prime rate reported by each bank is weighted by the volume of loans extended and then averaged.
10. The proportion of loans made at rates below the prime may vary substantially from the proportion of such loans outstanding in banks' portfolios.

Index to Statistical Tables

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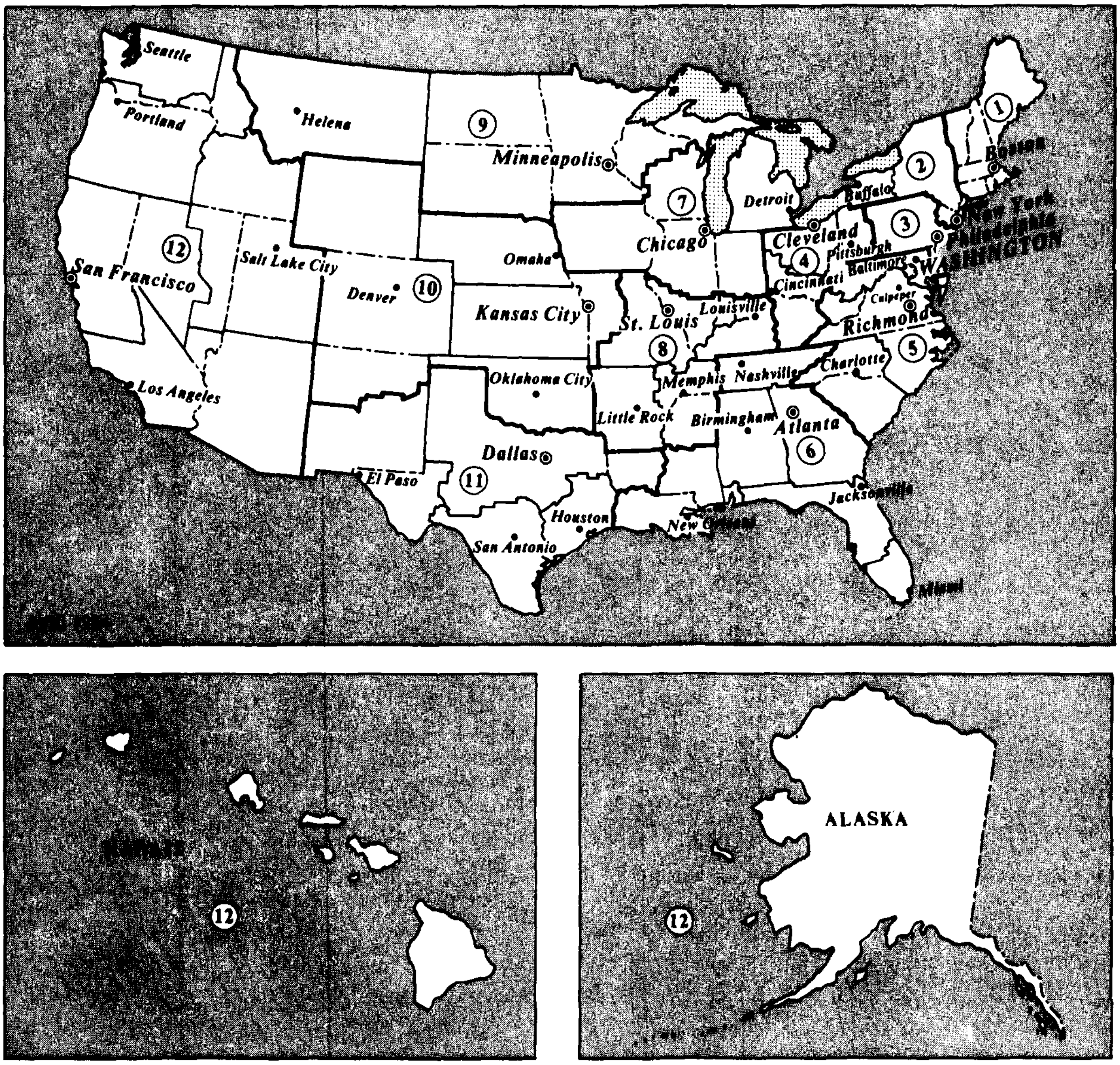

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