VOLUME 77 □ NUMBER 5 □ MAY 1991

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.

Table of Contents

U.S. International Transactions in 1990

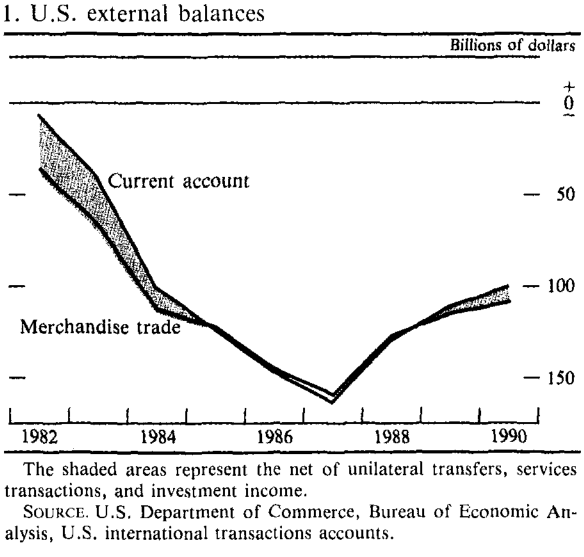
Lois Stekler, of the Board's Division of International Finance, prepared this article.

In 1990, for the third year in a row, the U.S. current account deficit narrowed, falling slightly below $100 billion. The merchandise trade deficit declined despite a sharp increase in the value of oil imports. In addition, the surplus on other current account items, such as services and investment income, increased (chart 1).

Changes in rates of economic growth in the United States and abroad, oil price developments, and government transfers associated with the crisis in the Persian Gulf heavily influenced the quarterly pattern of adjustment in the current account during 1990. The fluctuations in U.S. price competitiveness resulting from the appreciation of the dollar against the currencies of several major trading partners during 1989 and its subsequent depreciation also influenced the pattern of trade during 1990.

Although the U.S. current account deficit narrowed in 1990, it remained substantial. Much of the large net capital inflow that was necessarily the counterpart of the deficit did not show up in the recorded data, however. As a result, the statistical discrepancy in the U.S. international transactions accounts rose to a record $73 billion.

1. U.S. external balances



The shaded areas represent the net of unilateral transfers, services transactions, and investment income.

SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis, U.S. international transactions accounts.

INFLUENCES ON U.S. INTERNATIONAL TRANSACTIONS

U.S. international transactions in 1990 were shaped to a considerable extent by certain underlying economic factors. Perhaps most important were changes in rates of economic growth in the United States and abroad and changes in the price competitiveness of U.S. products. During the latter part of the year, Iraq's invasion of Kuwait and the subsequent threat of military conflict in the Persian Gulf produced additional effects on U.S. international transactions. Oil import prices rose, and foreign profits of U.S. oil companies increased. Military exports and imports expanded, foreign governments made transfers to the U.S. government to help defray the costs of Desert Shield, and the U.S. government forgave Egyptian debt related to earlier military sales. Also, foreign demand for U.S. currency grew.

Relative Growth Rates

In 1990, U.S. economic growth slowed noticeably, and by the fourth quarter the economy slipped into recession (table 1). In comparison with the fourth quarter of 1989, little real growth occurred in consumer spending or in producers' durable equipment expenditures (excluding computers). The economic slowdown tended to depress the growth of U.S. demand for imported goods and services and to reduce the profits earned by foreign direct investors in the United States.

Economic growth in major U.S. export markets abroad also slowed on average in 1990, though not as sharply as U.S. growth did (table 1). The slowdown of growth abroad affected U.S.

1. Growth of real GNP or GDP, selected countries, 1988–90
Percentage change at an annual rate, year over year except as noted

Country	1988	1989	1990	1990, quarter over quarter			
				Q1	Q2	Q3	Q4
United States	4.5	2.5	.9	1.7	.4	1.4	−1.8
Foreign[1]	4.0	3.3	2.1[e]	3.1[e]	.9[e]	1.3[e]	.1[e]
G-10[2]	4.4	3.3	2.3	4.4	.4	1.0	−1.3
Other industrial countries[3]	3.2	3.8	1.5	.7	.9	1.4	1.8
Developing countries[4]	3.4	3.0	1.9[e]	n.a.	n.a.	n.a.	n.a.

1. The GNP for foreign countries is the weighted average for the Group of Ten (G-10) countries, other industrial countries, and developing countries. The weights are based on U.S. bilateral nonagricultural exports.
2. The G-10 countries, excluding the United States, are Belgium-Luxembourg, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, and the United Kingdom.
3. The other industrial countries include Australia, Austria, Denmark, Finland, Greece, Ireland, New Zealand, Norway, Portugal, South Africa, Spain, and Turkey.
4. The GDP (not GNP) for developing countries is a weighted average for the regions of Asia, Africa, the Middle East, the Western Hemisphere, and Mexico.
n.a. Not available.
[e]Estimated using preliminary data, when available.

exports of goods and services and the profits earned on U.S. direct investment abroad. Economic performance across countries varied considerably. For the Group of Ten (G-10) countries, average growth slowed markedly after the first quarter; during 1990 Canada and the United Kingdom moved into recessions, but economic activity continued strong in Germany and Japan. Economic growth in the other industrial and developing countries important to U.S. exports was mixed as well. In Latin America, Mexico was able to sustain fairly strong growth but other countries, such as Argentina and Brazil, had slowdowns or recessions that were associated with stabilization programs. The newly industrializing economies of Asia (NIEs) continued to grow rapidly.

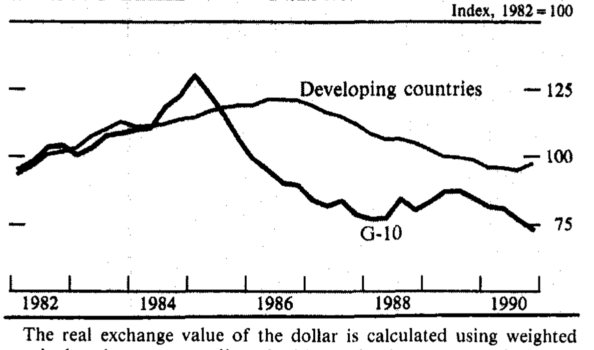
U.S. Price Competitiveness

The competitiveness of U.S. export and import-competing industries depends on a variety of factors, including relative productivity growth, wage rates, the costs of inputs other than labor, exchange rates, shifts in the composition of demand, and firms' pricing decisions and profit margins. On an aggregate level, there are several useful indicators of price competitiveness.

One overall measure of pressures on price competitiveness is the real exchange rate: that is, the nominal exchange rate adjusted for relative inflation. The trend in the real exchange value of the dollar relative to the currencies of major U.S. trading partners has been down since the mid-1980s, a trend that suggests improved U.S. price competitiveness (chart 2). However, the real value of the dollar did rise on balance relative to other G-10 currencies in 1989, to an average level 7 percent above that of 1988. The indicated decline in U.S. price competitiveness probably had a lingering negative effect on the U.S. trade position in 1990. However, the subsequent decline in the dollar in the latter part of 1989 and in 1990 led to a cumulative improvement in U.S. price competitiveness and appears to have had a significant stimulative effect on net exports by the last quarter of 1990.

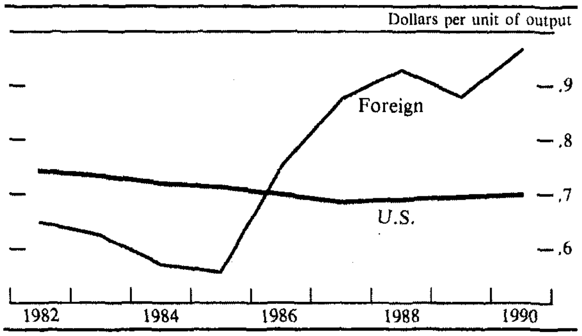
Another aggregate measure indicating changes in price competitiveness is unit labor costs in manufacturing in the United States compared

2. Real exchange value of the dollar against currencies of selected countries



The real exchange value of the dollar is calculated using weighted nominal exchange rates adjusted with weighted consumer prices. The weights in the indexes are proportional to each country's share in world exports plus imports during the years 1972–76. For the countries in the G-10 index, see the note to table 1; the countries in the developing-countries index are Brazil, Hong Kong, Korea, Malaysia, Mexico, the Philippines, Singapore, and Taiwan.

3. U.S. and foreign unit labor costs in manufacturing



The foreign index includes Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, and the United Kingdom, and is constructed by weighting each country's unit labor costs by its share in total manufacturing output.

SOURCE. Peter Hooper and Kathryn Larin, "International Comparison of Unit Labor Costs in Manufacturing," *Review of Income and Wealth,* series 35 (December 1989), pp. 335–55. Measures of unit labor costs are based partly on data published by the Bureau of Labor Statistics.

with those in other industrial countries. As chart 3 indicates, translated into dollars an average of unit labor costs for other major industrial countries has risen substantially relative to U.S. costs as the dollar has fallen from its 1985 peak. At present, manufacturing in the United States appears to have a significant cost advantage over manufacturing in these other countries—a situation representing a shift from that in the first half of the 1980s.

DEVELOPMENTS IN MERCHANDISE TRADE

Improvement in the U.S. merchandise trade balance slowed in 1990, with the deficit narrowing only $6 billion for the year—half the rate of decline recorded in 1989. The increase in the value of exports was almost matched by the increase in the value of imports (table 2). Moreover, a comparison of the trade balance in the fourth quarter of 1990 with that in the fourth quarter of 1989 shows no improvement at all.

For the most part, the U.S. trade picture continued to improve, but oil market developments masked this improvement in 1990. Excluding oil imports, the U.S. trade deficit decreased $17 billion—less than the $23 billion improvement in 1989, but still substantial.

Exports

The value of U.S. agricultural exports declined slightly in 1990 from the high 1989 level (table 2). Crop yields that were average to better than average in the United States and in the rest of the world allowed for a further replenishing of stocks and resulted in the continued downward drift of agricultural prices from the drought-induced highs of 1988. The price of wheat led the decline in agricultural export prices in 1990. Strong world production of wheat and lackluster imports by the Soviet Union and China resulted in a gradual erosion of prices over the year.

Special factors influenced the quarterly pattern of U.S. exports. Large purchases of corn by the Soviet Union, which had resumed in the fourth quarter of 1989, tailed off rapidly after the second quarter of 1990. Exports of the new crop of soybeans got off to a slow start late in 1990. South America provided stiff competition for U.S. products in a market hurt by dwindling

2. U.S. merchandise trade, 1988-90[1]
Billions of dollars, seasonally adjusted at annual rates

Type of trade	1988	1989	1990	1989	1990			
				Q4	Q1	Q2	Q3	Q4
Merchandise exports	320	361	389	367	384	386	385	402
Agricultural	38	42	40	41	44	41	39	38
Nonagricultural	282	319	349	326	341	345	346	364
Merchandise imports	447	475	498	482	491	479	504	517
Oil	40	51	62	53	62	49	63	75
Non-oil	408	424	436	429	429	431	441	442
Trade balance	−127	−115	−109	−115	−107	−93	−119	−115

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

SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis, U.S. international transaction accounts.

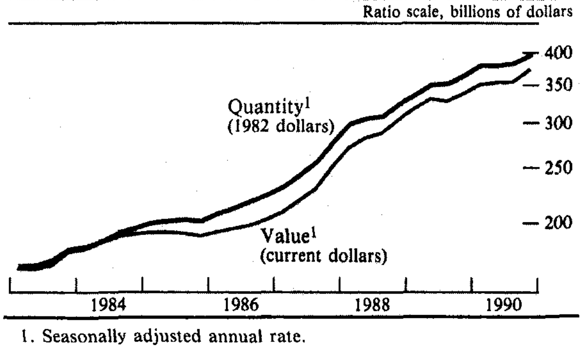
purchases by the Soviet Union and Pakistan because of financial considerations.

The value of nonagricultural exports expanded about 9 percent in 1990 (year over year), down from an even stronger 13 percent pace in 1989. As chart 4 indicates, increases in quantity accounted for most of the growth in value, and these increases were concentrated in the first and last quarters. The slowdown in economic growth in the major U.S. trading partners after the first quarter, however, negatively affected the expansion of the quantity of U.S. exports. The lingering negative effects of the decline in U.S. price competitiveness in 1989 associated with the higher exchange value of the dollar relative to the average of other G-10 currencies also probably contributed to the slowing of export growth. Nevertheless, exports picked up strongly again in the fourth quarter, despite continued slow growth abroad on average, possibly because the stimulative effects of the cumulative gains in price competitiveness during 1990 began to show through.

Over the four quarters of 1990, increases in the quantity of exports were largest for consumer goods, capital goods, and industrial supplies (table 3). However, the percentage increase in exports of consumer goods and capital goods other than computers was smaller over the four quarters of 1990 than it was for the previous year. Exports of automotive products were flat, while exports of foods declined.

Export price increases (measured in dollars) were rather modest over the four quarters of 1990

4. U.S. nonagricultural exports



1. Seasonally adjusted annual rate.

SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis, U.S. national income and product accounts.

3. Changes in the quantity of U.S. exports, 1988–90

Percentage change, fourth quarter to fourth quarter

Type of export	Quantity 1988	1989	1990
Capital goods	21	11	12
Computers	22	12	16
Other	21	11	8
Automotive products	8	−2	0
Consumer goods	29	25	16
Foods	1	15	−7
Industrial supplies	12	11	11
Other	2	23	−18
MEMO:			
Agricultural	0	12	−6
Nonagricultural	17	12	9

SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis, national income and product accounts.

and were about in line with increases in U.S. domestic producer prices (weighted by export shares). The fixed weight price index for U.S. nonagricultural exports increased 4 percent between the fourth quarter of 1989 and the fourth quarter of 1990. Small price increases (measured in dollars), combined with the sharp depreciation in the average foreign exchange value of the dollar, imply that export prices of U.S. goods measured in foreign currencies declined substantially on average. On the whole, U.S. exporters appear to have taken advantage of the opportunity to improve their price competitiveness abroad rather than to raise profit margins on their foreign sales when the dollar fell.

In terms of destination, the growth in the value of nonagricultural exports varied considerably from country to country (table 4). The growth of exports to Canada was sluggish, a development that reflected that country's economic recession. In contrast, exports to Western Europe, particularly consumer goods, commercial aircraft and

4. U.S. nonagricultural exports, by region, 1988–90

Billions of dollars

Importing region	Value 1988	Value 1989	Value 1990	Percentage change 1990
All regions, total	**282**	**319**	**349**	**9**
Canada	70	76	79	3
Western Europe	78	91	104	14
Japan	30	36	40	12
Mexico	18	22	26	17
Other	86	94	101	8

SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis, U.S. international transaction accounts.

other capital goods, and industrial supplies, were strong. Exports to Mexico also increased sharply, particularly shipments of automotive parts for use by Ford, General Motors, and Chrysler in their Mexican plants. Led by increased deliveries of commercial aircraft and consumer goods, exports to Japan grew 12 percent.

Imports

The value of non-oil imports rose about 3 percent during 1990 (year over year). On a fourth-quarter-to-fourth-quarter basis, imports grew a modest 3 percent, despite the substantial depreciation of the dollar relative to the currencies of major U.S. trading partners during this period. Declines in the prices of many primary products contributed to the overall weakness in import prices. In addition, some exporters to the United States, faced with slack demand, may well have allowed their profit margins to decline rather than suffer further declines in sales.

The quantity of U.S. non-oil imports also grew slowly during 1990, largely because of the slowdown in U.S. economic activity (table 5). On a fourth-quarter-to-fourth-quarter basis, imports of capital goods other than computers and industrial supplies were essentially flat, and imports of consumer goods and foods, feeds, and beverages declined. Growth of computer imports—at 9 percent—was far below the strong 1989 pace.

Imports of all automotive products were up only slightly in 1990. Declines in imports of trucks and parts nearly offset a sharp rise in imports of passenger cars. On a year-over-year basis, the geographic pattern of car imports diverged considerably. The number of units imported from Canada, Mexico, and Germany rose strongly; on the other hand, imports from Japan, Korea, and Sweden dropped. For Japanese auto makers, increased production at their U.S. plants more than offset declines in imports. Sales of Japanese nameplate cars were about 4 percent higher in 1990 than in 1989, in contrast to the decline in sales by U.S. Big Three auto makers.

While the value of U.S. non-oil imports overall grew slowly in 1990, there were significant differences across countries of origin (table 6). Automotive products accounted for more than half of the sharp increase in non-oil imports from Mexico, a result of increased production in Mexico by U.S. auto makers. Imports from Canada rose slightly, while imports from Western Europe, particularly Germany, were somewhat stronger. In contrast, imports from Japan, particularly capital goods and automotive products, declined. There was also a decline in imports, primarily consumer goods, from the Asian NIEs; however, imports from other low-wage Asian countries increased.

The value of oil imports jumped $11 billion in 1990 to $62 billion. On a fourth-quarter-to-fourth-quarter basis, the increase was even larger—$22 billion at an annual rate. Price developments accounted for most of the increase in value.

The price of imported oil, which had increased in the fourth quarter of 1989 as a result of extremely cold weather, fell almost continuously in the first half of 1990 (see chart 5). Rapid increases in OPEC production, combined with

5. Changes in the quantity of U.S. non-oil imports, 1988–90

Percentage change, fourth quarter to fourth quarter

Type of import	Quantity		
	1988	1989	1990
Non-oil, total	**3**	**7**	**2**
Computers	13	43	9
All other	2	1	0
Industrial supplies	−4	−2	0
Other capital goods	10	6	0
Automotive	−1	−10	1
Consumer goods	5	3	−2
Foods, feeds, and beverages	−5	10	−4

SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis, national income and product accounts.

6. U.S. non-oil imports, by region, 1988–90

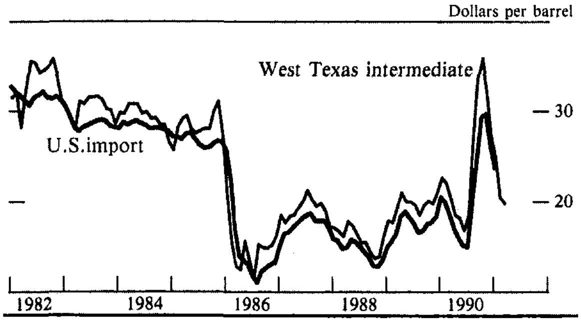
Billions of dollars

Exporting region	Value			Percentage change
	1988	1989	1990	1990
All regions, total	**408**	**424**	**436**	**3**
Canada	80	83	86	3
Western Europe	98	97	103	6
Japan	90	93	90	−4
Asian NIEs[1]	63	63	61	−3
Mexico	20	23	25	11
Other	58	65	72	10

1. Includes Hong Kong, Singapore, Taiwan, and Korea

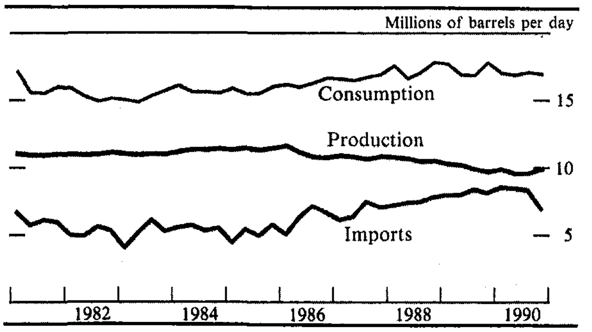
SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis, U.S. international transaction accounts.

5. Oil prices



SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis; *Petroleum Intelligence Weekly*, various issues.

6. U.S. oil consumption, production, and imports



SOURCE. U.S. Department of Energy, Energy Information Administration, *Petroleum Supply Monthly*, various issues.

milder weather in the first quarter, permitted a restoration of previously depleted stocks as well as softer prices. However, the OPEC agreement in mid-July to limit production, followed shortly by the invasion of Kuwait by Iraq, ended the period of falling prices. The initial results of Iraq's invasion of Kuwait were a reduction in world production, precautionary stock building, and a sharp increase in prices to a peak of $40 per barrel for West Texas intermediate for several days in early October. By November, rapid increases in oil production, both within OPEC and in the North Sea, had entirely offset the loss of supply from Iraq and Kuwait (table 7). This increase in production, coupled with slowing world economic growth and a mild winter, brought prices back to a range of $26 to $28 per barrel in December and early January and left world stocks at historically quite comfortable levels. Oil markets reacted favorably to the success of Operation Desert Storm, and prices settled at roughly $20 per barrel by the end of March.

The volume of U.S. oil imports grew only 1 percent in 1990 (year over year), despite the continued decline in U.S. oil production (chart 6). The decline in oil prices since 1982 has discouraged expenditures on exploration and development in the United States and has resulted in lower production. Imports in 1990 supplied almost half of U.S. consumption, up from a range of 35 percent to 40 percent in the early 1980s.

The volume of oil imports varied substantially from quarter to quarter in 1990. An extremely cold December in 1989 pushed stocks of petroleum and products in the United States well below average historical levels by year-end. A scramble by companies to replenish these stocks in the first quarter resulted in imports averaging 8.9 million barrels per day—the highest rate of imports since the first quarter of 1979—despite unusually mild weather. Falling world oil prices

7. World crude oil supply
Millions of barrels per day

Item	1989	1990				Production quotas set by OPEC (July Accord)
		Q1	Q2	Q3	Q4	
Production[1]						
Saudi Arabia[2]	5.1	5.7	5.6	6.4	8.2	5.4
Iraq	2.8	3.0	3.1	1.3	.4	3.1
Kuwait[2]	1.8	2.1	1.9	.7	.1	1.5
Other OPEC	12.0	12.8	12.9	13.1	14.4	12.5
Non-OPEC	36.8	36.9	36.8	36.1	37.3	...
World total	**58.4**	**60.5**	**60.3**	**57.7**	**60.4**	...
Stock change	.1	.5	2.7	−.8	.9	...

1. Excludes natural gas liquids and lease condensates.
2. Includes half of Neutral Zone production through July 1990. Beginning in August, all Neutral Zone production is attributed to Saudi Arabia.

SOURCES. International Energy Agency, *Monthly Oil Market Report*; Petroleum & Energy Intelligence Weekly, Inc., *Petroleum Market Intelligence*; Central Intelligence Agency, *International Energy Statistical Review*, monthly.

in the second quarter encouraged additional stockbuilding from the healthy first-quarter levels and, coupled with further declines in U.S. crude oil production (especially in Alaska), kept imports relatively high through July.

The invasion of Kuwait by Iraq boosted precautionary stockbuilding of petroleum products in the United States, which fueled continued strength in imports in the third quarter. However, in contrast to the rest of the world, stocks in the United States were worked off in the fourth quarter and at the end of the first quarter of 1991 stood somewhat below historical average levels. These stocks were drawn down as refineries cut production in the face of weak economic activity and mild winter weather to perform needed maintenance. Imports for the fourth quarter fell below 7.2 million barrels per day in the face of these drawdowns of stocks.

NONTRADE CURRENT ACCOUNT

The surplus on nontrade current account grew from $5 billion in 1989 to $9 billion in 1990 (table 8). Increases in net receipts of investment income and net exports of services were partly offset by an increase in net U.S. unilateral transfers abroad.

Unilateral Transfers

In recent years, unilateral transfers have amounted to net outflows averaging about $15 billion per year, largely composed of U.S. government grants and pensions to foreign residents. However, the crisis in the Persian Gulf had a significant effect on the level of transfers for the fourth quarter of 1990, and, as a result, the outflow for the year rose to $21 billion. The United States forgave Egypt's debt related to earlier military sales (an outflow of approximately $7 billion). On the other hand, the U.S. government received significant transfers from other governments to help defray the costs of Desert Shield (about $4 billion). Substantially larger contributions by foreign governments to help cover the costs of Desert Storm are expected in 1991.

Services

Net services, which include military exports and imports, also reflected the effects of the crisis in the Persian Gulf. Military sales rose $2 billion in 1990, largely a result of increased deliveries of equipment to coalition partners in the Middle East. It should be noted, however, that shipments of material and equipment from the United

8. U.S. nontrade current account transactions, 1986-90[1]
Billions of dollars

Item	1986	1987	1988	1989	1990
Total, nontrade current account	**0**	**-3**	**-2**	**5**	**9**
Unilateral transfers, net	**-16**	**-15**	**-15**	**-15**	**-21**
Services transactions, net	**5**	**6**	**12**	**20**	**23**
Military, net	-5	-4	-6	-6	-7
Sales	9	11	10	8	10
Expenditures	14	15	15	15	17
Other services, net	10	10	17	27	30
Receipts	71	80	94	107	121
Payments	62	70	77	80	91
Investment income, net	**11**	**5**	**2**	**-1**	**8**
Direct investment income, net	26	31	33	40	49
Receipts	31	41	50	54	54
Payments	5	10	17	14	5
Portfolio income, net	-15	-26	-32	-41	-42
Receipts	50	50	60	74	75
Payments	65	76	92	114	117

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

SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis, U.S. international transaction accounts.

States for use by U.S. troops abroad are not counted as exports. Military expenditures abroad also rose in 1990, by $2 billion, because of increased purchases abroad associated with operations in the Middle East. This total does not include in-kind supplies (for example, fuel, water, and housing) provided to U.S. forces by other countries.

The net balance on services other than military sales and expenditures continued to improve, a trend that reflected the U.S. comparative advantage in producing certain kinds of services and the same relative price and income movements that have led to continued improvements in the U.S. trade balance. In line with the growing importance of services in U.S. international transactions, both exports and imports of services grew more rapidly than trade in goods. Travel and passenger fares accounted for nearly half of the increase in service receipts; the same two categories plus other transportation accounted for more than half the increase in payments.

Investment Income

Net investment income was positive in 1990, in contrast to a small negative amount in 1989 (table 8). Increases in net direct investment receipts outweighed increases in net portfolio investment payments. Direct investment receipts were larger than those in 1989, mainly because of temporary spikes in petroleum prices and profits: Income of affiliates of U.S. petroleum companies abroad (before capital gains or losses) increased 30 percent. In contrast, income reported by manufacturing affiliates abroad declined, despite the recent rapid growth in U.S. direct investment abroad and the lower foreign exchange value of the dollar, which tends to inflate the dollar value of profits earned by U.S. companies in other countries. Recessions in Canada and the United Kingdom, countries that account for about one-third of all U.S. direct investments abroad, tended to depress incomes earned by U.S. investors.

The returns reported by foreigners on their direct investments in the United States generally have been low in recent years, and income in 1990 was depressed further by the slowdown in U.S. economic activity. Since the beginning of 1987, foreigners have added more than $200 billion to their direct investments in the United States, but reported income payments on all direct investments of foreigners in the United States were lower in 1990 than they were in 1987.

Net portfolio investment payments increased only slightly, despite continued growth in U.S. net international indebtedness. The deterioration in the net portfolio position was masked in part by the decision to forgive Egypt's military sales debt and the accounting treatment that credited cumulative interest arrears as paid in the fourth quarter. A decline in average interest rates also tempered somewhat the growth in net payments.

Capital Account Transactions and the Statistical Discrepancy

The net capital inflows that were the counterpart to continuing U.S. current account deficits went largely unrecorded in 1990 (table 9). As a result, the statistical discrepancy in the U.S. international transactions accounts reached $73 billion. In principle, the sum of all transactions in the U.S. balance of payments accounts, a double-entry bookkeeping system, should equal zero. For each transaction there should be two equal entries of opposite sign. In practice, the recorded accounts never sum exactly to zero because the data that reflect the debit and credit counterparts of each single transaction generally are obtained from different sources. The statistical discrepancy recorded for the international transactions account is the net of errors and omissions in all the components.

A positive statistical discrepancy represents some combination of net unrecorded exports to foreigners of goods, services, and investment income and net unreported capital inflows from abroad. While errors and omissions do occur in the reporting of current account transactions as well as capital account transactions, the more than three-fold increase in the statistical discrepancy from $22 billion in 1989 was probably accounted for largely by net unreported private capital flows. The actual current account is not likely to have improved by the additional $50 billion represented by the increase in the statis-

9. Composition of U.S. capital flows, 1986–90

Item	1986	1987	1988	1989	1990
Current account balance	**-145.4**	**-162.3**	**-128.9**	**-110.0**	**-99.3**
Official capital, net	**33.9**	**55.4**	**38.6**	**-15.3**	**31.6**
Foreign official assets in the United States	35.6	45.2	39.5	8.8	30.8
U.S. official reserve assets	.3	9.1	-3.9	-25.3	-2.2
Other U.S. government assets	-2.0	1.0	3.0	1.2	3.0
Private capital, net	**95.7**	**100.2**	**98.7**	**102.9**	**-5.3**
Net inflow reported by U.S. banking offices	19.8	46.9	13.9	10.5	20.6
Securities transactions, net	65.6	26.2	35.7	42.4	-23.8
Private foreign net purchases of the following:					
U.S. Treasury securities	3.8	-7.6	20.2	30.0	1.1
U.S. corporate bonds[1]	48.9	23.5	23.8	27.8	16.7
U.S. corporate stocks	17.2	15.6	-.5	6.6	-14.8
U.S. net purchases of foreign securities	-4.3	-5.3	-7.8	-21.9	-26.8
Direct investment, net	20.3	18.8	45.2	45.7	-8.4
Foreign direct investment in the United States	34.1	46.9	58.4	72.2	25.7
U.S. direct investment abroad[1]	-13.8	-28.0	-13.2	-26.5	-34.2
Other	-10.0	8.2	3.8	4.3	6.3
Statistical discrepancy	**15.8**	**6.8**	**-8.4**	**22.4**	**73.0**

1. Transactions with finance affiliates in the Netherlands Antilles have been excluded from direct investment outflows and added to foreign purchases of U.S. securities.

SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis, U.S. international transaction accounts.

tical discrepancy between 1989 and 1990. Based on past history, the recorded improvement in the current account in 1990 was no smaller than would have been expected, given movements in relative prices and incomes. Changes in holdings of official monetary authorities also are likely to be reported accurately, especially since a large part of official reserves in the United States are held on a custodial basis at the Federal Reserve Bank of New York. In addition, foreign data sources do not give any indication of large increases in official dollar holdings that did not show up in the U.S. statistics.

One obvious omission from the data on private capital flows is increases in foreign holdings of U.S. currency. Fragmentary evidence indicates a sharp rise in net shipments of U.S. currency abroad by banks in 1990.[1] Increased foreign demand for U.S. currency could well have been stimulated by increased political and economic instability in many parts of the world.

An increase in foreign holdings of U.S. currency could explain only part of the statistical discrepancy in 1990. However, pinpointing exactly where the other errors and omissions occurred is difficult. In recent decades, financial innovation, technological change, deregulation of financial markets, and elimination of capital controls have all contributed to the increasing internationalization of financial markets. New channels for capital flows involving new instruments and new participants have developed; therefore information from a limited number of large financial intermediaries and corporations located in the United States no longer covers the bulk of international capital flows. These developments have made the tracking of international capital flows far more problematical at a time when obtaining additional resources to devote to data collection has been difficult.

Recorded capital flows indicate an increase in net inflows reported by banks. However, net inflows resulting from securities transactions and direct investment were down sharply, and other recorded capital inflows were small. Relative interest rate movements made dollar assets less attractive relative to assets denominated in yen or marks and made raising funds in the United States to finance acquisitions and operations more attractive for multinational corporations.

1. Transactions that result in increased foreign holdings of U.S. currency do not always contribute net to the statistical discrepancy. In a system of double-entry bookkeeping, it depends on whether the other side of the transaction is reported or omitted as well. In the case of net shipments of currency abroad by banks, the other side of the transaction (the payment to the bank for the currency) is reported and does contribute to a positive discrepancy.

Despite continued large-scale acquisitions of U.S. businesses by foreigners, the direct investment capital inflow fell from $72 billion in 1989 to only $26 billion in 1990; the capital outflow reported by U.S. direct investors abroad increased from $32 billion in 1989 to a record $36 billion in 1990.

Nevertheless, as long as the United States runs substantial current account deficits and net official capital inflows are small, the sum of recorded and unrecorded net private capital inflows must be large and positive: That is, the balance of payments accounts must sum to zero. Changes in relative interest rates can be reflected in changes in exchange rates and shifts in the composition of capital flows, but not, initially at least, in shifts in realized net capital flows overall. Only over time, as the current account responds to a decline in the dollar's value, can realized net capital inflows decline. The recorded data on private capital flows in 1990, which show a sharp decline in net inflows, should be viewed with suspicion.

International Investment Position

Although continuing U.S. current account deficits and net capital inflows certainly imply faster growth of foreign assets in the United States than of U.S. assets abroad, the Bureau of Economic Analysis (BEA) did not publish an overall estimate of the net U.S. international investment position last year. BEA argued that, because some components of the investment position are measured at historical cost while others are measured at current market value, adding components based on such a mix of valuations would not provide a useful indicator of the level of the investment position. The valuation of direct investment at historical cost may very well understate the net investment position because U.S. direct investment abroad is much older on average than foreign direct investment in the United States. BEA is preparing alternative estimates of the direct investment position based on market value and replacement cost for publication later this year.

Not all significant corrections to the data tend to increase the net investment position of the United States. The investment position is estimated using data on recorded capital flows. However, the statistical discrepancy in the U.S. international transactions accounts since 1975 has tended to be both large and positive, cumulating to more than $275 billion. If, as suspected, unrecorded capital inflows account for a significant part of the cumulative positive discrepancy, then net foreign assets in the United States are underestimated to that extent.

Prospects for 1991

The U.S. current account deficit is likely to shrink rapidly in 1991 if oil prices remain at about their current level. An important, but transitory, factor behind the expected improvement in the current account is substantial unilateral transfers from foreign governments to cover the costs of Desert Storm. In addition, the U.S. recession will cut temporarily into U.S. imports of goods and services and payments of profits on foreign direct investment in the United States. Moreover, the improvement in U.S. price competitiveness resulting from the substantial depreciation of the foreign exchange value of the dollar in 1990 is likely to continue to have favorable effects on the trade balance in 1991. These favorable effects will diminish subsequently, especially if the recent strengthening of the dollar persists.

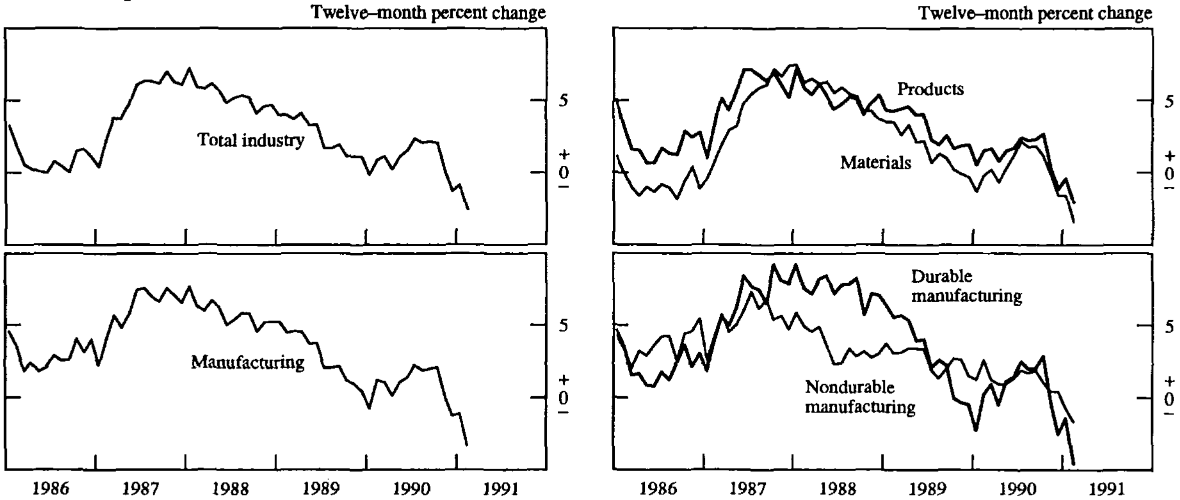
Industrial Production and Capacity Utilization

Released for publication on March 15

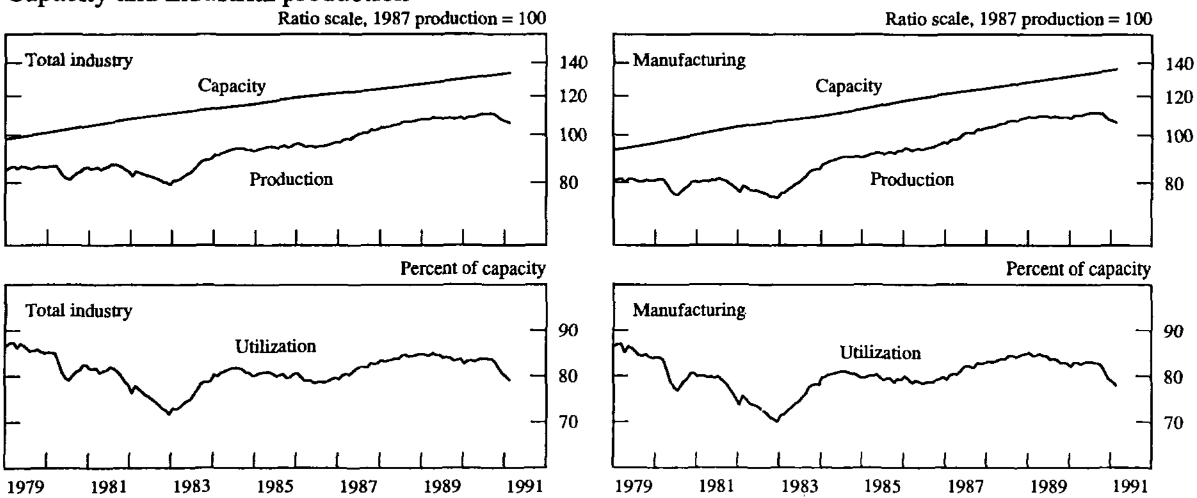
Industrial production fell 0.8 percent in February after declines of 1.1 percent and 0.5 percent respectively in December and January. Assemblies of autos and trucks fell more than 5 percent, retracing their January rise. Excluding motor vehicles and parts, production decreased 0.7 percent in February—about the same as declines in the previous three months. Total industrial capacity utilization fell 0.8 percentage point in February to 79.1 percent, its lowest level since late 1986. At 105.7 percent of its 1987 annual average, industrial production in February was 2.6 percent below its level a year ago.

In market groups, in February, output of con-

Industrial production indexes



Capacity and industrial production



All series are seasonally adjusted. Latest series, February.

sumer goods excluding autos and trucks fell 0.5 percent, about the same rate of decline as in December and January. Production of appliances, carpeting, furniture, and electricity for residential use fell last month, more than offsetting a sharp jump in consumer fuel, particularly gasoline. Output of business equipment other than motor vehicles decreased 0.4 percent further in February, reflecting sizable declines in both industrial and farm equipment; production of information-processing equipment, which includes computers, posted gains in both January and February. Output of construction supplies fell 1.1 percent in February, continuing the sharp contraction that began in August.

For the third successive month, the rate of decline in the output of materials exceeded that of products, owing mainly to widespread cutbacks in production of durable materials, particularly parts used by the motor vehicle industry and basic metals. Production of nondurable materials was about unchanged in February, after having fallen in each of the three preceding months; last month, a rise in the output of paper materials about matched declines in textiles and chemicals. Production of energy materials was reduced again in February because electricity generation dropped sharply.

In industry groups, manufacturing output fell 0.8 percent in February, and the factory utilization rate fell 0.8 percentage point to 78.0 percent, its lowest rate since December 1983. Once again, declines occurred in most major industries, although they were more pronounced in durable manufacturing. Output in primary metals fell sharply for the third consecutive month; iron and steel output dropped about 7½ percent in both January and February, lowering its utilization rate to less than 69 percent. The utilization rate for lumber and products also fell sharply because output fell 3.5 percent.

Utilization in manufacturing has been falling rapidly since September after having edged down throughout the summer. The principal contribu-

Industrial production	1987 = 100				Percentage change from preceding month				Percentage change, Feb. 1990 to Feb. 1991
	1990		1991		1990		1991		
	Nov.[r]	Dec.[r]	Jan.[p]	Feb.[p]	Nov.[r]	Dec.[r]	Jan.[r]	Feb.[p]	
Total index	**108.3**	**107.2**	**106.6**	**105.7**	**−1.5**	**−1.1**	**−.5**	**−.8**	**−2.6**
Previous estimates	108.2	107.0	106.5	...	−1.6	−1.1	−.4	...	...
Major market groups									
Products, total	**109.3**	**108.4**	**107.9**	**107.2**	**−1.6**	**−.7**	**−.5**	**−.7**	**−2.0**
Consumer goods	106.5	105.5	105.4	104.6	−1.9	−.9	−.1	−.7	−2.2
Business equipment	122.9	121.6	121.2	120.4	−2.0	−1.1	−.3	−.7	.3
Construction supplies	101.8	100.8	98.6	97.5	−1.3	−1.0	−2.1	−1.1	−9.9
Materials	106.8	105.2	104.5	103.4	−1.4	−1.6	−.6	−1.1	−3.4
Major industry groups									
Manufacturing	108.9	107.4	106.9	106.0	−1.6	−1.4	−.5	−.8	−3.3
Durable	109.9	107.6	107.0	105.7	−2.4	−2.1	−.5	−1.3	−4.6
Nondurable	107.7	107.2	106.8	106.5	−.6	−.5	−.4	−.2	−1.6
Mining	103.3	103.2	102.5	103.3	.7	−.1	−.7	.8	2.3
Utilities	106.9	108.5	107.6	104.1	−2.0	−1.4	−.8	−3.3	.1

Capacity utilization	Percent of capacity								Capacity growth, Feb. 1990 to Feb. 1991
	Average, 1967–90	Low, 1982	High, 1988–89	1990	1990		1991		
				Feb.	Nov.[r]	Dec.[r]	Jan.[r]	Feb.[p]	
Total industry	**82.2**	**71.8**	**85.0**	**83.3**	**81.6**	**80.5**	**79.9**	**79.1**	**2.5**
Manufacturing	81.5	70.0	85.1	83.0	80.7	79.4	78.8	78.0	2.9
Advanced processing	81.1	71.4	83.6	81.7	79.6	78.6	78.1	77.5	3.3
Primary processing	82.4	66.8	89.0	86.1	83.2	81.3	80.4	79.2	2.2
Mining	87.4	80.6	87.2	87.4	90.6	90.7	90.1	90.9	−1.7
Utilities	86.8	76.2	92.3	82.5	83.8	84.9	84.1	81.2	1.6

r Revised.
p Preliminary.

NOTE. Indexes are seasonally adjusted.

tors to this drop have been motor vehicles and related industries, although declines also have been recorded in almost all industries.

Output at mines increased 0.8 percent in February, mainly reflecting a gain of 4 percent in coal production. Production at utilities fell 3.3 percent as relatively mild winter weather continued.

Statements to the Congress

Statement by Alan Greenspan, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Ways and Means, U.S. House of Representatives, March 6, 1991.

I am pleased to have the opportunity to appear before you again. As you know, the Federal Reserve's semiannual "Monetary Policy Report to the Congress" and testimony, which were submitted to the Congress two weeks ago, provided an extensive review of recent and prospective economic developments and of monetary policy actions and intentions.[1] Rather than take you through the details of that report this morning, I would like, first, to focus on a few of the most critical considerations affecting the outlook for the economy and the formulation of monetary policy and, then, to turn briefly to budgetary issues.

THE ECONOMIC OUTLOOK AND MONETARY POLICY

The recently available readings on business activity indicate that the economic contraction that began during the latter part of 1990 has continued in recent months. However, the incoming information, on balance, does not suggest that the recession is becoming more serious than we thought a month ago when we formulated our economic projections for 1991. At that time, the "central tendency" forecast of the Federal Open Market Committee (FOMC) members and other Reserve Bank presidents anticipated an upturn in real activity later this year, with real GNP ending 1991 between ¾ percent and 1½ percent higher than it was in the fourth quarter of 1990.

In discussing those projections, we stressed the extent to which uncertainties associated both with the situation in the Gulf and with several unresolved problems in the economy made the outlook unusually difficult to assess; to a somewhat lesser extent, that is still the case. Certainly, the successful end to the hostilities in the Gulf has removed a troublesome uncertainty and should provide some lift to consumer and business confidence. But the other factors that we noted earlier—concerns about credit availability and problems in real estate markets—continue to restrain activity and to weigh importantly on business thinking.

The restraint on credit availability at depository institutions represents a continuing clear risk to the outlook and, therefore, is a critical challenge for policy. To date, our assessment is that reduced demand for credit stemming from the weakness in real activity accounts for most of the recent contraction in bank lending. Nonetheless, developments on the supply side also have had a noticeable effect. The surveys of senior loan officers that are conducted by the Federal Reserve at three-month intervals have shown progressive tightening of business credit terms since last spring. Banks report that they have been applying more stringent credit standards and have made the price and nonprice terms of business credit less favorable to a wide range of customers.

Several factors underlie these changes in lending practices. Given the uncertain economic environment, banks are appropriately taking a closer look at prospective borrowers in some specific industries. But what is of most concern to us is restraint on lending by commercial bankers to otherwise creditworthy customers. For borrowers whose riskiness has been essentially unaffected by the recession or by developments in specific markets, the reluctance of banks to

1. See "Monetary Policy Report to the Congress," *Federal Reserve Bulletin*, vol. 77 (March 1991), pp. 147–64 and "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, February 20, 1991," *Federal Reserve Bulletin*, vol. 77 (April 1991), pp. 240–46.

lend seems to arise from attempts to bolster capital positions. Banks are trying to raise capital–asset ratios, or at least hold down declines in those ratios that might result from losses on outstanding loans. In some cases, loan losses and pressures on capital may be exacerbated by the degree to which examination standards are forcing loans to be written down inappropriately or by market reaction to aggregated data on problem credits on certain categories of loans.

Information from our surveys and estimates of funds supplied in financial markets indicate that the majority of those borrowers who have been turned away or who have been discouraged from borrowing at depository institutions have been able to find financing elsewhere. But one must assume that the alternatives, when they exist, are only available at a higher price. The problems of locating other sources of credit may be especially severe for some types of borrowers—small businesses and those in commercial real estate, for instance—who may not have ready access to securities markets. How much production has been lost as a result of sound projects cut back or unable to go forward because of a rise in financing costs or because of an actual or feared lack of financing is difficult to assess. But it is clear that the restraint on credit availability, along with the deterioration in profits, began to enter importantly in business decisionmaking even before the onset of the recession.

Several steps that should relieve constraints on credit supplies have been taken by the Federal Reserve. These steps include lowering interest rates, reducing reserve requirements, and working with other depository supervisory agencies to identify and correct practices that may be unnecessarily discouraging the flow of funds to creditworthy borrowers. Taken together, these steps may well prove sufficient to foster the growth of credit needed to finance economic expansion. But we recognize the risk that problems in this area could persist and could warrant further actions.

Another clear negative in the outlook remains the real estate sector, the problems of which have exacerbated the difficulties of financial institutions. In the commercial sector, the overhang of vacant space is still substantial, implying that further declines in new construction will probably occur, even during a period of renewed economic growth. Beyond the impact on new construction, the existence of a sizable stock of underused properties whose asset values have declined has repercussions for financial institutions that are carrying them on their balance sheets.

The most notable feature of the current downturn has been the marked erosion of business attitudes and consumer confidence that occurred after July. In the business sector, the clearest manifestation of the deterioration in attitudes was the rapidity with which producers moved to cut output and to pare inventories in response to actual or anticipated weakness in sales. Judging from readings of anticipated hiring, inventory accumulation, and capital spending, businesses remained in this cautious stance early this year, awaiting firm indications of the timing and strength of any recovery in demand.

Consumer confidence also registered an unprecedented plunge between July and October last year, which probably was an element depressing business expectations for sales. Such a decline in sentiment also might have been expected to result in a rise in precautionary saving. But, income growth also was depressed, and when the sudden rise in oil prices forced households to devote a significantly higher share of their disposable income to energy bills, both saving and spending, in real terms, were cut back sharply.

It would be most unwise to ignore the possibility that all or some combination of these negative factors could cause the contraction in economic activity to last longer or be more serious than is currently anticipated.

Nonetheless, several elements appear to be moving into place that should enhance prospects for recovery. On balance, when these positive forces are weighed with the negatives, the scales appear to tip slightly in favor of suggesting that the current downturn might well prove milder than most of the recessions in the past forty years.

One important factor on the positive side of the outlook is the sharp drop in petroleum prices that accompanied the military flare-up in the Gulf. The price of gasoline by late February apparently was back to its late-July level; the cost of home heating oil should retreat further as well in coming months. While the secondary effects of the cutbacks in employment and income are still running their course, the relief from lower energy prices, along with a potential boost to confidence from the end of the Gulf war, should be laying the groundwork for some firming in consumer spending in coming months.

Indeed, in the days after the termination of hostilities, the anecdotal reports of increased traffic in real estate offices and auto showrooms raise the possibility that stronger consumer demand may be emerging. But, I would caution that such early signals can be quite difficult to read, particularly at this time of the year. Typically, sales of houses and autos surge in March. For example, as the weather improves, sales of new and existing homes register their sharpest month-to-month gains between February and March—jumps of 35 percent and 25 percent respectively. The usual over-the-month pickup in domestic car sales also is sizable (almost 19 percent). What is difficult to judge from the very recent reports is how much more than the seasonal rise, if any, is occurring as psychology improves. Hard economic data for the period after the successful ground war will not be available for some weeks.

Another important influence that is expected to provide support for economic activity as the year progresses is the decline in interest rates, which began a year and a half ago but was especially sharp in the past few months. Since late October, when the budget accord was reached and economic activity showed clear signs of weakening, the Federal Reserve has moved aggressively in a series of actions to ease money market conditions. Because a lessening of cost pressures has improved the outlook for prices, the easing of policy has been possible without raising new concerns in financial markets about inflation prospects. Such concerns could have had adverse consequences for the foreign exchange value of the dollar and for longer term interest rates.

But, in the prevailing circumstances, the substantial drop in short-term market rates was accompanied by a net decline in long-term rates as well. In particular, fixed-rate mortgage interest rates are near their lowest levels since the late 1970s, and the resulting improvement in the affordability of single-family housing eventually should show through in a pickup in sales and homebuilding. Other sectors also are expected to respond to lower financing costs as the year progresses. Although interest rates have risen a bit in recent weeks, this rise should not materially interfere with an upturn in activity. The increase seems to reflect new optimism about the prospects for the U.S. economy as the Gulf war has come to a successful conclusion. Indeed, yields on non-investment-grade bonds actually declined in response to that expectation.

Since the onset of the recession last year, the areas of greatest concern in the economy have been those areas related to domestic spending because it has been in those sectors—consumption, homebuilding, nonresidential construction, and business inventory investment—that the dropoff in activity has been most pronounced. Nonetheless, it is also important to consider how domestic production has been affected by trends in exports and imports in recent months and to assess prospects for sustained stimulus from net exports.

Viewed at the manufacturing level, the sources of changes in production can be examined by combining monthly data on factory output, inventories, and sales with data on international trade flows. A comparison of the six-month period before the downturn in industrial activity last October and the four months of contraction through January offers some interesting results.

In the six months before the downturn, manufacturing production was rising at an annual rate of about 2½ percent, boosted considerably by a recovery in motor vehicle assemblies from the very low levels earlier in the year. Domestic demand for business equipment and for industrial materials also was relatively robust, although rising imports drained some of that strength away from domestic producers. At the same time, export demand was providing little impetus to manufacturing production. The slowdown in exports of industrial goods marked a sharp departure from the trend over the preceding four years, when the share of exports in our factory output rose 5 percentage points to 13¾ percent.

However, since the peak in industrial production last September, the situation has reversed. Between last September and this January, there has been a resumption of growth in foreign demand for U.S.-manufactured goods and a reduction in domestic demand for imported manufactured products and materials, including oil. For example, imports as a proportion of our overall domestic demand for manufactured goods stabilized late last year. When combined with rising exports, net imports of industrial goods as a proportion of manufacturing production declined from about 4¼ percent late last summer to less than 4 percent at the turn of the year. These developments have cushioned the steep declines that have occurred as production has responded unusually promptly to the weakness in the domestic economy. Cutbacks in domestic purchases and inventory holdings of a wide range of domestically manufactured consumer goods, business equipment, construction supplies, and industrial materials have more than accounted for the drop of almost 4 percent (not annualized) in manufacturing industrial production between September and January.

The brisk expansion in nonagricultural merchandise exports late last year occurred in a variety of industrial supplies and materials, as well as in consumer goods and many types of capital equipment. The sharpest gains were in shipments destined for countries in Western Europe. This increase in export growth came despite a weakening of activity in several of our key markets abroad, and it undoubtedly reflected the gains in U.S. international price competitiveness that had been building for some time.

As a result of the decline in the foreign exchange value of the dollar and only moderate increases in U.S. export prices, the average price of U.S. exports measured in terms of foreign currencies has fallen nearly 15 percent since mid-1989; at the same time, the prices of goods produced abroad have been rising. In the past, such gains in U.S. price competitiveness have led to significant growth in our exports, and if the recent improvement is sustained, continued expansion of U.S. exports would seem to be in train. Even if growth abroad were to slow somewhat, an increasing share of foreign markets would provide considerable support for our exports.

Of course, the prospects for sustained strong growth in our exports of goods and services depend importantly on the outlook for economic activity among our trading partners as well. Among the major foreign industrial countries, significant divergences in economic performance emerged last year and are likely to continue this year. Canada and the United Kingdom both moved into recession in 1990, and signs of a turnaround in both cases are not yet evident.

In contrast to the weakness in those two countries, activity remains vigorous in Germany, where the stimulus of reunification between East and West Germany has produced rapid real growth and has sustained very high rates of utilization in industry in the western region. Indeed, the continued strength of aggregate demand in Germany has been a major cause of recent upward movements in German interest rates. In Japan, despite some indications of a moderation in economic growth, prospects for a continued expansion are still favorable. On balance, it is quite possible that growth among our major industrial trading partners will strengthen somewhat later this year, particularly if those countries experiencing recession start to recover.

Among developing countries, recent economic performance has been uneven as well. Mexico continues to achieve success in maintaining growth while pursuing economic reforms. However, in other Western Hemisphere countries, slowdown or even recession has accompanied current programs aimed at macroeconomic stabilization. The crisis in the Persian Gulf has disrupted output for some Middle East countries but has permitted other developing-country exporters of oil to expand. In the period ahead, the reconstruction in the Middle East is likely to provide a significant boost to the exports of the United States and of several other industrial countries. Indeed, U.S. firms already are contracting to begin work in Kuwait as soon as circumstances permit.

The Gulf war has been overshadowing developments elsewhere, particularly in Europe, and in the sphere of international trade negotiations; these factors have potentially important implications for both the U.S. economy and the economies of our major trading partners. As the Western European economies move closer to the 1992 single internal market, they will benefit from structural adjustment and increased competition. A stronger, more vibrant European economy in the long run will be a more vigorous trading partner for the U.S. economy. In addition, progress in the historic transformation of the economies of Eastern Europe can be expected to lead to new opportunities for U.S. producers of consumer and capital goods. As these economies become more fully integrated into the world trading order, they will broaden opportunities for two-way trade with mutual benefits to all.

The focus on our export prospects highlights the importance of a successful conclusion to the Uruguay Round of trade negotiations. Indeed, the costs of a failure of that effort could be serious. We all would lose opportunities to strengthen trade flows and realize efficiencies that could enhance standards of living worldwide. It certainly would be unfortunate if, instead, moves toward protectionism elicited retaliation, which would have particularly adverse consequences for U.S. producers just when their competitive position is so strong.

Taken together, the favorable factors at work abroad and the stimulative forces in train in the domestic economy suggest the likelihood of a pickup in aggregate demand over coming months. And, with inventories relatively lean at most businesses, a recovery in demand should show through fairly promptly in a higher level of production.

Our monetary policy objective for 1991 is to promote economic recovery and to sustain growth at a rate that is consistent with progress over time toward price stability. Whether further adjustments to policy will be required to foster an upturn in output and employment is not yet clear. Any decision in that regard will depend on how trends in real activity, inflation, and the monetary aggregates unfold.

Fiscal Policy Considerations

Until clear signs of a recovery in economic activity emerge, fiscal policymakers are likely to remain under persistent pressure to take actions to offset other contractionary forces. Concerns about the appropriateness of maintaining a policy of fiscal restraint during a period of weak economic performance are understandable. However, they must be balanced against the benefits that will flow from adhering to a budget strategy that is geared to the longer-run needs of the economy. Those needs can best be met by keeping the underlying or "structural" deficit firmly on a downward path, even as the actual deficit is being swollen temporarily by the effects of a weak economy.

In light of these considerations, voting to suspend the enforcement provisions of the budget reconciliation act would be a mistake. Together with the Administration, you worked long and hard last year to reach an acceptable package of tax and spending changes and budget process reforms. The budget agreement gave financial markets some assurance of stability and of future easing of federal credit demands. Undercutting this commitment now risks adverse effects on long-term interest rates and thus might well be self-defeating.

The new budget procedures make it easier than under the previous Gramm–Rudman–Hollings procedures for fiscal policy to have a stabilizing effect on the economy. Among other things, because the focus over the next several years is on the reduction in the deficit brought about by legislative action, rather than the level of the deficit per se, the need for policy adjustments to offset the effects of changes in economic conditions has been eliminated. As a consequence, the automatic stabilizers that are in place can function as intended.

Moreover, the historical evidence on the implementation of discretionary countercyclical fiscal policy is not encouraging. In the past, programs designed to stimulate the economy during a contraction frequently did not come on stream until well after the recovery was under way. If assessments of prospects for a turnaround in the economy this year are on target, the adoption of new programs now may only end up repeating that pattern.

The military operations in the Gulf will cause some unplanned addition to spending in the current fiscal year. Defense purchases already have been raised somewhat by the war, and, as weapons are replaced, the new production will boost GNP. Current estimates suggest that a substantial part of the incremental expense ultimately will be paid by other nations, cushioning the effect on the budget deficit. Moreover, it is important to bear in mind that the successful conclusion of the Gulf war now ensures that these expenditures will be limited, with only minimal consequences for the thrust of longer-term fiscal policy.

On the whole, the budget accord provides a useful framework for conducting fiscal policy over the longer run. It provides sufficient flexibility for specific tax and spending policies to be altered, if deemed desirable, to improve economic incentives or to reset priorities. Such specific changes in fiscal policy tools are possible while still moving along a steady path toward fiscal balance. That path promises to improve prospects for increased capital accumulation and higher productivity. It will complement monetary policy in the attainment of the nation's overall economic objectives for the longer run. □

Statement by Alan Greenspan, Chairman, Board of Governors of the Federal Reserve System, before the Joint Economic Committee, U.S. Congress, March 13, 1991.

I am pleased to have the opportunity to appear before you again. As you know, the Federal Reserve's semiannual "Monetary Policy Report to the Congress" and testimony, which were submitted to the Congress last month, provided an extensive review of recent and prospective economic developments and of monetary policy actions and intentions.[1] Rather than take you through the details of that report this morning, I would like, first, to focus on a few of the most critical considerations affecting the outlook for the economy and the formulation of monetary policy and, then, to turn briefly to budgetary issues.

THE ECONOMIC OUTLOOK AND MONETARY POLICY

The recently available readings on business activity indicate that the economic contraction that began during the latter part of 1990 continued through February. The economic data of the past few weeks also included further indications of reduced cost pressures on prices and provided scope for a further easing of monetary policy last Friday. The combination of lower interest rates, the reduction in oil prices, and the resolution of the situation in the Gulf continue, on balance, to suggest an upturn in real activity later this year, in line with the "central tendency" forecast of the Federal Open Market Committee (FOMC) members and other Reserve Bank presidents that we presented a month ago.

In discussing those projections, we stressed the extent to which uncertainties associated both with the situation in the Gulf and with several unresolved problems in the economy made the outlook unusually difficult to assess; to a somewhat lesser extent, that is still the case. Certainly, the successful end to the hostilities in the Gulf has removed a troublesome uncertainty and should provide some lift to consumer and business confidence. But the other factors that we noted earlier—concerns about credit availability and problems in real estate markets—continue to restrain activity and to weigh importantly on business thinking.

The restraint on credit availability at depository institutions represents a continuing clear risk to the outlook and, therefore, is a critical challenge for policy. To date, our assessment is that reduced demand for credit stemming from the decline in real activity accounts for most of the recent weakness in bank lending. Nonetheless, developments on the supply side also have had a noticeable effect. The surveys of senior loan officers that are conducted by the Federal Reserve at three-month intervals have shown progressive tightening of business credit terms

1. See "Monetary Policy Report to the Congress," *Federal Reserve Bulletin*, vol. 77 (March 1991), pp. 147–64 and "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, February 20, 1991," *Federal Reserve Bulletin*, vol. 77 (April 1991), pp. 240–46.

since last spring. Banks report that they have been applying more stringent credit standards and have made the price and nonprice terms of business credit less favorable to a wide range of customers.

Several factors underlie these changes in lending practices. Given the uncertain economic environment, banks are appropriately taking a closer look at prospective borrowers in some specific industries. But what is of most concern to us is restraint on lending by commercial bankers to otherwise creditworthy customers. For borrowers whose riskiness has been essentially unaffected by the recession or by developments in specific markets, the reluctance of banks to lend seems to arise from attempts to bolster capital positions. Banks are trying to raise capital–asset ratios, or at least hold down declines in those ratios that might result from losses on outstanding loans. In some cases, loan losses and pressures on capital may be exacerbated by the degree to which examination standards are forcing loans to be written down inappropriately or by market reaction to aggregated data on problem credits on certain categories of loans.

Information from our surveys and estimates of funds supplied in financial markets indicate that the majority of those borrowers who have been turned away or who have been discouraged from borrowing at depository institutions have been able to find financing elsewhere. But one must assume that the alternatives, when they exist, are only available at a higher price. The problems of locating other sources of credit may be especially severe for some types of borrowers—small businesses and those in commercial real estate, for instance—who may not have ready access to securities markets. How much production has been lost as a result of sound projects cut back or unable to go forward because of a rise in financing costs or because of an actual or feared lack of financing is difficult to assess. But it is clear that the restraint on credit availability, along with the deterioration in profits, began to enter importantly in business decisionmaking even before the onset of the recession.

Several steps that should relieve constraints on credit supplies have been taken by the Federal Reserve. These steps include lowering interest rates, reducing reserve requirements, and working with other depository supervisory agencies to identify and correct practices that may be unnecessarily discouraging the flow of funds to creditworthy borrowers. Taken together, these steps may well prove sufficient to foster the growth of credit needed to finance economic expansion. But we recognize the risk that problems in this area could persist and could warrant further actions.

Another clear negative in the outlook remains the real estate sector, whose problems have exacerbated the difficulties of financial institutions. In the commercial sector, the overhang of vacant space is still substantial, implying that further declines in new construction will probably occur, even during a period of renewed economic growth. Beyond the impact on new construction, the existence of a sizable stock of underused properties whose asset values have declined has repercussions for financial institutions that are carrying them on their balance sheets.

The most notable feature of the current downturn has been the marked erosion of business attitudes and consumer confidence that occurred after July. In the business sector, the clearest manifestation of the deterioration in attitudes was the rapidity with which producers moved to cut output and to pare inventories in response to actual or anticipated weakness in sales. Judging from readings of anticipated hiring, inventory accumulation, and capital spending, businesses remained in this cautious stance early this year, awaiting firm indications of the timing and strength of any recovery in demand.

Consumer confidence also registered an unprecedented plunge between July and October last year, which probably was an element depressing business expectations for sales. Such a decline in sentiment also might have been expected to result in a rise in precautionary saving. But, income growth also was depressed, and when the sudden rise in oil prices forced households to devote a significantly higher share of their disposable income to energy bills, both saving and spending, in real terms, were cut back sharply.

It would be most unwise to ignore the possibility that all or some combination of these negative factors could cause the contraction in economic activity to last longer or be more serious than is currently anticipated.

Nonetheless, several elements appear to be moving into place that should enhance prospects for recovery. On balance, when these positive forces are weighed with the negatives, the scales appear to tip slightly in favor of suggesting that the current downturn might well prove milder than most of the recessions in the past forty years.

One important factor on the positive side of the outlook is the sharp drop in petroleum prices that accompanied the onset of the war in the Gulf. The price of gasoline is back to its late-July level; the cost of home heating oil should retreat further as well in coming months. While the secondary effects of the cutbacks in employment and income are still running their course, the relief from lower energy prices, along with the apparent boost to confidence from the end of the Gulf war, should be laying the groundwork for some firming in consumer spending in coming months.

Indeed, in the days after the termination of hostilities, the anecdotal reports of increased traffic in real estate offices and auto showrooms raise the possibility that stronger consumer demand may be emerging. But, I would caution that such early signals can be quite difficult to read, particularly at this time of the year. Typically, sales of houses and autos surge in March. For example, as the weather improves, sales of new and existing homes register their sharpest month-to-month gains between February and March—jumps of 35 percent and 25 percent respectively. The usual over-the-month pickup in domestic car sales also is sizable (almost 19 percent). What is difficult to judge from the very recent reports is how much more than the seasonal rise, if any, is occurring as psychology improves. Hard economic data for the period after the successful ground war will not be available for some weeks.

Another important influence that is expected to provide support for economic activity as the year progresses is the decline in interest rates, which began more than a year and a half ago but was especially sharp in the past few months. Since late October, when the budget accord was reached and economic activity showed clear signs of weakening, the Federal Reserve has moved aggressively in a series of actions to ease money market conditions. Because a lessening of cost pressures has improved the outlook for prices, the easing of policy has been possible without raising new concerns in financial markets about inflation prospects. Such concerns could have had adverse consequences for the foreign exchange value of the dollar and for long-term interest rates.

But, in the prevailing circumstances, the substantial drop in short-term market rates was accompanied by a net decline in long-term rates as well. In particular, fixed-rate mortgage interest rates are near their lowest levels since the late 1970s, and the resulting improvement in the affordability of single-family housing eventually should show through in a pickup in sales and homebuilding. Other sectors also are expected to respond to lower financing costs as the year progresses. Although long-term interest rates have risen a bit in recent weeks, this rise should not materially interfere with an upturn in activity. The increase seems to reflect new optimism about the prospects for the U.S. economy as the Gulf war has come to a successful conclusion. Indeed, yields on non-investment-grade bonds actually declined in response to that expectation.

Since the onset of the recession last year, the areas of greatest concern in the economy have been those areas related to domestic spending, because it has been in those sectors—consumption, homebuilding, nonresidential construction, and business inventory investment—that the dropoff in activity has been most pronounced. Nonetheless, it is also important to consider how domestic production has been affected by trends in exports and imports in recent months and to assess prospects for sustained stimulus from net exports.

Viewed at the manufacturing level, the sources of changes in production can be examined by combining monthly data on factory output, inventories, and sales with data on international trade flows. A comparison of the six-month period before the downturn in industrial activity last October and the four months of contraction through January offers some interesting results.

In the six months before the downturn, manufacturing production was rising at an annual rate of about 2½ percent, boosted considerably by a recovery in motor vehicle assemblies from the very low levels earlier in the year. Domestic demand for business equipment and for industrial materials also was relatively robust, although rising imports drained some of that strength away from domestic producers. At the same time, export demand was providing little impetus to manufacturing production. The slowdown in exports of industrial goods marked a sharp departure from the trend over the preceding four years, when the share of exports in our factory output rose 5 percentage points to 13¾ percent.

However, since the peak in industrial production last September, the situation has reversed. Between last September and this January, there has been a resumption of growth in foreign demand for U.S.-manufactured goods and a reduction in domestic demand for imported manufactured products and materials, including oil. For example, imports as a proportion of our overall domestic demand for manufactured goods stabilized late last year. When combined with rising exports, net imports of industrial goods as a proportion of manufacturing production declined from about 4¼ percent late last summer to less than 4 percent at the turn of the year. These developments have cushioned the steep declines that have occurred as production has responded unusually promptly to the weakness in the domestic economy. Cutbacks in domestic purchases and inventory holdings of a wide range of domestically manufactured consumer goods, business equipment, construction supplies, and industrial materials have more than accounted for the drop of almost 4 percent (not annualized) in manufacturing industrial production between September and January.

The brisk expansion in nonagricultural merchandise exports late last year occurred in a variety of industrial supplies and materials, as well as in consumer goods and many types of capital equipment. The sharpest gains were in shipments destined for countries in Western Europe. This increase in export growth came despite a weakening of activity in several of our key markets abroad, and it undoubtedly reflected the gains in U.S. international price competitiveness that had been building for some time.

As a result of the decline in the foreign exchange value of the dollar and only moderate increases in U.S. export prices, the average price of U.S. exports measured in terms of foreign currencies has fallen nearly 15 percent since mid-1989; at the same time, the prices of goods produced abroad have been rising. In the past, such gains in U.S. price competitiveness have led to significant growth in our exports, and if the recent improvement is sustained, continued expansion of U.S. exports would seem to be on track. Even if growth abroad were to slow somewhat, an increasing share of foreign markets would provide considerable support for our exports.

Of course, the prospects for sustained strong growth in our exports of goods and services depend importantly on the outlook for economic activity among our trading partners as well. Among the major foreign industrial countries, significant divergences in economic performance emerged last year and are likely to continue this year. Canada and the United Kingdom both moved into recession in 1990, and signs of a turnaround are not yet evident in either case.

In contrast to the weakness in those two countries, activity remains vigorous in Germany, where the stimulus of reunification between East and West Germany has produced rapid real growth and has sustained very high rates of utilization in industry in the western region. Indeed, the continued strength of aggregate demand in Germany has been a major cause of recent upward movements in German interest rates. In Japan, despite some indications of a moderation in economic growth, prospects for a continued expansion are still favorable. On balance, it is quite possible that growth among our major industrial trading partners will strengthen somewhat later this year, particularly if those countries experiencing recession start to recover.

Among developing countries, recent economic performance has been uneven as well. Mexico continues to achieve success in maintaining growth while pursuing economic reforms. However, in other Western Hemisphere countries, slowdown or even recession has accompanied current programs aimed at macroeconomic stabilization. The crisis in the Persian Gulf has disrupted output for some Middle East countries but has permitted other developing-country exporters of oil to expand. In the period ahead, the reconstruction in the Middle East is likely to provide a significant boost to the exports of the United States and of several other industrial countries.

The Gulf war has been overshadowing developments elsewhere, particularly in Europe, and in the sphere of international trade negotiations; these factors have potentially important implications for both the U.S. economy and the economies of our major trading partners. As the Western European economies move closer to the 1992 single internal market, they will benefit from structural adjustment and increased competition. A stronger, more vibrant European economy in the long run will be a more vigorous trading partner for the U.S. economy. In addition, progress in the historic transformation of the economies of Eastern Europe can be expected to lead to new opportunities for U.S. producers of consumer and capital goods. As these economies become more fully integrated into the world trading order, they will broaden opportunities for two-way trade with mutual benefits to all.

The focus on our export prospects highlights the importance of a successful conclusion to the Uruguay Round of trade negotiations. Indeed, the costs of a failure of that effort could be serious. We all would lose opportunities to strengthen trade flows and realize efficiencies that could enhance standards of living worldwide. It certainly would be unfortunate if, instead, moves toward protectionism elicited retaliation, which would have particularly adverse consequences for U.S. producers just when their competitive position is so strong.

Taken together, the favorable factors at work abroad and the stimulative forces in train in the domestic economy suggest the likelihood of a pickup in aggregate demand over coming months. And, with inventories relatively lean at most businesses, a recovery in demand should show through fairly promptly in a higher level of production.

Our monetary policy objective for 1991 is to promote economic recovery and to sustain growth at a rate that is consistent with progress over time toward price stability. Whether further adjustments to policy will be required to foster an upturn in output and employment is not yet clear. Any decision in that regard will depend on how trends in real activity, inflation, and the monetary aggregates unfold.

FISCAL POLICY CONSIDERATIONS

Until clear signs of a recovery in economic activity emerge, fiscal policymakers are likely to remain under persistent pressure to take actions to offset other contractionary forces. Concerns about the appropriateness of maintaining a policy of fiscal restraint during a period of weak economic performance are understandable. However, they must be balanced against the benefits that will flow from adhering to a budget strategy that is geared to the longer-run needs of the economy. Those needs can best be met by keeping the underlying or "structural" deficit firmly on a downward path, even as the actual deficit is being swollen temporarily by the effects of a weak economy.

In light of these considerations, voting to suspend the enforcement provisions of the budget reconciliation act would be a mistake. Together with the Administration, you worked long and hard last year to reach an acceptable package of tax and spending changes and budget process reforms. The budget agreement gave financial markets some assurance of stability and of a future easing of federal credit demands. Undercutting this commitment now risks adverse effects on long-term interest rates and thus might well be self-defeating.

The new budget procedures make it easier than under the previous Gramm–Rudman–Hollings procedures for fiscal policy to have a stabilizing effect on the economy. Among other things, because the focus over the next several years is on the reduction in the deficit brought about by legislative action, rather than the level of the deficit per se, the need for policy adjustments to offset the effects of changes in economic conditions has been eliminated. As a consequence, the automatic stabilizers that are in place can function as intended.

Moreover, the historical evidence on the implementation of discretionary countercyclical fiscal policy is not encouraging. In the past, programs designed to stimulate the economy during a contraction frequently did not come on stream until well after the recovery was under way. If assessments of prospects for a turnaround in the economy this year are on target, the adoption of new programs now may only end up repeating that pattern.

The military operations in the Gulf will cause some unplanned addition to spending in the current fiscal year. Defense purchases already have been raised somewhat by the war, and, as weapons are replaced, the new production will boost GNP. Current estimates suggest that a substantial part of the incremental expense ultimately will be paid by other nations, cushioning the effect on the budget deficit. Moreover, it is important to bear in mind that the successful conclusion of the Gulf war now ensures that these expenditures will be limited, with only minimal consequences for the longer-term thrust of fiscal policy.

On the whole, the budget accord provides a useful framework for conducting fiscal policy. It provides sufficient flexibility for specific tax and spending policies to be altered, if deemed desirable, to improve economic incentives or to reset priorities. Such specific changes in fiscal policy tools are possible while still moving along a steady path toward fiscal balance. That path promises to improve prospects for increased capital accumulation and higher productivity. It will complement monetary policy in the attainment of the nation's overall economic objectives for the longer run. □

Announcements

Policy to Reduce Impediments to Lending by Banks and Thrift Institutions to Creditworthy Borrowers

A series of supervisory steps designed to reduce impediments to lending by banks and thrift institutions to creditworthy borrowers was announced on March 1, 1991, by the federal bank and thrift supervisors. The agencies issuing a statement on the changes are the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Federal Reserve Board, and the Office of Thrift Supervision.

In announcing the changes, the agencies said that the intent of this effort is to contribute to a climate in which banks and thrift institutions will make loans to creditworthy borrowers and work constructively with borrowers experiencing financial difficulties in ways that are consistent with safe and sound banking practices.

The joint policies clarify that the supervisory evaluation of real estate loans is based on the ability of the collateral to generate cash flow over time, not on its immediate liquidation value; these policies encourage banks to disclose additional information about nonaccrual loans, to make sound loans to creditworthy borrowers, and to facilitate the workout of problem loans.

The agencies are also considering the merits of proposed guidelines that address the accrual of income on certain loans that have been partially charged off. The agencies and the Securities and Exchange Commission (SEC) will both solicit public comment on the proposed guidelines. Any formal guidance issued will be based on the comments received from the public and ongoing discussions between the agencies and the SEC.

The supervisory statements and clarifications will be sent to field examiners and supervisory personnel.

Regulation P: Revisions

The Federal Reserve Board announced on March 25, 1991, revisions to Regulation P (Minimum Security Devices and Procedures for Federal Reserve Banks and State Member Banks). The revisions become effective May 1, 1991.

The revisions update the current rules adopted in 1969, simplify and clarify the rule's existing areas of flexibility, eliminate many obsolete or technical requirements, particularly those in appendix A, and delete references to required reports after elimination of reporting requirements in this area by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

The revisions do not otherwise substantively change the regulation, which is already relatively brief and flexible, and add no new regulatory burden.

Proposed Actions

The Federal Reserve Board issued for public comment on March 6, 1991, proposed enhancements to certain Federal Reserve Bank services and proposed new services related to checks not collected through the Federal Reserve. Comments are due by June 28, 1991.

Changes in Board Staff

The Board of Governors announced on March 28, 1991, the appointment of Kathleen M. O'Day to the official staff as Assistant General Counsel. She will assist the Legal Division on international banking issues, including managing cases arising under the International Banking Act and the Bank Holding Company Act.

In addition, the Board of Governors announced the promotion of Scott G. Alvarez from Assistant General Counsel to Associate General Counsel. Mr. Alvarez will continue to be responsible for the Banking Structure Program in the Legal Division.

Ms. O'Day joined the Board's staff in 1978 as an attorney. She was promoted to Senior Counsel in 1983. Ms. O'Day holds a B.A. from Assumption College and a J.D. from Boston College Law School.

ANNUAL REPORT: *PUBLICATION*

The *77th Annual Report, 1990*, of the Board of Governors of the Federal Reserve System, covering operations for the calendar year 1990, is available for distribution. Copies may be obtained on request to Publications Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. A separately printed companion document, entitled *Annual Report: Budget Review, 1990–91*, describes the budgeted expenses of the Federal Reserve System for 1991 and compares them with expenses for 1989 and 1990; it is also available from Publications Services.

ANNUAL STATISTICAL DIGEST, 1980–89: *PUBLICATION*

The *Annual Statistical Digest, 1980–89* is now available. This ten-year *Digest* is designed as a compact source of economic, and especially financial, data. The *Digest* provides a single source of historical continuations of the statistics carried regularly in the *Federal Reserve Bulletin*.

This issue of the *Digest* covers 1980–89. It serves to maintain the historical series first published in *Banking and Monetary Statistics, 1941–1970*, and the *Digest* for 1970–79 and yearly issues thereafter. A *Concordance of Statistics* will be included with all orders. The *Concordance* provides a guide to tables that cover the same material in the previous two years' issues of the *Digest*, the ten-year *Digest* for 1980–89, and the *Bulletin*.

Copies of the *Digest* at $25.00 each are available from Publications Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Record of Policy Actions of the Federal Open Market Committee

MEETING HELD ON FEBRUARY 5-6, 1991

1. Domestic Policy Directive

The information reviewed at this meeting suggested that economic activity had weakened further. A persisting low level of consumer confidence, related partly to the uncertainties surrounding the Persian Gulf situation, and reduced real disposable incomes continued to depress consumer demand; and business investment spending, especially for structures, remained in a downtrend. With businesses attempting to maintain tight control over inventories as demand weakened, industrial production and nonfarm payroll employment had declined sharply. Broad measures of prices indicated some moderation of inflation toward the end of 1990, largely as a result of lower energy prices. The latest data suggested some deceleration in wages and overall labor costs.

Total nonfarm payroll employment fell sharply in January, and a larger drop than previously reported was now indicated for December. The contraction in employment in January was especially heavy in the construction sector, only partly reflecting unseasonably wet weather in some sections of the country, and widespread job losses were registered in manufacturing, notably in durable goods. The civilian unemployment rate edged higher in January to 6.2 percent.

Industrial output declined markedly in the fourth quarter, and partial data suggested a further drop for January. A sizable portion of the reduction reflected cutbacks in the production of motor vehicles, but output also was down in most other industries. Declines in production were especially large for computers, construction supplies, and a wide range of non-auto consumer durables. Capacity utilization in manufacturing continued to fall in December; in most industries, operating rates were down substantially from their recent peaks and from their longer-run averages.

Partly reflecting lackluster sales during the holiday season, consumer spending in real terms was soft in the fourth quarter. Outlays for goods were considerably below the levels seen earlier in the year, and while spending for services rose further, the fourth-quarter gain was well below that recorded in previous quarters. Total private housing starts declined substantially further in the fourth quarter; sales of new homes remained weak through year-end, and home prices continued to slip.

Shipments of nondefense capital goods were about unchanged in the fourth quarter. Aircraft purchases remained at the robust third-quarter level, while business outlays for motor vehicles dropped sharply after a third-quarter spike in fleet sales. Outside the transportation sector, equipment spending advanced appreciably, mainly reflecting strong increases in spending for computers. New orders for business equipment pointed to a softening in spending for such goods in coming months. Available data indicated that nonresidential construction activity fell sharply in the fourth quarter. In a period of weak sales, total manufacturing and trade inventories, measured on a constant-cost basis, increased a little further on balance over October and November, and the ratio of stocks to sales rose only slightly, reflecting strong efforts by businesses to keep inventories in line with sales.

In the October–November period, strong exports cushioned to some extent the drop in production and output in the United States; nonagricultural exports were up substantially over the third-quarter average, with substantial increases recorded in all major trade categories except aircraft and computers. Despite the strength in exports, the nominal U.S. merchandise trade deficit for the two months combined was at a higher rate than in the third quarter because of rising oil prices, which brought a sharp increase in the value of oil imports. Growth in most major foreign industrial countries appeared to have slowed somewhat in the fourth quarter. In many of these countries, lower oil prices late in the year had brought some moderation in consumer price inflation.

In December, a sizable decline in producer prices of finished goods more than offset the November rise, as prices of both food and energy products moved sharply lower. For other finished goods, producer prices increased in the fourth quarter at about the moderate pace evident in the three previous quarters. Lower oil prices and a slowing in food price increases also damped the rise in consumer prices in December. Excluding the food and energy components, consumer inflation was a little lower on balance in November and December than in earlier months of 1990. Total compensation costs of private industry workers rose more slowly in the fourth quarter and also increased a bit less for the year than in 1989.

At its meeting on December 18, the Committee adopted a directive that called for an initial slight reduction in the degree of pressure on reserve positions and for giving particular weight to potential developments that might require some further easing later in the intermeeting period. To reflect the tilt toward further easing, the directive indicated that, subsequent to the initial move, somewhat lesser reserve restraint would be acceptable, or slightly greater reserve restraint might be acceptable, during the intermeeting period depending on progress toward price stability, the strength of the business expansion, the behavior of the monetary aggregates, and developments in foreign exchange and domestic financial markets. The Committee also noted that open market operations might need to take account of a possible reduction in the discount rate early in the intermeeting period. The contemplated reserve conditions were expected to be consistent with expansion of M2 and M3 over the period from November through March at annual rates of about 4 and 1 percent respectively.

Immediately after the Committee meeting, the Board of Governors approved a reduction in the discount rate from 7 to 6½ percent; afterwards, open market operations were directed at allowing part of this decline to show through to short-term interest rates more generally. Another easing step was taken in early January in response to weak money growth and considerable softness in the economy. Subsequently, on February 1, the Board approved a further reduction in the discount rate to 6 percent; this action was taken in response to indications that economic activity was slackening further, growth in money and credit continued sluggish, and inflation pressures were abating. In this instance, open market operations permitted the full reduction in the discount rate to be reflected in money market rates. Adjustment plus seasonal borrowing fluctuated widely over the intermeeting period; borrowing was well above expected levels during much of the period as banks adapted to the phase-out of the reserve requirement on nonpersonal time deposits and net Eurocurrency liabilities; the phase-out reduced required reserve balances to levels that at times proved to be insufficient for the clearing needs of many banks.

The federal funds rate averaged around 7¼ percent just before the December meeting. Late in the intermeeting period, after the two cuts in the discount rate and the monetary easing through open market operations, the federal funds rate averaged a little above 6¼ percent. Over the intermeeting period, however, the funds rate was unusually volatile; key factors behind this volatility included the phase-out of the nontransaction reserve requirement, balance-sheet adjustments undertaken near year-end, and some reserve projection misses near the ends of maintenance periods. Other short-term interest rates also fell considerably over the intermeeting period; private money market rates declined more than Treasury bill rates, reflecting a reduction in the pronounced risk premiums that had been built into private short-term rates ahead of year-end. Yields in longer-term markets were unchanged to down slightly, and broad indexes of stock prices rose appreciably on balance over the period.

In foreign exchange markets, the trade-weighted value of the dollar in terms of the other G-10 currencies advanced in the early part of the intermeeting period as market participants sought a safe haven for their funds in the face of diminishing prospects for a peaceful settlement in the Persian Gulf region. The dollar also was buoyed, especially against the German mark, by market perceptions that political conditions were deteriorating in the Soviet Union. The early successes of the Allied forces in the Gulf war brought a reduction in safe-haven demands, and the dollar began to decline in the latter half of January. After an increase in the German Bundesbank's official lending rates and the reduction the next day in the Federal Reserve's discount rate, the dollar dropped sharply. On balance, the dollar was down somewhat over the intermeeting period.

Growth of M2 remained sluggish in December and January, running at a pace below the path expected by the Committee; expansion of M3 picked up in January from the very slow pace of previous months. The continuing weakness in M2 despite an appreciable narrowing in opportunity costs appeared to reflect in part heightened concerns about the financial condition of many depository institutions in the wake of the closing of privately insured banks and credit unions in Rhode Island and the failure of the Bank of New England. For the year 1990, M2 and M3 grew at rates in the lower portions of the Committee's ranges. Expansion of total domestic nonfinancial debt appeared to have been near the midpoint of its monitoring range for the year.

The staff projection prepared for this meeting, which was assembled against the background of the outbreak of hostilities in the Persian Gulf region, pointed to some further decline in economic activity in the near term. The length and intensity of the war was a matter of conjecture, but the projection was based on the assumption that the war would end within the next few months and would have little further effect on world oil supplies and the level of oil prices. The projection also assumed that constraints on the supply of credit would persist to some degree through the rest of the year. In the near term, concerns emanating from the war, reduced credit availability, and financial fragility were expected to continue to damp consumer and business confidence and, by depressing private domestic demand, to push manufacturing activity still lower. Subsequently, economic growth was expected to resume in association with the support provided by further gains in exports, the stimulative effects of sharp declines in oil prices and short-term interest rates, and some improvement in consumer and business sentiment as the war drew to a close. Increases in business orders and sales could be expected to bring a prompt pickup in production, given lean inventories, and with some lag a rise in business spending for investment goods other than commercial structures; severe problems of excess supply were expected to inhibit any recovery in commercial construction for an extended period. With oil prices lower and some added slack expected in resource utilization, the staff projected a slowing in the pace of increases in prices and labor costs in coming quarters.

In the Committee's review of economic developments, members commented that the outbreak of war in the Persian Gulf region had heightened the already substantial uncertainties bearing on the outlook for the economy. A relatively mild recession followed by a moderate upturn in economic activity was still regarded as a reasonable expectation, assuming that the war would not be prolonged and that oil prices would remain at substantially reduced levels. However, the risks clearly were on the downside, and a very sluggish recovery or indeed a deep and relatively long recession could not be ruled out. Business and consumer confidence, a critical factor underlying the economic outlook, already was quite negative and was subject to further erosion stemming from financial strains and credit constraints in the domestic economy as well as from unpredictable developments in the Middle East. On the positive side, members saw growing indications of some moderation in underlying inflation pressures; and in light of the increasing slack in labor and capital markets and the slower growth of money over a period of years, they believed that considerable progress in reducing inflation was likely to be made in the year ahead.

In conformance with the practice at meetings when the Committee establishes its long-run ranges for growth of the money and debt aggregates, the Committee members and the Federal Reserve Bank presidents not currently serving as members had prepared projections of economic activity, the unemployment rate, and inflation for the year 1991. For the period from the fourth quarter of 1990 to the fourth quarter of 1991, the forecasts for growth of real GNP had a central tendency of ¾ percent to 1½ percent. These forecasts assumed an upturn in economic activity later in the year and subsequent expansion at a pace that was consistent with continued progress toward price stability. Estimates of the civilian rate of unemployment in the fourth quarter of 1991 were concentrated in a range of 6½ percent to 7 percent. On the assumption that oil prices would remain near their recent levels and in the context of reduced pressures on resources, all of the members expected a sizable decline in the rate of inflation from the pace in 1990; as measured by the consumer price index, the central tendency of their projections was in a range of 3¼ percent to 4 percent for the year, compared with an actual rise of 6¼ percent in 1990. Forecasts of growth in nominal

GNP had a central tendency of 3¾ percent to 5¼ percent.

In their comments about the prospects for business activity, the members gave considerable attention to the uncertainties and concerns that were exerting a depressing effect on business and consumer confidence. The rapidly evolving situation in the Middle East undoubtedly was contributing an element of caution to spending plans, but the problems of many financial institutions and the financial difficulties of heavily indebted business firms and individuals were adding to the generally somber economic climate. Not only had financial problems affected attitudes, but constraints on the availability of credit to many borrowers with limited or no access to alternative sources of financing were having a retarding effect on business activity and could limit the vigor of the expected expansion. Many financial problems were the legacy of financial excesses of the past decade, notably those associated with the financing of speculative real estate ventures and highly leveraged restructurings of business firms. While some progress was being made in addressing such problems, a good deal of time undoubtedly would be needed before many troubled lending institutions again became important suppliers of new credit and before many business firms were able to access credit sufficient to support increases in spending. Such financial difficulties were likely to have continuing effects on business and consumer attitudes and to constrain business activity to some extent even if there were a relatively prompt end to the hostilities in the Middle East. Nonetheless, members pointed to a number of promising developments bearing on the prospects for the economy, notably the substantial declines that had occurred in interest rates, including key long-term rates, the sharp drop in oil prices, and the improved competitive position of U.S. businesses in world markets stemming from the depreciation of the dollar. Members also noted that despite the generally negative sentiment in the business community and among many consumers, the performance of the stock market, including the shares of banking organizations, had been surprisingly strong; while such a development had to be interpreted with caution in terms of its implications for future business activity, it suggested that many investors viewed the economic outlook with some degree of optimism.

Turning to current and prospective developments in different parts of the country and sectors of the economy, members reported further indications of some softening in business conditions in several regions, including areas where business activity previously had been relatively well maintained in comparison with national trends. Much of the weakness tended to be concentrated in manufacturing, primarily the production of motor vehicles and associated inputs and of other durable goods, and in construction. At the same time, however, there were indications that business conditions were no longer deteriorating in some areas and might indeed be improving somewhat with attendant gains in local business confidence. The outbreak of war seemed to be having little effect thus far on overall domestic manufacturing activity, though some firms were reported to have increased their production of defense-related goods.

The prospects for consumer spending remained the key uncertainty in the outlook for overall economic activity. It was unclear at this point how consumers would respond to unfolding developments in the Middle East. There were widespread reports that retail sales had dropped sharply after the outbreak of hostilities in mid-January, but that development seemed to represent at least in part a temporary reaction associated with the diversion of attention to the reporting of military events. Indeed, there were indications or at least expectations among businessmen that consumer behavior would return to a more normal pattern, though perhaps tending to the weak side, in the period ahead. For the present, however, consumer sentiment clearly remained depressed, and many anxious consumers seemed unwilling, or at least reluctant, to make discretionary purchases. As a consequence business contacts, such as those in the motor vehicles industry, remained concerned about the outlook for sales at least for the nearer term. Over time, the end of hostilities in the Middle East would improve consumer confidence, and the drop in oil prices, if sustained, would have a positive effect on consumer purchasing power.

A significant rebound in consumer spending was likely to be followed fairly promptly by increased production of consumer goods, given generally lean business inventories, and with some lag by greater output of producer equipment. At the same time, construction activity would probably remain depressed in light of the high vacancy rates in existing commercial structures across the country and the weakness in residential real estate markets in many areas. Construction expenditures by state and local governments also appeared likely to be restrained, given the financial problems of many of these governments, but members noted that some major public works projects had been financed or were under way in a few areas.

Members continued to anticipate further expansion in exports stemming importantly from the nation's improved competitive position associated with the substantial decline in the foreign exchange value of the dollar. Views differed to some extent, however, with regard to the strength and potential contribution of the export sector to domestic economic activity. Some members stressed that relatively depressed economic conditions in a number of major foreign industrial nations were likely to limit U.S. exports to those countries. Moreover, developments in the Middle East already had curbed foreign sales of some domestic goods, notably agricultural products. At the same time, many manufacturing firms continued to report receptive export markets, and production for such markets was helping to offset weakness in domestic demand. However, a substantial further decline in the foreign exchange value of the dollar would not be a welcome development; such a decline, should it occur, might well foster higher domestic bond yields and could give rise to protectionist reactions abroad to the detriment of further gains in U.S. exports.

With regard to the outlook for inflation, the members saw favorable prospects for considerable progress in the year ahead. There were growing indications that the core rate of inflation would trend down. Currently available statistics might not yet be fully capturing the extent of the underlying improvement in inflation, though it already was clear that some downward adjustment was occurring in the crucial area of wages. With regard to future prospects, several members stressed that the slowing in monetary growth over a period of years was likely to be reflected increasingly in lower inflation. The slack in labor and capital resources probably would have a restraining effect on underlying inflation pressures over the next several quarters. Evidence of such a development included indications of strong competition in markets for a wide range of products and reports of adjustments in the pricing policies of many business firms. The members recognized that the effects of earlier declines in the dollar on the prices of imported goods and competing domestic products would tend to maintain some upward pressure on the overall price level for a time; however, they assumed for the purpose of their forecasts that there would not be any further change in the value of the dollar of a magnitude that would affect domestic prices over the projection horizon and that oil prices would remain near recent lower levels.

Against the background of the members' views on the economic outlook and in keeping with the requirements of the Full Employment and Balanced Growth Act of 1978 (the Humphrey-Hawkins Act), the Committee reviewed the ranges for growth of the monetary and debt aggregates in 1991 that it had established on a tentative basis in July 1990. The tentative ranges included expansion of 2½ percent to 6½ percent for M2 and 1 percent to 5 percent for M3, measured from the fourth quarter of 1990 to the fourth quarter of 1991. The monitoring range for growth of total domestic nonfinancial debt had been set provisionally at 4½ percent to 8½ percent for 1991. The ranges for M2 and nonfinancial debt involved reductions of ½ percentage point from those that were reaffirmed in July for the year 1990; the M3 range for 1990 had been lowered by 1½ percentage points in July and no further reduction had been made in the tentative M3 range for 1991.

In the Committee's discussion of the ranges for 1991, which mainly focused on M2, most of the members indicated a preference for affirming the ranges that had been established on a tentative basis in July. Insofar as could be judged under present circumstances, the tentative ranges offered in this view the best prospects of balancing and accommodating the Committee's objectives of a prompt recovery in business activity and continuing progress toward reducing inflation. Many of the members conceded that in light of the current uncertainties surrounding the relationship between money growth and economic performance, somewhat higher or somewhat lower ranges also were defensible. For example, it was unclear to what extent the relatively slow growth of M2 in relation to that of nominal income, allowing for the effects of movements in interest rates, would persist during the year ahead; a return to a more normal pattern in this relationship would have a substantial effect on the rate of M2 growth that was consistent with a satisfactory economic performance. The Committee needed to be prepared to revise those ranges at midyear as interim economic or financial developments might warrant. Members also noted the risk that market participants might misinterpret the implications of any changes in the ranges for the conduct of monetary policy during the year. Increasing the ranges could raise questions about the System's commitment to its anti-inflationary goals, while lowering them, especially in the context of already weak money growth, could lead to concerns about the System's objective of fostering an upturn in business activity. Moreover, a reduction in the M2 range might have to be reversed later if the behavior of money resumed a more normal pattern in relation to income; such a reversal would interrupt the Committee's practice of gradually reducing its growth ranges and could have adverse repercussions on the credibility of the System's anti-inflationary policy. Accordingly, most of the members concluded that the tentative range for M2, which already incorporated a reduction from 1990, represented an appropriately balanced approach, based on current expectations with regard to the behavior of velocity, to promoting the Committee's objectives.

Expressing a differing opinion, two members indicated that they preferred a somewhat higher range for M2, in part to provide a better signal of the System's determination to cushion the recession and foster a quick recovery in business activity. The midpoint of the higher range would call for some make-up of the shortfall in M2 growth from the midpoints of the ranges established for this aggregate in recent years. Moreover, growth of M2 at or near the bottom of the tentative range would pose an unacceptable risk of inadequate monetary stimulus that could fail to cushion possible further deterioration in the economy. On the other hand, a preference was expressed for a somewhat lower range to underline the System's commitment to price stability. The midpoint of such a range would not imply a change from the average growth of recent years, and the upper end would trigger a prompter policy response should the recovery be stronger than anticipated with potential inflationary implications.

With regard to M3, all of the members favored adoption of the tentative range that had been set provisionally in July. While that range was unchanged from that for 1990, as revised at midyear, it incorporated a substantial reduction from the M3 ranges of previous years. The members anticipated that growth of M3 would remain below that of M2 as a consequence of the continuing restructuring of thrift depository institutions this year and the likelihood of restrained growth in bank credit. However, the effect on overall credit growth seemed likely to be attenuated by the continuing rechanneling of credit extensions through financial markets or lenders other than depository institutions. In the circumstances, a relatively low range for M3 was expected to prove consistent with the Committee's goals for the economy.

All of the members found acceptable the monitoring range of 4½ percent to 8½ percent that the Committee had established on a provisional basis for growth of total domestic nonfinancial debt in 1991. That range, which represented a further step in a series of annual reductions, took into account the prospect that federal borrowing was likely to be robust in 1991, owing in part to borrowing associated with outlays by the Resolution Trust Corporation but more generally to the likely weakness of federal revenues in a year of relatively sluggish economic activity. On the other hand, growth in borrowing by domestic nonfederal sectors was expected to moderate. Demands for credit would be held down by limited expansion in domestic spending and the increased caution on the part of both businesses and households in taking on debt, while the terms and conditions set by many suppliers of credit would remain tight.

At the conclusion of the Committee's discussion, all but one of the members indicated that they favored or could accept the ranges for 1991 that the Committee had established on a tentative basis at its meeting in July 1990. In keeping with the Committee's usual procedures under the Humphrey-Hawkins Act, the ranges would be reviewed at midyear, or sooner if deemed necessary, in light of the behavior of the aggregates and ongoing economic and financial developments. The Committee approved the following paragraph for inclusion in the domestic policy directive:

> The Federal Open Market Committee seeks monetary and financial conditions that will foster price stability, promote a resumption of sustainable growth in output, and contribute to an improved pattern of international transactions. In furtherance of these objectives, the Committee at this meeting established ranges for growth

of M2 and M3 of 2½ to 6½ percent and 1 to 5 percent, respectively, measured from the fourth quarter of 1990 to the fourth quarter of 1991. The monitoring range for growth of total domestic nonfinancial debt was set at 4½ to 8½ percent for the year. With regard to M3, the Committee anticipated that the ongoing restructuring of thrift depository institutions would continue to depress its growth relative to spending and total credit. The behavior of the monetary aggregates will continue to be evaluated in the light of progress toward price level stability, movements in their velocities, and developments in the economy and financial markets.

Votes for this action: Messrs. Greenspan, Corrigan, Angell, Black, Keehn, Kelley, LaWare, Mullins, Parry, and Ms. Seger. Vote against this action: Mr. Forrestal.

Mr. Forrestal dissented because he wanted to retain the 1990 range of 3 to 7 percent for M2 growth in 1991. He was concerned that monetary growth in 1990 was the lowest since monetary targeting began. Moreover, in the current recessionary environment, the 3 to 7 percent range with its somewhat higher minimum growth rate would provide a better basis for conveying and implementing the Committee's goals of fostering a prompt upturn in economic activity and subsequent expansion at a sustained and acceptable pace. In addition, the midpoint of this range appeared to be consistent with continued progress toward price stability.

In the Committee's discussion of policy for the intermeeting period ahead, all of the members endorsed a proposal to maintain unchanged conditions in reserve markets, at least initially, following this meeting. In reaching their decision, members took into account the considerable easing of monetary policy that had been implemented in a series of steps over the course of recent months, including the reduction in the discount rate and related decrease in money market interest rates within the last few days. The System's policy actions, in the context of a weakening economy and moderating cost pressures, had induced a considerable decline in interest rates, but sufficient time had not yet elapsed for the effects of the lower rates to be felt in the economy or indeed to any measurable extent in the growth of the monetary aggregates. A number of members also commented on the possibility that further easing so soon after the recent policy moves could result in undesirable downward pressure on the dollar in foreign exchange markets. In these circumstances, while views differed with regard to the potential need for further easing moves, the members agreed that for now it was desirable to pause and assess the course of the economy and the effects of past policy actions.

As they had at other recent meetings, many of the members expressed concern about the very sluggish expansion of M2 and M3 over the past several months. This weakness in monetary growth in turn appeared to be associated with the current constraints on the availability of credit from depository institutions and the shortfalls in aggregate spending and income. According to a staff analysis prepared for this meeting, a steady policy course was likely to be consistent with some acceleration in monetary growth over the first quarter because earlier declines in market interest rates had reduced the opportunity costs of holding deposit accounts, and the staff assumed some strengthening of aggregate spending over the balance of the quarter. The incomplete data available thus far for the latter part of January tended to support this staff analysis. The members recognized that the short-run behavior of these monetary measures needed to be interpreted with caution and that easing reserve conditions too much would incur the risk of stimulating a sharp rebound in monetary growth and in inflationary pressures once the economic recovery had gathered some momentum. Nonetheless, several members emphasized the desirability of giving relatively high priority to achieving satisfactory rates of growth in reserves and money, especially under prevailing economic and financial conditions.

In the course of the Committee's consideration of possible intermeeting adjustments to the degree of reserve pressure, most of the members expressed a preference for continuing to tilt the directive toward possible easing during the weeks ahead. In this view, the downside risks to the economy and the potential for inadequate monetary growth made it likely that any intermeeting adjustment would be in the direction of easier reserve conditions. Several members also noted that the Committee needed to place a high premium on avoiding any tendency for the weakness in the economy to cumulate because they were more concerned about the severe consequences of a potentially deep and prolonged recession than those of a sharp rebound in the economy, especially given current financial strains and fragilities in the economy. Accordingly, the Committee should be willing to ease in response to evidence of additional weakness in the economy and abatement of inflationary pressures; the need for further easing might be signaled in part by a continuing shortfall in monetary growth. In following such a policy, however, a number of members stressed that the Committee would need to be prepared to tighten policy promptly down the road in the event that inflationary pressures should threaten to re-emerge. A few members, while acknowledging the potential need for some easing, preferred not to bias the directive in either direction. In this view, there were considerable risks of overreacting to indications of a weakening economy, particularly since conditions for a recovery in economic activity already appeared to be in place and weak data for the period at the start of the Persian Gulf war might well reflect what would prove to be a short-lived development.

At the conclusion of the Committee's discussion, all of the members indicated that they favored a directive that called for maintaining the existing degree of pressure on reserve positions. They also noted their preference or acceptance of a directive that gave special weight to potential developments that might require some easing during the intermeeting period. Accordingly, the Committee decided that slightly greater reserve restraint might be acceptable during the intermeeting period or somewhat lesser reserve restraint would be acceptable depending on progress toward price stability, the strength of the business expansion, the behavior of the monetary aggregates, and developments in foreign exchange and domestic financial markets. The reserve conditions contemplated at this meeting were expected to be consistent with some pickup in the growth of M2 and M3 to annual rates of around 3½ percent to 4 percent over the three-month period from December to March.

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

The information reviewed at this meeting suggests further weakening in economic activity. Total nonfarm payroll employment fell sharply further in December and January, reflecting widespread job losses that were especially pronounced in manufacturing and construction; the civilian unemployment rate rose to 6.2 percent in January. Industrial output declined markedly in the fourth quarter, in part because of sizable cutbacks in the production of motor vehicles, and partial data suggest a further drop in January. Consumer spending has remained soft. Advance indicators of business capital spending point to considerable weakness in investment in coming months. Residential construction has declined substantially further in recent months. The nominal U.S. merchandise trade deficit narrowed in November, as the value of imports declined more than that of exports; the average deficit for October and November exceeded that for the third quarter. Increases in consumer prices moderated and producer prices changed little in November and December, largely as a result of a softening in energy prices. The latest data suggest some further deceleration in wages and overall labor costs.

Short-term interest rates have fallen considerably since the Committee meeting on December 18, while rates in longer-term markets are unchanged to down slightly. The Board of Governors approved a reduction in the discount rate from 7 to 6½ percent on December 18 and a further reduction to 6 percent on February 1. In foreign exchange markets, the trade-weighted value of the dollar in terms of the other G-10 currencies has declined somewhat on balance over the intermeeting period.

Growth of M2 remained sluggish in December and January; expansion of M3 picked up in January from the very slow pace of recent months. For the year 1990, M2 and M3 expanded at rates in the lower portions of the Committee's ranges for the year. Expansion of total domestic nonfinancial debt appears to have been near the midpoint of its monitoring range for the year.

The Federal Open Market Committee seeks monetary and financial conditions that will foster price stability, promote a resumption of sustainable growth in output, and contribute to an improved pattern of international transactions. In furtherance of these objectives, the Committee at this meeting established ranges for growth of M2 and M3 of 2½ to 6½ percent and 1 to 5 percent, respectively, measured from the fourth quarter of 1990 to the fourth quarter of 1991. The monitoring range for growth of total domestic nonfinancial debt was set at 4½ to 8½ percent for the year. With regard to M3, the Committee anticipated that the ongoing restructuring of thrift depository institutions would continue to depress its growth relative to spending and total credit. The behavior of the monetary aggregates will continue to be evaluated in the light of progress toward price level stability, movements in their velocities, and developments in the economy and financial markets.

In the implementation of policy for the immediate future, the Committee seeks to maintain the existing degree of pressure on reserve positions. Depending upon progress toward price stability, trends in economic activity, the behavior of the monetary aggregates, and developments in foreign exchange and domestic financial markets, slightly greater reserve restraint might or somewhat lesser reserve restraint would be acceptable in the intermeeting period. The contemplated reserve conditions are expected to be consistent with growth of both M2 and M3 over the period from December through March at annual rates of about 3½ to 4 percent.

Votes for the paragraph on short-run policy implementation: Messrs. Greenspan, Corrigan, Angell, Black, Forrestal, Keehn, Kelley, LaWare, Mullins, Parry, and Ms. Seger. Votes against this action: None.

2. *Agreement to "Warehouse" Foreign Currencies*

At its meeting on March 27, 1990, the Committee approved an increase, if requested by the Treasury, from $10 billion to $15 billion in the amount of eligible foreign currencies that the System would be prepared to "warehouse" for the Treasury and the Exchange Stabilization Fund (ESF). The purpose of the warehousing facility is to supplement the resources of the Treasury and the ESF for financing their purchases of foreign currencies. System holdings of foreign currencies under the facility had risen to $9.0 billion, based on acquisition costs, in March 1990, but subsequent ESF repayments had reduced the total to $4.5 billion by November 1, 1990.

At this meeting, the Committee decided to reduce the limit to $10.0 billion. Such a limit would provide an adequate cushion of unused capacity and thus maintain operational flexibility to respond on short notice to unanticipated developments.

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

Legal Developments

FINAL RULE—REVISION TO REGULATION P

The Board of Governors is amending 12 C.F.R. Part 216, its Regulation P (Security Devices and Procedures) to reflect changes in the technology of security devices, and to implement changes made by the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA"). The revision incorporates amendments made to the Bank Protection Act of 1968 by FIRREA and provides banks with the flexibility to avoid the technical obsolescence that occurred with the existing regulation.

Effective May 1, 1991, 12 C.F.R. Part 216 is revised as follows:

Part 216—Security Procedures

Section 216.1 Authority, purpose, and scope
Section 216.2 Designation of security officer
Section 216.3 Security program
Section 216.4 Report
Section 216.5 Federal Reserve Banks

1. The authority citation for Part 216 continues to read as follows:

Authority: 12 U.S.C. §§ 1881-1884.

2. Section 216.1 is revised to read as follows:

Section 216.1—Authority, purpose, and scope.

(a) This regulation is issued by the Board of Governors of the Federal Reserve System (the "Board") pursuant to section 3 of the Bank Protection Act of 1968 (12 U.S.C. § 1882). It applies to Federal Reserve Banks and state banks that are members of the Federal Reserve System. It requires each bank to adopt appropriate security procedures to discourage robberies, burglaries, and larcenies, and to assist in the identification and prosecution of persons who commit such acts.
(b) It is the responsibility of the member bank's board of directors to comply with this regulation and ensure that a written security program for the bank's main office and branches is developed and implemented.

3. Section 216.2 is revised to read as follows:

Section 216.2—Designation of security officer.

Upon becoming a member of the Federal Reserve System, a state bank's board of directors shall designate a security officer who shall have the authority, subject to the approval of the board of directors to develop, within a reasonable time, but no later than 180 days, and to administer a written security program for each banking office.

4. Section 216.3 is revised to read as follows:

Section 216.3—Security program.

(a) *Contents of security program.* The security program shall:
(1) establish procedures for opening and closing for business and for the safekeeping of all currency, negotiable securities, and similar valuables at all times;
(2) establish procedures that will assist in identifying persons committing crimes against the institution and that will preserve evidence that may aid in their identification and prosecution. Such procedures may include, but are not limited to:
(i) maintaining a camera that records activity in the banking office;
(ii) using identification devices, such as prerecorded serial-numbered bills, or chemical and electronic devices; and
(iii) retaining a record of any robbery, burglary, or larceny committed against the bank;
(3) provide for initial and periodic training of officers and employees in their responsibilities under the security program and in proper employee conduct during and after a burglary, robbery, or larceny; and
(4) provide for selecting, testing, operating, and maintaining appropriate security devices, as specified in paragraph (b) of this section.

(b) *Security devices.* Each member bank shall have, at a minimum, the following security devices:
(1) a means of protecting cash and other liquid assets, such as a vault, safe, or other secure space;

(2) a lighting system for illuminating, during the hours of darkness, the area around the vault, if the vault is visible from outside the banking office;
(3) tamper-resistent locks on exterior doors and exterior windows that may be opened;
(4) an alarm system or other appropriate device for promptly notifying the nearest responsible law enforcement officers of an attempted or perpetrated robbery or burglary; and
(5) such other devices as the security officer determines to be appropriate, taking into consideration:
(i) the incidence of crimes against financial institutions in the area;
(ii) the amount of currency and other valuables exposed to robbery, burglary, and larceny;
(iii) the distance of the banking office from the nearest responsible law enforcement officers;
(iv) the cost of the security devices;
(v) other security measures in effect at the banking office; and
(vi) the physical characteristics of the structure of the banking office and its surroundings.

5. Section 216.4 is revised to read as follows:

Section 216.4—Report.

The security officer for each member bank shall report at least annually to the bank's board of directors on the implementation, administration, and effectiveness of the security program.

6. Section 216.5 is revised to read as follows:

Section 216.5—Federal Reserve Banks.

Each Reserve Bank shall develop and maintain a written security program for its main office and branches subject to review and approval of the Board.

Orders Approved Under Section 3 of the Bank Holding Company Act

Cherokee Bancorp
Centre, Alabama

Order Denying Formation of a Bank Holding Company

Cherokee Bancorp, Centre, Alabama ("Cherokee"), has applied for the Board's approval, pursuant to section 3(a)(1) of the Bank Holding Company Act ("BHC Act") (12 U.S.C. § 1842(a)(1)) to become a bank holding company by acquiring approximately 85 percent of the voting shares of Farmers and Merchants Bank, Centre, Alabama ("Bank").

Notice of the application, affording interested persons an opportunity to submit comments, has been published (55 *Federal Register* 10,287 (1990)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the BHC Act.

Cherokee is a nonoperating company formed for the purpose of acquiring Bank. Bank is the 87th largest commercial banking organization in Alabama, controlling deposits of $29.5 million, representing less than 1 percent of the total deposits in commercial banking organizations in the state.[1]

In evaluating this application, the Board is required, under section 3 of the BHC Act, to consider the financial and managerial resources of Cherokee and Bank and the effect of the proposed acquisition on those resources and on the future prospects of both Cherokee and Bank. The Board previously has stated that a bank holding company should serve as a source of financial and managerial strength to its subsidiary banks, and that the Board would closely examine the condition of an applicant and its subsidiaries in each case with this consideration in mind.[2] The Board also has cautioned against the assumption of substantial debt by a bank holding company because of concern that a holding company with substantial debt would not have the financial flexibility necessary to meet unexpected problems in its subsidiary banks and could be forced to place substantial demands on its subsidiary banks to meet its debt servicing requirements.[3]

The Board notes that Bank is in weakened financial condition and is in need of financial and managerial support. While this proposal would inject new capital into Bank, debt constitutes a significant proportion of Cherokee's financing of this proposal. Cherokee projects that it will be able to reduce the acquisition debt in a manner consistent with Board policy. In light of the historical performance and the overall financial condition of Bank and Cherokee, however, Cherokee's earnings projections appear to be overly optimistic. Upon careful evaluation of more conservative projections, and based on more recent performance of Bank, it is the Board's judgment that, at this time, Cherokee would not have sufficient financial flexibility to service its debt without unduly straining the re-

1. Banking data are as of June 30, 1990.
2. 12 C.F.R. 225.4(a).
3. *See St. Croix Valley Bancshare, Inc.*, 75 *Federal Reserve Bulletin* 575 (1989); *F.N.B.A. Holding Company, Inc.*, 75 *Federal Reserve Bulletin* 711 (1989).

sources of the Bank. Moreover, based on the record, it does not appear that Cherokee would have the financial resources to meet any unexpected problems that may arise at Bank.

In addition, Bank's management would remain substantially the same after consummation of this proposal and current management has not demonstrated that it can provide the improvement in the performance of Bank necessary to support the debt contemplated by this proposal. Based on the record, it does not appear that Cherokee would be able to serve as a source of financial or managerial strength or would have the resources to meet any unexpected problems that may arise at its bank subsidiary. Accordingly, based on a review of all the facts of record, including relevant examination materials, the Board concludes that considerations relating to financial and managerial resources are not consistent with approval. Considerations relating to competitive factors, future prospects and the convenience and needs of the community do not lend sufficient weight to warrant approval of this application.

Based on all of the facts of record in this case, the Board believes that adverse considerations relating to financial and managerial resources of Cherokee and Bank are not outweighed by any other factors. Accordingly, it is the Board's judgment that approval of this application would not be in the public interest and that the application should be, and hereby is, denied.

By order of the Board of Governors, effective March 4, 1991.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

Citicorp
New York, New York

Order Approving the Acquisition of a Bank Holding Company

Citicorp, New York, New York ("Citicorp"), 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 all of the voting shares of De Anza Holding Corporation, Sunnyvale, California ("De Anza)", and thereby indirectly acquire De Anza's subsidiary bank, De Anza Bank, Sunnyvale, California ("Bank").

Notice of the application, affording interested persons an opportunity to comment, has been published (55 *Federal Register* 43,035 (1990)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the BHC Act.

Section 3(d) of the BHC Act (12 U.S.C. § 1842(d)), the Douglas Amendment, prohibits the Board from approving an application by a bank holding company to acquire control of any bank located outside the bank holding company's home state unless such acquisition "is specifically authorized by the statute laws of the State in which [the] bank is located, by language to that effect and not merely by implication."[1] Citicorp's home state is New York.[2]

Effective January 1, 1991, the California interstate banking statute expressly authorizes bank holding companies located in other states to acquire existing California banks and bank holding companies, if there is substantial reciprocity between California law and the law of the home state of the acquiring out-of-state bank holding company.[3] The laws of New York provide for similar reciprocal out-of-state acquisitions by expressly authorizing out-of-state bank holding companies to acquire New York banking institutions, if the laws of the acquiring out-of-state bank holding company's home state permit reciprocal acquisitions by New York bank holding companies and these laws are not unduly restrictive in administering such reciprocity.[4] The California Superintendent of Banks has determined that the New York interstate banking statute is substantially reciprocal with California law.[5] Based on the foregoing, the Board has determined that the proposed acquisition is specifically authorized by the statute laws of California and that Board approval is not barred by the Douglas Amendment.

Citicorp is the largest banking organization in New York, operating two subsidiary banks with total deposits of $47.1 billion, representing approximately 18.0 percent of the total deposits in commercial banks in New York.[6] Citicorp also controls commercial bank-

1. 12 U.S.C. § 1842(d).

2. A bank holding company's home state is that state in which the operation of the bank holding company's subsidiary banks were principally conducted on July 1, 1966, or the date on which the company became a bank holding company, whichever is later.

3. California law also requires that the acquisition not have an adverse effect upon the public convenience in California and that the California Superintendent of Banks approve the transaction. Cal. Fin. Code §§ 3753, 3756 (West 1991).

4. New York Banking Law § 142-b (McKinney 1990). California law does not impose unduly restrictive conditions on acquisitions by New York bank holding companies.

5. *See* Letter dated January 2, 1991, from James Gilleran, Superintendent of Banks.

6. State deposit data are as of June 30, 1990. Market deposit data are as of June 30, 1988.

ing organizations in ten other states. In California, Citicorp operates a federal savings bank, Citibank Federal Savings Bank, Oakland, California ("Citibank Savings"). Citibank Savings is the 12th largest thrift institution in California, with total deposits of $4.8 billion, representing 2.0 percent of the total deposits of thrift institutions in California. De Anza is the 365th largest commercial banking organization in California, operating a single subsidiary bank, with deposits of $31.1 million, representing less than one percent of the total deposits in commercial banks in California. Based upon the facts of record, the Board concludes that the consummation of this proposal would not have a significantly adverse effect upon the concentration of banking resources in California or New York.

Citicorp, through Citibank Savings, competes directly with De Anza in the San Francisco Vicinity Rand McNally Metropolitan Area ("RMA") banking market.[7] Citicorp is the fourth largest depository organization in that market with $3.1 billion in deposits, representing approximately 4.1 percent of the total deposits held by banks and savings associations operating in the market ("market deposits").[8] De Anza is the 104th largest depository organization in the market, with approximately $30 million in deposits, representing less than one percent of market deposits. Upon consummation of this proposal, Citicorp would remain the fourth largest depository organization in the market, with $3.1 billion in deposits, representing approximately 4.1 percent of market deposits.[9] The Herfindahl–Hirschman Index ("HHI"), upon consummation, would increase by less than one point to 1031.[10] Based on these and other facts of record, the Board concludes that the acquisition would not have a significant adverse effect on competition in the San Francisco vicinity RMA banking market. Consummation also would not result in a significant adverse effect on probable future competition in any relevant banking market.

The Board has considered the financial and managerial resources and future prospects of Citicorp and De Anza, and has determined in the context of this application that these factors are consistent with approval. In addition, considerations relating to the convenience and needs of the communities to be served also are consistent with approval of this application.

Based on the foregoing and other facts of record, the Board has determined that the application should be, and hereby is, approved. In granting this approval, the Board has relied upon Citicorp's commitments and representations, and this approval is conditioned upon Citicorp obtaining all required State approvals. This transaction shall not be consummated before the thirtieth calendar day following the effective date of this Order, or later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of New York, acting pursuant to delegated authority.

By order of the Board of Governors, effective March 18, 1991.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

Key Centurion Bancshares, Inc. Charleston, West Virginia

Order Approving the Acquisition of a Bank Holding Company

Key Centurion Bancshares, Inc., Charleston, West Virginia ("Key Centurion"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied under section 3 of the BHC Act (12 U.S.C. § 1842) to acquire Southern Bankshares, Inc., Beckley, West Virginia ("Southern"), and thereby indirectly acquire both Beckley National Bank, Beckley, West Virginia, and M & M Financial Corporation, an intermediate bank holding company of Southern, and its wholly owned subsidiary, Merchants & Miners National Bank of Oak Hill, both in Oak Hill, West Virginia.

Notice of the applications, affording interested persons an opportunity to submit comments, has been duly published (55 *Federal Register* 53,055 (1990)).

7. The San Francisco Vicinity RMA market is approximated by San Francisco County and portions of San Mateo, Santa Clara, Alemeda, Contra Costa, Solano, Napa, Sonoma, and Marin counties, all in California.

8. The Board previously has indicated that thrift institutions have become, or have the potential to become, major competitors of commercial banks. *Midwest Financial Group*, 75 *Federal Reserve Bulletin* 386 (1989); *CB&T Bancshares, Inc.*, 75 *Federal Reserve Bulletin* 381 (1989); *National City Corporation*, 70 *Federal Reserve Bulletin* 743 (1984). The Board believes that the record in this case supports the inclusion of thrift institutions on a 50 percent weighted basis in the calculation of market share in this market and the deposits in Citibank Savings on a 100 percent weighted basis.

9. The pre-consummation and post-consummation market share data are based on calculations in which the deposits of Citibank Savings have been included on a 100 percent weighted basis, and the deposits of all other savings associations in the market have been included on a 50 percent weighted basis.

10. Under the revised Department of Justice Merger Guidelines, 49 *Federal Register* 26,823 (1984), a market in which the post-merger HHI is between 1000 and 1800 is considered moderately concentrated. In such markets, the Justice Department is unlikely to challenge a merger if the increase in the HHI is less than 100 points.

The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the factors set forth in section 3(c) of the BHC Act.

Key Centurion, which operates 15 banking subsidiaries located in West Virginia and one banking subsidiary located in Kentucky, is the largest banking organization in West Virginia, controlling approximately \$1.8 billion in deposits in West Virginia, representing 12.1 percent of the total deposits in commercial banking organizations in the state.[1] Southern is the 12th largest banking organization in West Virginia, controlling approximately \$256.1 million in deposits in West Virginia, representing 1.8 percent of the total deposits in commercial banking organizations in the state. Upon consummation of the proposed acquisition, Key Centurion would remain the largest commercial banking organization in West Virginia, controlling approximately \$2.1 billion in deposits in West Virginia, representing 13.9 percent of the total deposits in commercial banking organizations in the state. Consummation of the proposal would not result in significantly adverse effects on the concentration of banking resources in West Virginia.

Both Key Centurion and Southern compete directly in the Beckley, West Virginia, banking market.[2] Key Centurion is the sixth largest commercial banking organization in the market, controlling approximately \$46.8 million in deposits, representing 4.9 percent of the total deposits in commercial banking organizations in the market. Southern is the largest commercial banking organization in the market, controlling approximately \$255.0 million in deposits, representing 26.6 percent of the total deposits in commercial banking organizations in the market. Upon consummation of this proposal, Key Centurion would become the largest commercial banking organization in the market, controlling approximately \$301.8 million in deposits, representing 31.5 percent of the total deposits in commercial banking organizations in the market. The proposed transaction would increase the Herfindahl-Hirschman Index ("HHI") in the Beckley banking market by 261 points to 2051.[3]

Several factors mitigate the potential anticompetitive effects of this proposal. Twelve commercial banks would remain as competitors upon consummation of this proposal. The Board has also considered the presence of thrift institutions in this market in its analysis of the proposal.[4]

In addition, there are indications that the Beckley market is attractive for entry. The Beckley market is the largest of 45 markets in West Virginia that do not include a Metropolitan Statistical Area ("MSA") and has a higher population per banking office than similar West Virginia banking markets, both of which would tend to enhance its attractiveness for entry. On average, banks in this market have higher total amounts of deposits per banking office and experience a higher return on assets than banks in other non-MSA West Virginia banking markets, factors which would also make entry relatively attractive. The market's attractiveness for entry was demonstrated in 1990 when a banking subsidiary of West Virginia's seventh largest bank holding company established a branch in the Beckley market on a *de novo* basis.[5] Finally, because West Virginia law has permitted statewide branching since 1984 and nationwide reciprocal branching since 1988,[6] there are many potential entrants to the Beckley banking market.[7]

In light of all the facts in this case, including the presence of thrift institutions in the market, the Beckley market's attractiveness for entry, and the substantial number of competitors that would remain in the market, the Board does not believe that the proposed acquisition would result in a significantly adverse effect on competition in the Beckley banking market.

The financial and managerial resources of Key Centurion and Southern and their future prospects are consistent with approval. Considerations relating to

1. State banking data are as of September 30, 1990. Market share data are as of June 30, 1989.

2. The Beckley banking market is approximated by the West Virginia Counties of Raleigh; Summers; and Fayette (excluding the towns of Montgomery and Smithers); and the town of Whitesville in Boone County, West Virginia.

3. Under the revised Department of Justice Merger Guidelines, 49 *Federal Register* 26,823 (June 2, 1984), any market in which the post-merger HHI is over 1800 is considered highly concentrated, and the Justice Department is likely to challenge a merger that increases the HHI by more than 50 points unless other factors indicate that the merger will not substantially lessen competition. The Justice Department 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 for anticompetitive effects implicitly recognizes the competitive effects of limited-purpose lenders and other non-depository financial entities.

4. If 50 percent of the deposits held by thrift institutions were included in the calculation of market concentration, Key Centurion would control 4.7 percent of market deposits and Southern would control 25.4 percent. The HHI would increase by 237 points to 1875. The Board has previously indicated that thrift institutions have become, or have the potential to become, major competitors of commercial banks. *Midwest Financial Group*, 75 *Federal Reserve Bulletin* 386 (1989); *CB&T Bancshares, Inc.*, 75 *Federal Reserve Bulletin* 381 (1989); *National City Corporation*, 70 *Federal Reserve Bulletin* 743 (1984).

5. The deposits of this branch were not included in the HHI calculation for this market since the branch opened after the date for which market deposit data are available.

6. W. Va. Code §§ 31A-8A-7; 31A-8-12.

7. For example, there are currently seven West Virginia bank holding companies among the ten largest bank holding companies in the state that do not have a banking presence in the Beckley market.

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

Based on the foregoing and other facts of record, the Board has determined that the applications should be, and hereby are, approved. The transactions 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 by the Board or by the Federal Reserve Bank of Richmond, acting pursuant to delegated authority.

By order of the Board of Governors, effective March 18, 1991.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

The Moorcroft Corporation
Moorcroft, Wyoming

Moorcroft State Bank
Moorcroft, Wyoming

North Platte Corporation
Torrington, Wyoming

Dawson Corporation
Lexington, Nebraska

Order Approving the Merger of Bank Holding Companies, the Merger of Banks, the Establishment of a Branch, and an Investment in Bank Premises

The Moorcroft Corporation, Moorcroft, Wyoming ("Moorcroft"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied under section 3 of the BHC Act (12 U.S.C. § 1842) to merge with The Newcastle Corporation ("Newcastle"), and thereby indirectly acquire National Bank of Newcastle ("Newcastle Bank"), both in New Castle, Wyoming. In connection with this application, North Platte Corporation, Torrington, Wyoming ("North Platte"), and Dawson Corporation, Lexington, Nebraska ("Dawson"), bank holding companies within the meaning of the BHC Act, have applied under section 3 of the BHC Act to retain a nonvoting equity interest in excess of 25 percent in Moorcroft. This proposal represents a corporate reorganization with no change in ownership.[1]

Moorcroft State Bank ("Moorcroft Bank"), Moorcroft's member bank subsidiary, has also applied under the Bank Merger Act (12 U.S.C. § 1828 (c)) to merge with Newcastle Bank with Moorcroft Bank as the surviving entity. In addition, Moorcroft Bank has applied to establish a branch at the present location of Moorcroft Bank under section 9 of the Federal Reserve Act (12 U.S.C. § 321) and for permission to make an additional investment in bank premises pursuant to section 24A of the Federal Reserve Act (12 U.S.C. § 371(d)).

Notice of the applications, affording interested persons an opportunity to submit comments, has been published (55 *Federal Register* 47,806 (1990)). As required by the Bank Merger Act, reports on the competitive effects of the merger were requested from the United States Attorney General, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the factors set forth in section 3(c) of the BHC Act and in the Bank Merger Act.

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

Wyoming law authorizes financial institutions located in any state to acquire Wyoming financial institutions that have been chartered to do business in Wyoming for at least three years.[4] Both Moorcroft and Newcastle and their banking subsidiaries have been chartered to do business in Wyoming for at least three years. In light of the foregoing, the Board has determined that the proposed acquisition is specifically authorized by the statute laws of Wyoming and that Board approval of the proposal is not barred by the Douglas Amendment.

Moorcroft is the 47th largest banking organization in Wyoming, controlling approximately $9.4 million in

1. All of the institutions involved in this proposal are part of the Dinsdale family chain banking organization.
2. 12 U.S.C. § 1842(d).
3. A bank holding company's home state is that state in which the operations of the bank holding company's banking subsidiaries were principally conducted on July 1, 1966, or the date on which the company became a bank holding company, whichever is later.
4. Wyo. Stat. § 13-9-303 (1990).

deposits in Wyoming, representing 0.2 percent of the total deposits in commercial banking organizations in the state.[5] Newcastle is the 39th largest banking organization in Wyoming, controlling approximately $17.2 million in deposits in Wyoming, representing 0.5 percent of the total deposits in commercial banking organizations in the state. Upon consummation of the proposed acquisition, Moorcroft would become the 30th largest commercial banking organization in Wyoming, controlling approximately $26.6 million in deposits in Wyoming, representing 0.7 percent of the total deposits in commercial banking organizations in the state. North Platte is the 14th largest banking organization in Wyoming, controlling approximately $66.9 million in deposits in Wyoming, representing 1.7 percent of the total deposits in commercial banking organizations in the state. Upon consummation of the proposed acquisition, North Platte would become the 10th largest commercial banking organization in Wyoming, controlling approximately $93.5 million in deposits in Wyoming, representing 2.4 percent of the total deposits in commercial banking organizations in the state. Consummation of the proposal would not result in significantly adverse effects on the concentration of banking resources in Wyoming.

North Platte, Dawson and Moorcroft (collectively, "Applicants") and Newcastle do not compete directly with each other in any banking market. Accordingly, consummation of this proposal would not have any significantly adverse effect on the concentration of banking resources or result in any significantly adverse effect upon existing competition in any relevant banking market. In light of the existence of numerous potential entrants into the relevant banking markets, the Board has concluded that consummation of this proposal would not result in a significantly adverse effect on probable future competition in any relevant market.

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

In this regard, the Board has received comments relating to Moorcroft Bank ("Moorcroft Protestants") and North Platte's subsidiary bank, Citizens National Bank & Trust Company, Torrington, Wyoming ("Citizens Bank Protestants").[6] The Moorcroft Protestants have objected to the removal of Moorcroft Bank's president; the proposed operation of Moorcroft Bank as a branch in Moorcroft, Wyoming; an alleged overall lack of consideration for local depositors' concerns and credit needs in the proposal; and alleged statements inconsistent with the spirit of the CRA.[7] The Citizens Bank Protestants have raised concerns regarding Citizens Bank's foreclosure practices for farm loans guaranteed by the Farmers Home Administration ("FmHA"), alleged undue pressure and harassment to obtain loan payments, and an alleged general lack of financial support to the community.[8]

The Board has carefully reviewed the CRA performance record of Applicants and Newcastle and their bank subsidiaries, as well as the comments received and Applicants' response to those comments, in light of the CRA, the Board's regulations, and the jointly issued Statement of the Federal Financial Supervisory Agencies Regarding the Community Reinvestment Act ("Agency CRA Statement").[9] The Agency CRA Statement provides guidance regarding the types of policies and procedures that the supervisory agencies believe financial institutions should have in place in order to fulfill their responsibilities under the CRA on an ongoing basis, and the procedures that the supervisory agencies will use during the application process to review an institution's CRA compliance and performance. The Agency CRA Statement also suggests that decisions by agencies to allow financial institutions to expand will be made pursuant to an analysis of the overall CRA performance of the institution.[10]

5. State banking data are as of December 31, 1989.

6. The Board also has considered additional comments filed on this application after the close of the comment period. Under the Board's rules, the Board may in its discretion take into consideration the substance of such comments. 12 C.F.R. 262.3(e).

7. The Moorcroft Protestants have submitted signatures of numerous Moorcroft Bank depositors and local residents. The statements alleged to be inconsistent with the spirit of the CRA occurred in a public meeting to discuss the proposed reorganization. The Board has reviewed these statements in light of the entire record relating to CRA performance.

8. These Protestants and other commenters have also alleged that Citizens Bank and other affiliated institutions "siphon" profits off the communities they serve. However, these commenters have alleged no facts to support this comment and the record in this application, including relevant examination reports, contain no evidence of this practice.

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

10. *Id.*

Initially, the Board notes that all of the subsidiary banks of Applicants and Newcastle have received satisfactory ratings from their primary regulators in the most recent examinations of their CRA performance.[11] The Agency CRA Statement provides that, although CRA examination reports do not provide conclusive evidence of an institution's CRA record, these reports will be given great weight in the applications process.[12]

In addition, Applicants and Newcastle have in place the types of programs outlined in the Agency CRA Statement as essential to an effective CRA program. For example, a review of the CRA program at Moorcroft Bank indicates that Moorcroft Bank actively participates in local community organizations and makes agricultural, consumer and real estate loans. Moorcroft Bank also participates in loan programs such as the FmHA, Small Business Administration, Federal Housing Administration and Veterans Administration, as well as the Wyoming Link Deposit program, which promotes job creation and preservation. Moorcroft Bank also advertises its programs in local news publications. In addition, Applicants' principal has represented that, subject to considerations relating to the safety and soundness of banking practices, no change in the availability or types of credit or services at Moorcroft Bank will result from the proposed restructuring.[13]

Regarding the Citizens Bank Protestants, the Board notes that Citizens Bank is an active agricultural lender in Goshen County, Wyoming. Since December 1989, Citizens Bank has invested in the community through the purchase of municipal warrants for the Goshen County Irrigation District Project, the Mitchell Irrigation District Project, the Goshen County Nursing Home Project, and the Goshen County Library Board. Citizens Bank has made numerous FmHA guaranteed loans over the last five years and during this period, FmHA has only been asked to honor its guarantee on three of these loans, all of which were in default at least 120 days before FmHA became financially involved.

For the foregoing reasons, and based upon the overall CRA record of Applicants and Newcastle and their subsidiary banks and other facts of record, the Board concludes that convenience and needs considerations, including the record of performance under the CRA of Moorcroft Bank and Citizens Bank, are consistent with approval of these applications. In addition, the Board does not believe that all the facts of record support Protestants' allegations of inappropriate loan practices.[14] The Board also determines that the financial and managerial resources and future prospects of Applicants are consistent with approval of these applications.

Moorcroft Bank has also applied under section 9 of the Federal Reserve Act (12 U.S.C. § 321 *et seq.*) to establish a branch at its present location. The present site of Newcastle Bank will become the main office of Moorcroft Bank following the merger. The Board has considered the factors it is required to consider when reviewing applications for establishing branches pursuant to section 9 of the Federal Reserve Act (12 U.S.C. § 322) and finds those factors to be consistent with approval.

Moorcroft Bank has also requested permission under section 24A of the Federal Reserve Act to make an additional investment in bank premises in connection with this proposal. The additional investment will be used to acquire the Newcastle Bank premises. The Board concludes that Moorcroft Bank's additional investment in bank premises will support Moorcroft Bank's acquisition of the Newcastle Bank premises, and is consistent with approval.

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

By order of the Board of Governors, effective March 4, 1991.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

11. All other banks in the chain controlled by the Dinsdale family have also received satisfactory ratings from their primary regulators in the most recent examinations of their CRA performance.

12. *Id.* at 13,745.

13. As part of Applicants' plans for restructuring, the bank's president was replaced.

14. The Citizens Bank Protestants also have raised issues regarding two specific loan transactions with the Protestants and their families. These transactions were the subject of civil litigation in which both the bank and the Protestants had an opportunity to present facts in support of their positions. The Board also notes that no civil judgments of wrongdoing were entered against Citizens Bank and that one of the principals alleged to have caused these Protestants harm is deceased. Other allegations of wrongdoing in another individual loan transaction regarding an affiliated bank which is not involved in this transaction, First National Bank, Mitchell, Nebraska, were resolved by a court-approved settlement. In light of all the facts of record, including reports of examinations by the primary regulators of these banks, the Board does not believe these allegations warrant denial of the proposal.

Orders Issued Under Section 4 of the Bank Holding Company Act

Banc One Corporation
Columbus, Ohio

Order Approving Application to Engage in Asset Management, Servicing, and Collection Activities

Banc One Corporation, Columbus, Ohio ("Banc One"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied under section 4(c)(8) of the BHC Act, (12 U.S.C. § 1843(c)(8)) and section 225.23(a)(3) of the Board's Regulation Y (12 C.F.R. 225.23(a)(3)), to engage *de novo* in asset management, servicing, and collection activities through Banc One Management and Consulting Corporation, Columbus, Ohio ("BOMCC").

BOMCC would provide asset management services to the Resolution Trust Corporation ("RTC") and the Federal Deposit Insurance Corporation ("FDIC"). In addition, Banc One proposes to provide these services both to unaffiliated third party investors that purchase pools of assets that have been assembled by the RTC or the FDIC from troubled financial institutions, and generally to unaffiliated financial institutions with troubled assets.[1]

Notice of the application, affording interested persons an opportunity to submit comments, has been published (56 *Federal Register* 4829 (1991)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 4(c)(8) of the BHC Act.

Banc One, with total consolidated assets of $43.6 billion, is the 16th largest banking organization in the nation. Banc One operates 53 subsidiary banks and engages directly and through subsidiaries in a variety of permissible nonbanking activities.[2]

Under the proposal, BOMCC would not acquire an ownership interest in the assets that it manages or in the institutions for which it provides asset management services.[3] In addition, BOMCC would not engage in providing real property management or real estate brokerage services as part of its proposed activities.[4]

The Board has previously determined that providing asset management services for assets originated by financial institutions and their bank holding company affiliates is an activity that is closely related to banking for purposes of the BHC Act.[5] Banc One has proposed to conduct these activities under the same terms, and subject to the same conditions as in previous Board orders regarding this activity.

In this regard, Banc One has made commitments to address the concerns raised in *NCNB Corporation* and *First Florida* regarding a bank holding company's ability to control an institution through the terms of an asset management agreement without the necessary regulatory approvals. For example, Banc One has committed that it will not own the stock of, or be represented on the board of directors of any unaffiliated institution for which BOMCC provides asset management services. In addition, Banc One has committed that BOMCC will not establish policies or procedures of general applicability, and that BOMCC's services for unaffiliated financial institutions would be limited to asset management, servicing, and collection activities.[6]

The type of asset management activities proposed by Banc One are the same as those previously approved by the Board in *NCNB Corporation.* Financial institutions and their affiliates would be the originators of the assets managed by BOMCC. Accordingly, Banc One would only manage assets that its financial institution affiliates would have authority to originate and own.

The Board is also required to determine whether the performance of the proposed activity by Banc One is a proper incident to banking—that is, whether the pro-

1. Banc One must obtain the prior approval of the Board before providing asset management services in connection with pools of assets that were not originated or held by financial institutions and their affiliates.

2. Data are as of December 31, 1990.

3. Asset management encompasses the liquidation (or other disposition) of loans and their underlying collateral, including real estate and other assets acquired through foreclosure or in satisfaction of debts previously contracted ("DPC property"). Specific individual activities include: classifying and valuing loan portfolios; filing reviews of loan documentation; developing collection strategies; negotiating renewals, extensions, and restructuring agreements: initiating foreclosure, bankruptcy, and other legal proceedings, where appropriate; and developing and implementing market strategies for the sale or refinancing of individual loans and for the packaging and sale of whole or securitized loan portfolios. In addition, Banc One would conduct and review (either directly or through independent contractors) appraisals and environmental inspections; provide asset valuations; perform cash flow and asset review analyses; contract with and supervise independent property managers; and lease (either directly or through independent contractors) real estate and other DPC property. Banc One also would dispose of DPC property by developing and implementing marketing strategies for the sale of DPC property, either individually or packaged for investors or developers.

4. Banc One will contract with independent third parties to obtain these services for assets under BOMCC's management.

5. *See NCNB Corporation*, 77 *Federal Reserve Bulletin* 124 (1991); *First Florida Banks, Inc.*, 74 *Federal Reserve Bulletin* 771 (1988). The Management Consignment Program referenced in *First Florida* involved corporations managing assets of failed financial institutions acquired by the Federal Home Loan Bank Board. In *First Florida* the Board also permitted bank holding companies to provide asset management services for thrifts managed by the Federal Savings and Loan Insurance Corporation.

6. Banc One also will provide its services for a limited period of time. The Board notes that, while Banc One will manage assets on an ongoing basis, the owner of the assets will retain the right to make all final decisions regarding asset dispositions and to terminate Banc One as an asset manager.

posed activity "can reasonably be expected to produce benefits, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." 12 U.S.C. § 1843(c)(8).

Consummation of the proposal can reasonably be expected to result in public benefits. Banc One's proposal would facilitate the disposal of assets of financial institutions in receivership as well as financial institutions with troubled financial assets. Moreover, the efficient disposition of such assets can reasonably be expected to produce benefits to the public. BOMCC will own no equity in the institutions for which it provides asset management services or in the assets that it manages. Banc One's *de novo* entry into the market will increase competition for these services.

Banc One has indicated that it may, in certain instances, seek approval to acquire institutions whose assets are being managed by BOMCC. In *NCNB Corporation* and *First Florida*, the Board expressed concern that a bank holding company might obtain confidential information in the course of providing its asset management services that would provide the bank holding company with a competitive advantage over other institutions in the bidding process for the failed institution under management. The Board also noted that such information could give the managing bank holding company a competitive advantage over the ultimate acquiror of the failed institution in markets where they both compete.

To address these concerns, Banc One has committed that it will establish and implement procedures to preserve the confidentiality of information obtained in the course of providing asset management services.[7] These procedures will prevent the use of information obtained by BOMCC through its asset management activities in the course of preparing any bid that Banc One may prepare to acquire the institution managed by BOMCC, and will prevent Banc One from competing unfairly against the winning bidder in the relevant market.

There is no evidence in the record to indicate that consummation of this proposal is otherwise likely to result in any significantly adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices. Accordingly, on the basis of all of the facts of record and commitments made by Banc One, the Board concludes that the public benefits that would result from approval of this application outweigh any potential adverse effects, and that the public interest factors it must consider under section 4(c)(8) of the BHC Act are consistent with approval. The financial and managerial resources of Banc One and its subsidiaries are also consistent with approval.

7. Banc One's procedures will be subject to review by the Federal Reserve System.

Based upon the foregoing and all of the other facts of record, including commitments made by Banc One and conditions in this Order, the Board has determined to approve, and hereby does approve, this application. The Board's determination is subject to all of the conditions set forth in the Board's Regulation Y, including those in sections 225.4(d) and 225.23(b), and to the Board's authority to require modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, and to prevent evasion of, the provisions of the BHC Act and the Board's Regulations and Orders issued thereunder.

This transaction shall not be consummated later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Cleveland, acting pursuant to delegated authority.

By order of the Board of Governors, effective March 25, 1991.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

Citicorp
New York, New York

Order Approving the Acquisition of a Savings Association

Citicorp, New York, New York ("Citicorp"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied for the Board's approval pursuant to section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) and section 225.23(a) of the Board's Regulation Y (12 C.F.R. 225.23(a)), to acquire Brookfield Bancshares Corporation, Brookfield, Illinois ("Brookfield"), and Brookfield's wholly owned subsidiary, Brookfield Federal Bank for Savings, Brookfield, Illinois, a savings association ("Brookfield Savings").[1]

1. Citicorp is proposing to merge Brookfield Savings into Citibank, Federal Savings Bank, Oakland, California ("Citibank FSB (California)"), a wholly owned subsidiary of Citicorp. Citicorp will create a shell subsidiary of Citicorp Mortgage, Inc., St. Louis, Missouri

Notice of the application, affording interested persons an opportunity to submit comments, has been published (55 *Federal Register* 49,704 (1990)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the public interest factors set forth in section 4(c)(8) of the BHC Act.

The Board has determined that the operation of a savings association is closely related to banking and permissible for bank holding companies. 12 C.F.R. 225.25(b)(9). In making this determination, the Board required that savings associations acquired by bank holding companies conform their direct and indirect activities to those permissible for bank holding companies under section 4 of the BHC Act. Citicorp has committed to conform all activities of Brookfield Savings to the requirements of section 4 and Regulation Y.[2] In order to approve the application, the Board also is required by section 4(c)(8) of the BHC Act to determine that the ownership and operation of Brookfield Savings by Citicorp "can reasonably be expected to produce benefits to the public . . . that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." 12 U.S.C. § 1843(c)(8).

Citicorp, with total consolidated assets of $217 billion, operates 11 banking and savings association subsidiaries in Arizona, Delaware, Florida, Maine, Maryland, Nevada, New York, and South Dakota. Citicorp also engages through several subsidiaries in permissible nonbanking activities.

Citicorp is the sixth largest depository organization in Illinois and controls deposits of approximately $3.6 billion, representing 3.0 percent of the total deposits in banks and savings associations in the state.[3] Brookfield Bancshares is the 87th largest depository organization in Illinois, controlling deposits of $213.5 million. After consummation of the proposed acquisition, Citicorp would remain the sixth largest depository organization in Illinois, controlling total deposits of approximately $3.8 billion, representing 3.1 percent of the total deposits in banks and savings associations in the state. In the Board's view, consummation of the proposal would not have a significantly adverse effect on the concentration of resources in depository institutions in Illinois.

Citicorp and Brookfield Savings compete directly in one banking market in Illinois. In the Chicago banking market,[4] Citicorp is the sixth largest depository organization, controlling $3.5 billion in deposits, representing 3.0 percent of the total deposits in banks and savings associations in the market ("market deposits"). Brookfield Savings is the 81st largest depository institution, controlling less than one percent of market deposits. Upon consummation of this proposal, Citicorp would remain the sixth largest depository organization in the Chicago market, with 3.2 percent of market deposits. The Chicago banking market is considered to be unconcentrated, with the four largest depository institutions currently controlling 36.1 percent of the market deposits. After consummation of the proposal, the market would remain unconcentrated, and the Herfindahl–Hirschman Index ("HHI") would increase by one point, to a level of 485.[5] Based on all the facts of record, the Board has determined that consummation of this proposal would not have a significantly adverse effect on the concentration of resources or on competition in any relevant banking market.

In light of the considerations discussed above, and based on all of the facts of record, the Board has determined that consummation of this proposal is not likely to result in any other significantly adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices. Financial and manage-

("CMI"), which subsidiary will be merged into Brookfield. CMI then will dissolve Brookfield and cause Brookfield to merge with and into Citibank FSB (California), the surviving entity. Citicorp has recently merged its Washington, D.C. and Illinois savings association subsidiaries into Citibank FSB (California).

2. Brookfield Savings owns three subsidiaries that are engaged wholly or partly in activities that are permissible for bank holding companies under the BHC Act: Brookfield Service Corporation ("BSC"), which is engaged in insurance agency activities; as well as West-Cook DuPage Development Company ("West-Cook") and Hutchinson Homes, Inc. ("Hutchinson"), both of which engage in real estate development activities. Citicorp has committed that it will not undertake any new real estate development activities following its acquisition of Brookfield Savings, and will divest West-Cook and Hutchinson within two years of the date of consummation of this proposal. Citicorp also has committed that it will terminate any impermissible insurance activities of BSC upon consummation of this proposal and will cease renewing existing policies within a reasonable time.

3. State deposit data are as of December 31, 1988. Market data are as of June 30, 1989.

4. The Chicago banking market consists of Cook, DuPage, and Lake Counties, all in Illinois.

5. Under the revised Department of Justice Merger Guidelines, 49 *Federal Register* 26,823 (1984), a market in which the post-merger HHI is between 1000 and 1800 is considered moderately concentrated. In such markets, the Justice Department is unlikely to challenge a merger if an increase in the HHI is less than 100 points. Any market in which the post-merger HHI is over 1800 is considered to be highly concentrated, and the Justice Department is likely to challenge a merger that increases the HHI by more than 50 points, unless other factors indicate that the merger will not substantially lessen competition. The Justice Department 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 market 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 for anticompetitive effects implicitly recognizes the competitive effect of limited-purpose lenders and other non-depository financial entities.

rial factors in the context of this application are consistent with approval. Accordingly, based on the consideration of all of the facts of record, the Board has determined that the balance of the public interest factors that it is required to consider under section 4(c)(8) of the BHC Act is favorable and consistent with approval of Citicorp's application to acquire Brookfield Savings.

Accordingly, the Board has determined that the proposed application pursuant to section 4(c)(8) of the BHC Act should be, and hereby is, approved. This determination is subject to all the conditions set forth in the Board's Regulation Y, including sections 225.4(d) and 225.23(b)(3), and to the Board's authority to require such modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, or to prevent evasion of, the provisions and purposes of the BHC Act and the Board's regulations and orders issued thereunder.

The transactions approved in this Order shall be made not later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of New York, pursuant to delegated authority.

By order of the Board of Governors, effective March 18, 1991.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

First Interstate Bancorp Los Angeles, California

Order Approving Application to Engage in Asset Management, Servicing, and Collection Activities

First Interstate Bancorp, Los Angeles, California ("First Interstate"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) and section 225.23(a)(3) of the Board's Regulation Y (12 C.F.R. 225.23(a)(3)), to engage *de novo* in asset management, servicing, and collection activities through FAES, Inc., Denver, Colorado ("FAES").

FAES would provide asset management services to the Resolution Trust Corporation ("RTC") and the Federal Deposit Insurance Corporation ("FDIC"). In addition, First Interstate proposes to provide these services both to unaffiliated third party investors that purchase pools of assets that have been assembled by the RTC or the FDIC from troubled financial institutions, and generally to unaffiliated financial institutions with troubled assets.[1]

Notice of the application, affording interested persons an opportunity to submit comments, has been published (55 *Federal Register* 29,667 (1990)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 4(c)(8) of the BHC Act.

First Interstate, with total consolidated assets of $51.4 billion, is the 11th largest banking organization in the nation. First Interstate operates 25 subsidiary banks and engages directly and through subsidiaries in a variety of permissible nonbanking activities.[2]

Under the proposal, FAES would not acquire an ownership interest in the assets that it manages or in the institutions for which it provides asset management services.[3] In addition, FAES would not engage in providing real property management or real estate brokerage services as part of its proposed activities.[4]

The Board has previously determined that providing asset management services for assets originated by financial institutions and their bank holding company affiliates is an activity that is closely related to banking for purposes of the BHC Act.[5] First Interstate has proposed to conduct these activities under the same

1. First Interstate must obtain the prior approval of the Board before providing asset management services in connection with pools of assets that were not originated or held by financial institutions and their affiliates.

2. Data are as of December 31, 1990.

3. Asset management encompasses the liquidation (or other disposition) of loans and their underlying collateral, including real estate and other assets acquired through foreclosure or in satisfaction of debts previously contracted ("DPC property"). Specific individual activities include: classifying and valuing loan portfolios; filing reviews of loan documentation; developing collection strategies; negotiating renewals, extensions, and restructuring agreements; initiating foreclosure, bankruptcy, and other legal proceedings, where appropriate; and developing and implementing market strategies for the sale or refinancing of individual loans and for the packaging and sale of whole or securitized loan portfolios. In addition, First Interstate would conduct and review (either directly or through independent contractors) appraisals and environmental inspections; provide asset valuations; perform cash flow and asset review analyses; contract with and supervise independent property managers; and lease (either directly or through independent contractors) real estate and other DPC property. First Interstate also would dispose of DPC property by developing and implementing marketing strategies for the sale of DPC property, either individually or packaged for investors or developers.

4. First Interstate will contract with independent third parties to obtain these services for assets under FAES's management.

5. *See NCNB Corporation*, 77 *Federal Reserve Bulletin* 124 (1991); *First Florida Banks, Inc.*, 74 *Federal Reserve Bulletin* 771 (1988). The Management Consignment Program referenced in *First Florida* involved corporations managing assets of failed financial institutions acquired by the Federal Home Loan Bank Board. In *First Florida* the Board also permitted bank holding companies to provide asset management services for thrifts managed by the Federal Savings and Loan Insurance Corporation.

terms, and subject to the same conditions as in previous Board orders regarding this activity.

In this regard, First Interstate has made commitments to address the concerns raised in *NCNB Corporation* and *First Florida* regarding a bank holding company's ability to control an institution through the terms of an asset management agreement without the necessary regulatory approvals. For example, First Interstate has committed that it will not own the stock of, or be represented on the board of directors of any unaffiliated institution for which FAES provides asset management services. In addition, First Interstate has committed that FAES will not establish policies or procedures of general applicability, and that FAES's services for unaffiliated financial institutions would be limited to asset management, servicing, and collection activities.[6]

The type of asset management activities proposed by First Interstate are the same as those previously approved by the Board in *NCNB Corporation*. Financial institutions and their affiliates would be the originators of the assets managed by FAES. Accordingly, First Interstate would only manage assets that its financial institution affiliates would have authority to originate and own.

The Board is also required to determine whether the performance of the proposed activity by First Interstate is a proper incident to banking—that is, whether the proposed activity "can reasonably be expected to produce benefits, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." 12 U.S.C. § 1843(c)(8).

Consummation of the proposal can reasonably be expected to result in public benefits. First Interstate's proposal would facilitate the disposal of assets of financial institutions in receivership as well as financial institutions with troubled financial assets. Moreover, the efficient disposition of such assets can reasonably be expected to produce benefits to the public. FAES will own no equity in the institutions for which it provides asset management services or in the assets that it manages. First Interstate's *de novo* entry into the market will increase competition for these services.

First Interstate has indicated that it may, in certain instances, seek approval to acquire institutions whose assets are being managed by FAES. In *NCNB Corporation* and *First Florida*, the Board expressed concern that a bank holding company might obtain confidential information in the course of providing its asset management services that would provide the bank holding company with a competitive advantage over other institutions in the bidding process for the failed institution under management. The Board also noted that such information could give the managing bank holding company a competitive advantage over the ultimate acquiror of the failed institution in markets where they both compete.

To address these concerns, First Interstate has committed that it will establish and implement procedures to preserve the confidentiality of information obtained in the course of providing asset management services.[7] These procedures will prevent the use of information obtained by FAES through its asset management activities in the course of preparing any bid that First Interstate may prepare to acquire the institution managed by FAES, and will prevent First Interstate from competing unfairly against the winning bidder in the relevant market.

There is no evidence in the record to indicate that consummation of this proposal is otherwise likely to result in any significantly adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices. Accordingly, on the basis of all of the facts of record and commitments made by First Interstate, the Board concludes that the public benefits that would result from approval of this application outweigh any potential adverse effects, and that the public interest factors it must consider under section 4(c)(8) of the BHC Act are consistent with approval. The financial and managerial resources of First Interstate and its subsidiaries are also consistent with approval.

Based upon the foregoing and all of the other facts of record, including commitments made by First Interstate and conditions in this Order, the Board has determined to approve, and hereby does approve, this application. The Board's determination is subject to all of the conditions set forth in the Board's Regulation Y, including those in sections 225.4(d) and 225.23(b), and to the Board's authority to require modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, and to prevent evasion of, the provisions of the BHC Act and the Board's Regulations and Orders issued thereunder.

6. First Interstate also will provide its services for a limited period of time. The Board notes that, while First Interstate will manage assets on an ongoing basis, the owner of the assets will retain the right to make all final decisions regarding asset dispositions and to terminate First Interstate as an asset manager.

7. First Interstate's procedures will be subject to review by the Federal Reserve System.

This transaction shall not be consummated later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of San Francisco, acting pursuant to delegated authority.

By order of the Board of Governors, effective March 25, 1991.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

Grenada Sunburst System Corporation Grenada, Mississippi

Order Approving Application to Provide Stand-Alone Investment Advisory Services, to Offer Investment Advisory and Securities Brokerage Services on a Combined Basis, and to Act as a "Riskless Principal" in Buying and Selling Securities

Grenada Sunburst System Corporation, Grenada, Mississippi ("Grenada"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied for the Board's approval under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)), for its *de novo* subsidiary, Sunburst Financial Group, Inc., Jackson, Mississippi ("Sunburst"), to provide stand-alone investment advisory services, to offer investment advisory and securities brokerage services on a combined basis to institutional and retail customers ("full-service brokerage"), as well as to purchase and sell all types of securities on the order of investors as a "riskless principal."

Grenada, with approximately $1.8 billion in consolidated assets, operates banking subsidiaries in Mississippi and Louisiana. Grenada is the third largest banking organization in Mississippi and the 13th largest banking organization in Louisiana.[1] Grenada engages directly and through subsidiaries in a variety of permissible nonbanking activities. Sunburst, a *de novo* subsidiary, will be a broker-dealer registered with the Securities Exchange Commission and subject to the recordkeeping, reporting, fiduciary standards, and other requirements of the Securities Exchange Act of 1934 and the National Association of Securities Dealers.

Notice of the application, affording interested persons an opportunity to submit comments, has been duly published (56 *Federal Register* 3473 (1991)). The time for filing comments has expired and the Board has considered the application and all comments received in light of the public interest factors set forth in section 4(c)(8) of the BHC Act.

Sunburst proposes to provide stand-alone investment advisory services, as well as full-service brokerage services. The Board has previously determined by regulation that the provision of investment advisory services is a permissible nonbanking activity for bank holding companies under section 4(c)(8) of the BHC Act and section 225.25(b)(4) of Regulation Y, 12 C.F.R. 225.25(b)(4). Sunburst proposes to engage in this activity subject to the limitations contained in the Board's Regulation Y. The Board also has determined by order that full-service brokerage is a permissible nonbanking activity for bank holding companies.[2] Sunburst proposes to engage in full-service brokerage in accordance with all of the conditions set forth in those orders.

In addition, Sunburst will provide discretionary investment management for institutional customers only, under terms and conditions previously approved by the Board.[3] Such discretionary investment management services will not be provided for retail customers.

Grenada also proposes that Sunburst act as a "riskless principal" in buying and selling securities. The Board previously has determined by order that, subject to certain prudential limitations established to address the potential for conflicts of interests, unsound banking practices or other adverse effects, the proposed "riskless principal" activities are so closely related to banking as to be a proper incident thereto within the meaning of section (4)(c)(8) of the BHC Act. The Board also has determined that acting as agent in purchasing and selling securities on the order of investors as a "riskless principal" does not constitute underwriting and dealing in securities for purposes of section 20 of the Glass–Steagall Act, and that revenue derived from this activity is not subject to the 10 percent revenue limitation on ineligible securities underwriting and dealing.[4] Grenada has committed that Sunburst will conduct its "riskless principal" activities using the same methods and procedures, and subject to all of the prudential limitations approved by

1. Asset data are as of September 30, 1990. Rankings are as of June 30, 1990.

2. *See PNC Financial Corporation*, 75 *Federal Reserve Bulletin* 396 (1989) ("PNC"); *Bankers Trust New York Corporation*, 74 *Federal Reserve Bulletin* 695 (1988) ("*Bankers Trust I*")

3. *See J.P. Morgan and Company, Inc.*, 73 *Federal Reserve Bulletin* 810 (1987); *The Chase Manhattan Corporation*, 74 *Federal Reserve Bulletin* 704 (1988).

4. *See J.P. Morgan and Company, Inc.*, 76 *Federal Reserve Bulletin* 26 (1990) ("*J.P. Morgan*"); *Bankers Trust New York Corporation*, 75 *Federal Reserve Bulletin* 829 (1989) ("*Bankers Trust II*").

the Board in the *Bankers Trust II* and *J.P. Morgan* orders.

Under the framework established in this and prior decisions, consummation of this proposal is not likely to result in any significantly adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices. Consummation of the proposal would provide added convenience to Grenada's customers. In addition, the Board expects that the *de novo* entry of Grenada into the market for these services would increase the level of competition among providers of these services. Accordingly, the Board has determined that performance of the proposed activities by Grenada can reasonably be expected to produce public benefits which would outweigh adverse effects under the proper incident to banking standard of section 4(c)(8) of the BHC Act.

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

This transaction shall not be consummated later than three months after the effective date of this order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of St. Louis, pursuant to delegated authority.

By order of the Board of Governors, effective March 27, 1991.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

The Mitsubishi Bank, Limited
Tokyo, Japan

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

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

(1) Intermediating in the international swap markets by acting as an originator and principal in interest rate swap and currency swap transactions;

(2) Acting as an originator and principal with respect to certain interest rate and currency risk-management products such as caps, floors and collars, as well as options on swaps, caps, floors and collars ("swap derivative products");

(3) Acting as a broker or agent with respect to the foregoing transactions or instruments; and

(4) Acting as adviser to institutional customers regarding financial strategies involving interest rate and currency swaps and swap derivative products.

Notice of the application, affording interested persons an opportunity to submit comments, has been published (55 *Federal Register* 52,218 (1990)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 4 of the BHC Act.

With total consolidated assets equivalent to approximately $354 billion, Mitsubishi is the fourth largest banking organization in the world.[1] In the United States, Mitsubishi owns a bank subsidiary in San Francisco, California; an agency in Houston, Texas; and branches in New York, New York; Chicago, Illinois; and Los Angeles, California. It engages in limited trust activities, lending, investment advising, and real and personal property leasing through subsidiaries in New York, New York, and futures commission merchant activities through a subsidiary in Chicago, Illinois.

The Board previously has determined by order that the proposed activities are closely related to banking and permissible for bank holding companies within the meaning of section 4(c)(8) of the BHC Act.[2] Mitsubishi proposes to engage in these swap activities in accordance with all of the provisions and conditions set forth in these orders.[3]

1. Asset and ranking data are as of March 31, 1990.

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

3. As proposed by Mitsubishi, Company typically would be willing, at the request of a customer, to price and enter into a swap or swap derivative product transaction either as purchaser or seller. Mitsubishi undertakes that Company will not exceed the position limits, described below, established from time to time with respect to its swap and swap derivative products. As indicated above, the Board previ-

In order to approve this application, the Board is required to determine that the performance of the proposed activities by Mitsubishi "can reasonably be expected to produce benefits to the public . . . that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." 12 U.S.C. § 1843(c)(8).

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

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

With respect to the risk associated with the potential for differences between the floating rate indices on two matched or hedged swaps ("basis risk"), Company's management will impose absolute limits on the aggregate basis risk to which Company's swaps portfolio may be exposed. If the level of risk threatens to exceed the limits at any time, Company will actively seek to enter into matching transactions for its unmatched, hedged positions. Company's internal auditing staff, together with management, will monitor compliance with the management-imposed basis risk limits.[4]

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

In order to minimize any possible conflicts of interests between Company's role as a principal or broker in swap transactions and its role as advisor to potential counterparties, Company will disclose to each customer the fact that Company may have an interest as a counterparty principal or broker in the course of action ultimately chosen by the customer. Also, in any case in which Company has an interest in a specific transaction as an intermediary or principal, Company will advise its customer of that fact before recommending participation in that transaction.[5] In addition, Company's advisory services will be offered only to sophisticated institutional customers who would be unlikely to place undue reliance on investment advice received and better able to detect investment advice motivated by self-interest.[6]

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

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

ously has approved these activities as permissible for bank holding companies. Mitsubishi has characterized these activities as "market-making" in swaps and swap derivative products.

4. Mitsubishi will monitor risk factors unique to options on a "real-time" basis and has established risk limits with respect to all of these factors. Mitsubishi is setting limits on other risks related to options besides volatility risk.

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

6. Mitsubishi defines an institutional customer as:

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

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

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

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

(E) any government or government entity; or

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

(2) Disclosure will be made to each potential client of Company that Company is an affiliate of Mitsubishi;
(3) Company will not make available to Mitsubishi or any of Mitsubishi's subsidiaries confidential information received from Company's clients, except with the client's consent; and
(4) Advice rendered by Company on an explicit fee basis will be without regard to correspondent balances maintained by a client of Company at Mitsubishi or any of Mitsubishi's depository subsidiaries.

In every case involving a nonbanking acquisition by a bank holding company under section 4 of the BHC Act, the Board considers the financial condition and resources of the applicant and its subsidiaries and the effect of the transaction on these resources.[7] After making adjustments to reflect Japanese banking and accounting principles, including consideration of a portion of unrealized appreciation in Mitsubishi's portfolio of equity securities, the Board concludes that financial considerations are consistent with approval of this application. The managerial resources of Mitsubishi are also consistent with approval.

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

Based on the above, the Board has determined to, and hereby does, approve the application subject to the commitments made by Mitsubishi, as well as all of the terms and conditions set forth in this order and in the above-noted Board orders that relate to these activities. The Board's determination is also subject to all of the conditions set forth in Regulation Y, including those in sections 225.4(d) and 225.23(b), and to the Board's authority to require modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, and to prevent evasion of, the provisions of the BHC Act and the Board's regulations and orders issued thereunder.

This transaction shall not be consummated later than three months after the effective date of this order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of San Francisco, pursuant to delegated authority.

By order of the Board of Governors, effective March 13, 1991.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

7. 12 C.F.R. 225.24; *The Fuji Bank, Limited, 75 Federal Reserve Bulletin* 94 (1989); *Bayerische Vereinsbank AG, 73 Federal Reserve Bulletin* 155, 156 (1987).

The Sumitomo Bank, Limited Osaka, Japan

Order Approving Application to Engage in Certain Nonbanking Activities

The Sumitomo Bank, Limited, Osaka, Japan ("Sumitomo"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied for the Board's approval under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) for its wholly owned subsidiary, Sumitomo Bank Securities, Inc., New York, New York ("Company") to engage *de novo* in the following activities:
(1) To act as agent in the private placement of all types of securities, including providing related advisory services;
(2) To buy and sell all types of securities on the order of investors as a "riskless principal";
(3) To provide investment advisory and brokerage services on a combined basis ("full-service brokerage") to retail and institutional customers;
(4) To provide investment advisory services to retail and institutional customers pursuant to sections 225.25(b)(4)(i)-(v) of Regulation Y (12 C.F.R. 225.25(b)(4)(i)-(v));
(5) To provide securities brokerage services and related securities credit services pursuant to section 225.25(b)(15) of the Board's Regulation Y (12 C.F.R. 225.25(b)(15)); and
(6) To underwrite and deal in obligations of the United States, general obligations of the states and their political subdivisions, and other obligations that a state member bank of the Federal Reserve System may underwrite and deal in ("bank-eligible

securities") pursuant to section 225.25(b)(16) of the Board's Regulation Y (12 C.F.R. 225.25(b)(16)).[1]

Notice of the application, affording interested persons an opportunity to submit comments, has been duly published (56 *Federal Register* 2181 (1991)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the public interest factors set forth in section 4(c)(8) of the BHC Act.

Sumitomo, with total consolidated assets of $406.6 billion, is the third largest banking organization in the world.[2] Sumitomo controls banks in California and Hawaii. In addition, Sumitomo operates branches in California, Illinois, and New York, and agencies in California, Georgia, and Texas. Sumitomo also engages in various nonbanking activities through a number of subsidiaries. Company will be a broker-dealer registered with the Securities Exchange Commission and subject to the record keeping, reporting, fiduciary standards, and other requirements of the Securities Exchange Act of 1934 and the National Association of Securities Dealers.

Private Placement and "Riskless Principal" Activities

The Board previously has determined by order that, subject to certain prudential limitations that address the potential for conflicts of interests, unsound banking practices or other adverse effects, the proposed private placement and "riskless principal" activities are so closely related to banking as to be a proper incident thereto within the meaning of section 4(c)(8) of the BHC Act. The Board also has determined that acting as agent in the private placement of securities, and purchasing and selling securities on the order of investors as a "riskless principal" do not constitute underwriting and dealing in securities for purposes of section 20 of the Glass–Steagall Act, and that revenue derived from these activities is not subject to the 10 percent revenue limitation on ineligible securities underwriting and dealing.[3] Sumitomo has committed that Company will conduct its private placement and "riskless principal" activities using the same methods and procedures, and subject to the same prudential limitations established by the Board in approving this activity, as modified to reflect Sumitomo's status as a foreign bank.[4]

Sumitomo has proposed to have its U.S. affiliates, branches or agencies extend credit to an issuer whose debt securities have been placed by Company where the proceeds would be used to pay the principal amount of the securities at maturity. Sumitomo has committed that these extensions of credit will conform to the limitations set forth in the Board's decision in *J.P. Morgan*, including the requirements that a period of at least three years elapse from the time of the placement of the securities to the decision to extend credit, that Sumitomo maintain adequate documentation of these transactions and decisions, and that the extensions of credit meet prudent and objective standards, as well as the standards set out in section 23B of the Federal Reserve Act.[5] The Federal Reserve Bank of San Francisco will closely review loan documentation of U.S. affiliates to ensure that an independent and thorough credit evaluation has been undertaken with respect to the participation of the bank in these credit extensions to issuers of securities privately placed by an agent affiliated with the bank.

Sumitomo also has proposed to have Company place securities with its parent holding company or with a nonbank subsidiary of the parent company consistent with the Board's ruling in *J.P. Morgan*. In this regard, Sumitomo will establish both individual and aggregate limits on the investment by affiliates of Company in any particular issue of securities that is placed by Company and will establish appropriate internal policies, procedures, and limitations regarding the amount of securities of any particular issue placed by Company that may be purchased by Sumitomo and each of its nonbanking subsidiaries, individually and in the aggregate.[6] These policies and procedures, as well as the purchases themselves, will be reviewed by the Federal Reserve Bank of San Francisco.

1. Company will also engage in the following incidental activities: engaging in repurchase and reverse repurchase transactions on such securities, collateralized borrowing and lending of such securities, and providing clearing, settling, accounting, record keeping and other ancillary services to those counterparties with which it deals that do not maintain accounts with clearing agencies. *The Nippon Credit Bank, Ltd.*, 75 *Federal Reserve Bulletin* 308 (1989); *The Long-Term Credit Bank of Japan*, 74 *Federal Reserve Bulletin* 573 (1988); *The Sanwa Bank, Limited*, 74 *Federal Reserve Bulletin* 578 (1988).

2. Data are as of March 31, 1990.

3. *J.P. Morgan and Company, Inc.*, 76 *Federal Reserve Bulletin* 26 (1990) ("*J.P. Morgan*"); *Bankers Trust New York Corporation*, 75 *Federal Reserve Bulletin* 829 (1989) ("*Bankers Trust*").

4. *Creditanstalt-Bankverein*, 77 *Federal Reserve Bulletin* 183 (1991); *The Mitsui Taiyo Kobe Bank, Limited*, 77 *Federal Reserve Bulletin* 116 (1991); *Canadian Imperial Bank of Commerce/The Royal Bank of Canada/Barclays PLC*, 76 *Federal Reserve Bulletin* 158 (1990); *J.P. Morgan*; *Bankers Trust*.

5. 12 U.S.C. § 371c-1.

6. The limit established shall not exceed 50 percent of the issue being placed. Additionally, in the development of these policies and procedures, Sumitomo will incorporate, with respect to placements of securities, the limitations established by the Board in condition 12 of its order regarding aggregate exposure of Sumitomo's U.S. subsidiaries and offices on a consolidated basis to any single customer whose securities are underwritten or dealt in by Company. *J.P. Morgan & Company, Incorporated, The Chase Manhattan Corporation, Bankers Trust New York Corporation, Citicorp and Security Pacific Corporation*, 75 *Federal Reserve Bulletin* 192 (1989).

Brokerage, Investment Advisory, Underwriting and Dealing Activities

The Board previously has determined by order that full-service brokerage is a permissible nonbanking activity for bank holding companies under section 4(c)(8) of the BHC Act.[7] Sumitomo proposes to engage in full-service brokerage in accordance with all of the conditions set forth in these orders.

In addition, Company will provide discretionary investment management for institutional customers only, under the same terms and conditions as previously approved by the Board.[8] Such discretionary investment management services will not be provided for retail customers.

Sumitomo also proposes that Company engage in investment advisory and securities brokerage activities on a separate basis pursuant to the Board's Regulation Y.[9] Finally, Sumitomo proposes that Company underwrite and deal in securities that state member banks are permitted to underwrite and deal in under section 16 of the Banking Act of 1933,[10] and as permitted by section 225.25(b)(16) of the Board's Regulation Y.[11]

Financial Factors, Managerial Resources and Other Considerations

In order to approve this application, the Board is required to determine that the performance of the proposed activities of Sumitomo "can reasonably be expected to produce benefits to the public . . . that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." 12 U.S.C. § 1843(c)(8).

In every case involving a nonbanking acquisition by a bank holding company under section 4 of the BHC Act, the Board considers the financial condition and resources of the applicant and its subsidiaries and the effect of the transaction on these resources.[12] After making adjustments to reflect Japanese banking and accounting principles, including consideration of a portion of unrealized appreciation in Sumitomo's portfolio of equity securities consistent with the Basle capital framework, Sumitomo's capital ratio meets United States standards. Accordingly, the Board concludes that financial considerations are consistent with approval of this application. The managerial resources of Sumitomo are also consistent with approval.

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

Based on the foregoing and other facts of record, the Board has determined to, and hereby does, approve the application subject to the commitments made by Sumitomo, as well as all of the terms and conditions set forth in this order and in the above-noted Board orders that relate to these activities. The Board's determination is also subject to all of the conditions set forth in Regulation Y, including those in sections 225.4(d) and 225.23(b), and to the Board's authority to require modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, and to prevent evasion of, the provisions of the BHC Act and the Board's regulations and orders issued thereunder.

This transaction shall not be consummated later than three months after the effective date of this order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of San Francisco, pursuant to delegated authority.

By order of the Board of Governors, effective March 6, 1991.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

Dissenting Statement of Governor Seger

I dissent from the Board's action in this case. I believe that foreign banking organizations whose capital, based on U.S. accounting principles, is below the

7. *See PNC Financial Corporation*, 75 *Federal Reserve Bulletin* 396 (1989); *Bankers Trust New York Corporation*, 74 *Federal Reserve Bulletin* 695 (1988).
8. *See J.P. Morgan and Company, Inc.*, 73 *Federal Reserve Bulletin* 810 (1987).
9. 12 C.F.R. 225.25(b)(4) and (15).
10. 12 U.S.C. §§ 24 (Seventh) and 335.
11. 12 C.F.R. 225.25(b)(16).
12. 12 C.F.R. 225.24; *The Fuji Bank, Limited*, 75 *Federal Reserve Bulletin* 94 (1989); *Bayerische Vereinsbank AG*, 73 *Federal Reserve Bulletin* 155, 156 (1987).

Board's minimum capital guidelines for U.S. banking organizations have an unfair competitive advantage in the United States over domestic banking organizations. In my view, such foreign organizations should be judged against the same financial and managerial standards, including the Board's capital adequacy guidelines, as are applied to domestic banking organizations. Specifically, I believe that the capital adequacy of foreign banking organizations should be measured without giving these organizations the benefit of adjustments that are not available to United States banking organizations.

In addition, I am concerned that while some progress is being made in opening Japanese markets to U.S. banking organizations and other financial institutions, U.S. banking organizations, in my opinion, are still far from being afforded the full opportunity to compete in Japan.

March 6, 1991

U.S. Bancorp
Portland, Oregon

Order Approving the Acquisition of a Savings Association

U.S. Bancorp, Portland, Oregon ("U.S. Bancorp"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied pursuant to section 4(c)(8) of the BHC Act (12) U.S.C. § 1843(c)(8)) to acquire HeartFed Financial Corporation, Auburn, California ("HeartFed"), and its wholly owned subsidiary, Heart Federal Savings and Loan Association, Auburn, California ("Heart Savings"), a savings association, pursuant to section 225.25(b)(9) of the Board's Regulation Y (12 C.F.R. 225.25(b)(9)).[1]

Notice of the application, affording interested persons an opportunity to submit comments, has been published (55 *Federal Register* 42,896 (1990)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the public interest factors set forth in section 4(c)(8) of the BHC Act.

The Board has previously determined that the operation of a savings association is closely related to banking and permissible for bank holding companies. 12 C.F.R. 225.25(b)(9). In making this determination, the Board required that savings associations acquired by bank holding companies conform their direct and indirect activities to those permissible for bank holding companies under section 4 of the BHC Act. U.S. Bancorp has committed to conform all activities of HeartFed to the requirements of section 4 and Regulation Y.[2] In order to approve the application, the Board also is required by section 4(c)(8) of the BHC Act to determine that the ownership and operation of HeartFed by U.S. Bancorp "can reasonably be expected to produce benefits to the public . . . that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." 12 U.S.C. § 1843(c)(8).

U.S. Bancorp, which operates eight subsidiary banks in Washington, Oregon, California and Utah, is the 73rd largest depository organization in California, controlling deposits of $230.1 million, representing less than 1 percent of the total deposits in the state.[3] Heart Savings operates offices in several Northern California counties, and is the 62nd largest depository organization in California, controlling deposits of $704.6 million. After consummation of the proposed acquisition, U.S. Bancorp will be the 17th largest depository organization in California with aggregate deposits of $934.7 million, representing less than one percent of the total deposits in the state. In the Board's view, consummation of the proposal would not have a significantly adverse effect on the concentration of resources in depository institutions in California.

U.S. Bancorp and Heart Savings compete directly in two banking markets in California.[4] In the Placer County banking market,[5] U.S. Bancorp is the eighth largest of thirteen depository institutions, controlling $24.3 million in deposits, representing 4.2 percent of deposits of banks and thrift institutions in the market

1. U.S. Bancorp is proposing to merge HFF Merger Corp., an interim corporation organized solely to facilitate the acquisition, into HeartFed, after which HeartFed will be dissolved or merged with and into U.S. Bancorp. Heart Savings thereafter will be a direct savings association subsidiary of U.S. Bancorp.

2. HeartFed currently engages indirectly in impermissible real estate and insurance activities through two existing subsidiaries. U.S. Bancorp has committed to divest itself of impermissible real estate investment and development activities within two years of consummation of the proposal. No new impermissible projects or investments will be undertaken during this period. U.S. Bancorp also has committed not to engage in any impermissible securities activities, and to terminate any impermissible insurance activities on consummation. HeartFed may continue to service outstanding insurance policies sold by HeartFed for a period of two years from consummation of the proposal without renewing those policies.

3. State and market deposit data are as of June 30, 1989.

4. The pre-consummation market share statistics are based on calculations in which the deposits of HeartFed and all other savings associations are included at 50 percent. Upon consummation, HeartFed will be affiliated with a commercial banking organization; thus, on a *pro forma* basis, the deposits of HeartFed are included at 100 percent, while the deposits of other savings associations continue to be included at 50 percent unless otherwise indicated.

5. The Placer County banking market consists of the cities and towns of Auburn, Colfax, Foresthill, Lincoln, and Meadow Vista, all in Placer County, California.

(''market deposits''). Heart Savings is the third largest depository institution in the market, controlling $63.6 million in deposits, representing 10.9 percent of market deposits. Upon consummation of this proposal, U.S. Bancorp would remain the third largest depository organization in the Placer County market, with 15.1 percent of market deposits, and the Herfindahl–Hirschman Index (''HHI'') would increase by 204 points, to a level of 1456.[6]

In the Sacramento banking market,[7] U.S. Bancorp is the 26th largest of 51 depository institutions, controlling $62.6 million in deposits, representing less than one percent of deposits of banks and thrift institutions in the market. Heart Savings is the 25th largest depository institution in the market, controlling $65.2 million in deposits, representing less than one percent of market deposits. Upon consummation of this proposal, U.S. Bancorp would become the 16th largest depository organization in the Sacramento market, with 1.4 percent of market deposits. Based on all the facts of record, the Board has determined that consummation of this proposal would not have a significantly adverse effect on the concentration of resources or on competition in any relevant banking market.

The financial and managerial resources of U.S. Bancorp, HeartFed, and their depository institution subsidiaries are, in the context of this proposal, consistent with approval. Upon consummation of this proposal, U.S. Bancorp, HeartFed and their respective depository institution subsidiaries would meet all applicable capital requirements. There is no evidence in the record that consummation of this proposal is likely to result in any significantly adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices. Based on all the facts of record, the Board has determined that the balance of the public interest factors that it is required to consider under section 4(c)(8) of the BHC Act is favorable and consistent with approval.

Accordingly, the Board has determined that the proposed application pursuant to section 4(c)(8) of the BHC Act should be, and hereby is, approved. This determination is subject to all the conditions set forth in the Board's Regulation Y, including sections 225.4(d) and 225.23(b)(3), and to the Board's authority to require such modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, or to prevent evasion of, the provisions and purposes of the BHC Act and the Board's regulations and orders issued thereunder.

The transactions approved in this Order shall be made not later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of San Francisco, pursuant to delegated authority.

By order of the Board of Governors, effective March 25, 1991.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

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

Norwest Corporation
Minneapolis, Minnesota

Order Approving the Merger of Bank Holding Companies

Norwest Corporation, Minneapolis, Minnesota (''Norwest''), a bank holding company within the meaning of the Bank Holding Company Act (''BHC Act''), has applied for the Board's approval under section 3(a)(5) of the BHC Act (12 U.S.C. § 1842(a)(5)) to merge with United Banks of Colorado, Inc., Denver, Colorado (''United Banks''), and thereby to acquire the 40 subsidiary banks of United Banks listed in the Appendix to this Order. Norwest has also applied for the Board's approval under section 4(c)(8) of the BHC Act to acquire the nonbanking subsidiaries of United Banks listed in the Appendix.

Notices of the applications, affording interested persons an opportunity to submit comments, have been duly published (55 *Federal Register* 46,577 and 46,997 (1990)). The time for filing comments has ex-

6. Under the revised Department of Justice Merger Guidelines, 49 *Federal Register* 26,823 (1984), a market in which the post-merger HHI is between 1000 and 1800 is considered moderately concentrated. The Justice Department has indicated that in such markets it is unlikely to challenge a merger if an increase in the HHI is less than 100 points. Any market in which the post-merger HHI is over 1800 is considered highly concentrated, and the Justice Department has indicated that it is likely to challenge a merger that increases the HHI by more than 50 points unless other factors indicate that the merger will not substantially lessen competition. The Justice Department 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 for anticompetitive effects implicitly recognizes the competitive effect of limited-purpose lenders and other nondepository financial entities.

7. The Sacramento banking market is approximated by the Sacramento RMA, which consists of portions of El Dorado, Placer, Sacramento and Yolo Counties, all in California.

pired, and the Board has considered the applications and all comments received in light of the factors set forth in sections 3(c) and 4(c)(8) of the BHC Act.

Section 3(d) of the BHC Act, the Douglas Amendment, prohibits the Board from approving an application by a bank holding company to acquire control of any bank located outside of the bank holding company's home state, unless such acquisition is "specifically authorized by the statute laws of the State in which [the] bank is located, by language to that effect and not merely by implication."[1] Norwest's home state is Minnesota, and United Banks's home state is Colorado.[2] Under the statute laws of Colorado, effective January 1, 1991, any out-of-state bank holding company may acquire financial institutions located in Colorado so long as certain requirements are met.[3] Norwest's acquisition meets all of these requirements.[4] Accordingly, Norwest's proposal to acquire United Banks is not barred by the Douglas Amendment.

Norwest, with total deposits of $19.9 billion, operates 34 banking subsidiaries located in Minnesota, Wisconsin, Wyoming, Illinois, Indiana, Arizona, Iowa, Montana, Nebraska, North Dakota, and South Dakota.[5] Norwest is the second largest banking organization in Minnesota, controlling approximately $10.6 billion in deposits in Minnesota, representing 25.0 percent of the total deposits in commercial banking organizations in the state. United Banks is the largest banking organization in Colorado, controlling deposits of $5.1 billion, representing 22.9 percent of the total deposits in commercial banking organizations in the state. Upon consummation of the proposed acquisition, Norwest would become the largest commercial banking organization in Colorado, controlling deposits of $5.1 billion in Colorado, representing 22.9 percent of the total deposits in commercial banking organizations in the state. Consummation of the proposal would not result in significantly adverse effects on the concentration of banking resources in Minnesota or Colorado.

Norwest does not compete directly with United Banks in any banking market. Accordingly, consummation of this proposal would not result in a significantly adverse effect on competition in any relevant banking market. In light of the existence of numerous potential entrants into the relevant banking markets, consummation of this proposal also would not result in a significantly adverse effect on probable future competition in any relevant market.

In considering the convenience and needs of the communities to be served, the Board has taken into account the record of the subsidiary banks of both Norwest and United Banks under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA"). The CRA requires the federal financial supervisory agencies to encourage financial institutions to help meet the credit needs of the local communities in which they operate consistent with the safe and sound operation of such institutions. To accomplish this end, the CRA requires the appropriate federal supervisory authority to "assess an institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of the institution," and to take this record into account in its evaluation of bank holding company applications.[6]

In this regard, the Board has received comments from community groups and individuals (collectively, "Protestants") critical of the CRA performance of Norwest and United Banks.[7] Protestants generally allege that Norwest has failed to meet the credit and servicing needs of low- and moderate-income and minority communities, primarily in the Minneapolis-St. Paul and Duluth areas, as well as Minnesota farm communities. The Board addressed these CRA issues in its recent Order approving Norwest's application to acquire Chalfen Bankshares, Inc., Anoka, Minnesota ("Chalfen").[8] Protestants, however, have raised addi-

1. 12 U.S.C. § 1842(d).

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

3. These requirements include that the Colorado bank holding company must have been in operation since July 1, 1988, or for at least five years at the time of the acquisition; the acquiring bank holding company may not control more than 25 percent of the aggregate of all federally-insured financial institution deposits in Colorado; the acquiring bank holding company must have a total capital to total assets ratio of 6 percent or more; the name that the acquiring bank holding company proposes to use for the conduct of business in Colorado is not identical to or deceptively similar to the name of an existing Colorado bank or bank holding company or likely to cause the public to be confused, deceived, or mistaken; and the acquiring bank holding company must receive a certificate from the Colorado banking board certifying that the acquisition complies with Colorado law.

4. United Banks has been in operation since July 1, 1988; Norwest will not control 25 percent or more of the aggregate of all federally-insured financial institution deposits in Colorado; and Norwest has a total capital to total assets ratio that exceeds 6 percent.

5. Data are as of September 30, 1990, and are adjusted for all Norwest acquisitions that have been approved through December 31, 1990.

6. 12 U.S.C. § 2903.

7. The Board also has considered comments on this application filed after the close of the comment period which raise substantially similar issues. Under the Board's rules, the Board may in its discretion take into consideration the substance of such comments. 12 C.F.R. 212.3(e).

8. *See Norwest Corporation*, 77 *Federal Reserve Bulletin* 110 (1991). In that case, the Board reviewed the CRA record of Norwest and its subsidiary banks with regard to the credit and servicing needs of low-and moderate-income, minority and farm communities and found that record to be consistent with approval.

tional concerns. These issues include:

(i) the accessibility and advertisement of Norwest's Community Home Ownership Program ("CHOP") to low- and moderate-income communities;

(ii) Norwest's mortgage subsidiary's record of lending to low- and moderate-income communities in Milwaukee, Wisconsin; and

(iii) United Banks's record of meeting the credit needs of small businesses and low- and moderate-income communities in Denver, Colorado.[9]

The Board has carefully reviewed the CRA performance record of Norwest, United Banks, and their bank subsidiaries, as well as the comments of Protestants and Norwest's response to those comments, in light of the CRA, the Board's regulations, and the jointly issued Statement of the Federal Financial Supervisory Agencies Regarding the Community Reinvestment Act ("Agency CRA Statement").[10] The Agency CRA Statement provides guidance regarding the types of policies and procedures that the supervisory agencies believe financial institutions should have in place in order to fulfill their responsibilities under the CRA on an ongoing basis, and the procedures that the supervisory agencies will use during the application process to review an institution's CRA compliance and performance. The Agency CRA Statement also suggests that decisions by agencies to allow financial institutions to expand will be made pursuant to an analysis of the overall CRA performance of the institution.[11]

Initially, the Board notes that all of the subsidiary banks of both Norwest and United Banks have received satisfactory ratings from their primary regulators in the most recent examinations of their CRA performance. The Agency CRA Statement provides that, although CRA examination reports do not provide conclusive evidence of an institution's CRA record, these reports will be given great weight in the applications process.[12]

As a result of a recent corporate reorganization, Norwest's nonbank subsidiary, Norwest Mortgage, Inc. ("Norwest Mortgage"), now handles most mortgage lending for Norwest and administers CHOP. Individuals in the Minneapolis-St. Paul area can apply for purchase money mortgages through CHOP at twelve offices, six of which are offices of Norwest's subsidiary banks and six of which are offices of Norwest Mortgage. Four of these offices are located within Minneapolis-St. Paul and in or near low- and moderate-income communities, including two downtown offices that are accessible from low- and moderate-income communities by public transportation. Norwest's promotional materials indicate that applications for second mortgages under CHOP for home improvement and consumer loans are available through all Norwest offices in the Minneapolis-St. Paul area.[13] Norwest has stated that its Minneapolis-St. Paul bank branches will promote CHOP. Norwest has also placed advertisements for CHOP in community newspapers, including those servicing low- and moderate-income communities.

With regard to Protestants' allegations regarding United Banks's record under the CRA, the record indicates that United Banks has been active in extending conventional home purchase, housing rehabilitation and small business loans, as well as participating in government-guaranteed loan programs for housing and small businesses. United Banks's lead bank recently opened an office in the Five Points area of Denver, which is predominately low- and moderate-income, in order to strengthen its lending activity to low- and moderate-income communities. United Banks's Home Mortgage Disclosure Act ("HMDA") data indicate that United Banks's loan policies do not discriminate against low- and moderate-income or minority communities in Denver.[14] In addition, Nor-

9. Protestants also have requested that Norwest honor agreements made by United Banks with community groups. Protestants also believe that United Banks should expand its affirmative action program and implement a community monitoring program.

10. 54 *Federal Register* 13,742 (1989).

11. *Id.*

12. *Id.* at 13,745.

13. The Board notes that Norwest's CHOP initiative was begun less than a year ago and has not yet been fully implemented. For example, some features of the program—down payment assistance, coordination with community mortgage counseling agencies, and special price limits to accommodate duplex purchases—have been implemented only recently. In addition, the Board has reviewed Protestants' allegations regarding Norwest's record of meeting the credit needs of low- and moderate-income communities in Milwaukee, Wisconsin. Protestants allege that there have been some disparities in the 1989 HMDA data for Norwest Mortgage in Milwaukee. During the past year, however, Norwest has expanded its presence in Milwaukee by acquiring its first bank in that city. The bank has recently announced a plan to provide increased funding for inner city housing and commercial and economic development loans. In addition, the bank will continue to provide its no-minimum balance checking accounts and review the feasibility of opening new branches in low- and moderate-income areas. The Board expects Norwest to continue its record of improvement under the CRA, including full implementation of its CRA program in Milwaukee. The Board will continue to consider Norwest's progress in meeting the needs of low- and moderate-income communities, including Milwaukee, in future applications to expand its deposit-taking operations.

14. The 1989 HMDA data show that United Banks made 13.2 percent of its mortgage loans in low- and moderate-income neighborhoods and 8.7 percent of its mortgage loans in integrated and predominately minority census tracts. In both instances, these percentages exceeded the percentages for aggregate HMDA-reporting lenders. In addition, in low- and moderate-income areas in Denver, United Banks made twice as many loans in predominately minority census tracts (per owner-occupied unit) as in predominately nonminority census tracts.

west has indicated that it will apply its CRA program to the subsidiary banks of United Banks, including its *Community Marketing Initiative*, which requires each subsidiary bank to develop an outreach program to provide for an ongoing assessment of community financial service needs.

For the foregoing reasons, and based upon the overall CRA record of Norwest and its subsidiary banks and other facts of record, the Board concludes that convenience and needs considerations, including the record of performance under the CRA of Norwest and United Banks, are consistent with approval of this application.[15] The Board also determines that the financial and managerial resources and future prospects of Norwest, United Banks, and their subsidiaries are consistent with approval of this application.

Norwest also has applied, pursuant to section 4(c)(8) of the BHC Act, to acquire lending, data processing and insurance subsidiaries of United Banks. The Board has determined by regulation that each of these activities is permissible for bank holding companies under section 4(c)(8) of the BHC Act,[16] and Norwest proposes to conduct these activities in accordance with the Board's regulations. Norwest operates nonbanking subsidiaries engaged in lending, data processing and insurance activities that compete with United Banks in these activities. Each of these subsidiaries has a small market share, and there are numerous competitors for these services. As a result, consummation of this proposal would have a *de minimis* effect on existing competition for these services, and the Board concludes that the proposal would not result in a significant adverse effect on competition in any relevant market. Furthermore, there is no evidence in the record to indicate that approval of this proposal would result in any significantly adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices. Accordingly, the Board has determined that the balance of public interest factors it must consider under section 4(c)(8) of the BHC Act is favorable and consistent with approval.

Based on the foregoing and other facts of record, the Board has determined that the applications should be, and hereby are, approved. The bank acquisitions 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 Minneapolis, acting pursuant to delegated authority. The determinations as to Norwest's nonbanking activities are subject to all of the conditions contained in the Board's Regulation Y, including those in sections 225.4(d) and 225.23(b)(3) (12 C.F.R. 225.4(d) and 225.23(b)(3)), and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, or prevent evasions of, the provisions and purposes of the BHC Act and the Board's regulations and orders issued thereunder.

By order of the Board of Governors, effective March 4, 1991.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

Appendix

Norwest will acquire the following banks:

(1) United Bank of Boulder, N.A., Boulder, Colorado.

(2) United Bank of Colorado Springs, N.A., Colorado Springs, Colorado.

(3) United Bank of Denver, N.A., Denver, Colorado.

(4) United Bank of Fort Collins, N.A., Fort Collins, Colorado.

(5) United Bank of Greeley, N.A., Greeley, Colorado.

(6) United Bank of Montrose, N.A., Montrose, Colorado.

(7) United Bank of Steamboat Springs, N.A., Steamboat Springs, Colorado.

(8) United Bank of Sterling, N.A., Sterling, Colorado.

(9) United Bank of Grand Junction - Downtown, N.A., Grand Junction, Colorado.

(10) United Bank of Brighton, N.A., Brighton, Colorado.

15. Several Protestants also have requested that the Board hold a public hearing or meeting to assess further facts surrounding the CRA performance of Norwest and United Banks. Under the Board's rules, the Board may, in its discretion, hold a public hearing or meeting on an application to clarify factual issues related to the application and to provide an opportunity for testimony, if appropriate. 12 U.S.C. §§ 262.3(e) and 262.25(d).

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

16. 12 C.F.R. 225.25(b)(1), (7), (8)(i), and (8)(vii).

(11) United Bank of Aurora, N.A., Aurora, Colorado.
(12) United Bank of Ignacio, N.A., Ignacio, Colorado.
(13) United Bank of Pueblo, N.A., Pueblo, Colorado.
(14) United Bank of Littleton, N.A., Littleton, Colorado.
(15) United Bank of Broomfield, N.A., Broomfield, Colorado.
(16) United Bank of Sunset Park, N.A., Pueblo, Colorado.
(17) United Bank of Lakewood, N.A., Lakewood, Colorado.
(18) United Bank of Northglenn, N.A., Northglenn, Colorado.
(19) United Bank of Lasalle, N.A., Lasalle, Colorado.
(20) United Bank of Grand Junction, N.A., Grand Junction, Colorado.
(21) United Bank of Delta, N.A., Delta, Colorado.
(22) United Bank of Bear Valley, N.A., Denver, Colorado.
(23) United Bank of Colorado Springs - East, N.A., Colorado Springs, Colorado.
(24) United Bank of Southglenn, N.A., Arapahoe County, Colorado.
(25) United Bank of Longmont, N.A., Longmont, Colorado.
(26) United Bank of Durango, N.A., Durango, Colorado.
(27) United Bank of Skyline, N.A., Denver, Colorado.
(28) United Bank of Buckingham Square, N.A., Aurora, Colorado.
(29) United Bank of Monaco, N.A., Denver, Colorado.
(30) United Bank of Garden of the Gods, N.A., Colorado Springs, Colorado.
(31) United Bank of Arvada, N.A., Arvada, Colorado.
(32) United Bank of Fort Collins - South, N.A., Fort Collins, Colorado.
(33) United Bank of Arapahoe, N.A., Englewood, Colorado.
(34) United Bank of Southwest Plaza, N.A., Jefferson County, Colorado.
(35) United Bank of Cherry Creek, N.A., Denver, Colorado.
(36) United Bank of Highlands Ranch, N.A., Highlands Ranch, Colorado.
(37) United Bank of Academy Place, N.A., Colorado Springs, Colorado.
(38) United Bank of Aurora - City Center, N.A., Aurora, Colorado.
(39) United Bank of Aurora - South, N.A., Aurora, Colorado.
(40) United Bank of Westminster, N.A., Westminster, Colorado.

Norwest will acquire the following nonbanking subsidiaries:

(1) United Banks Financial Services Corporation, and Spectrum Properties, Inc., both of Denver, Colorado, and thereby engage in commercial finance activities;
(2) United Banks Service Company, Englewood, Colorado, and thereby engage in data processing activities;
(3) Fidelity National Life Insurance Company and IntraWest Insurance Company, both of Denver, Colorado, and thereby engage in credit insurance activities;
(4) United Banks Insurance Services, Inc., Denver, Colorado, and its wholly-owned subsidiary, Lincoln Agency Inc., Phoenix, Arizona, and Tempe, Arizona, and thereby engage in insurance agency activities.

Orders Issued Under Federal Reserve Act

Fifth Third Bank
Cincinnati, Ohio

Fifth Third Bank
Columbus, Ohio

Order Approving the Establishment of Branches

Fifth Third Bank, Cincinnati, Ohio ("Fifth Third Cincinnati"), has applied, pursuant to section 9 of the Federal Reserve Act (12 U.S.C. § 321 *et seq.*) ("FRA"), to establish three full-service branches at 9990 Montgomery Road and 6150 Glenway Avenue, both in Cincinnati, Ohio, and at 11905 Superior Avenue, Cleveland, Ohio, and to establish 73 Customer Bank Communication Terminals ("CBCTs") throughout Ohio at locations listed in the Appendix. Fifth Third Bank, Columbus, Ohio ("Fifth Third Columbus"), also has applied, pursuant to section 9 of the FRA, to establish a full-service branch at 250 Wilson Road, Columbus, Ohio, and to establish 21 CBCTs throughout Ohio at locations listed in the Appendix.

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

Fifth Third Cincinnati and Fifth Third Columbus are both subsidiary banks of Fifth Third Bancorp, Cincinnati, Ohio ("Bancorp"), which operates subsidiary banks in Ohio, Indiana, and Kentucky. Fifth Third Cincinnati, Bancorp's lead bank, has its main office in Cincinnati, Ohio, and operates branches in Cincinnati, Hamilton and Middletown Counties, Dayton, and Cleveland, all in Ohio. Fifth Third Columbus has its main office and branches in Columbus, Ohio, and also two branches in Fayette County, Ohio.

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

In this regard, the Board has considered comments filed by the Cincinnati Branch of the National Association for the Advancement of Colored People, the Ohio Community Reinvestment Alliance, and the Coalition of Neighborhoods, all in Cincinnati, Ohio (collectively, "Protestants").[2] Protestants generally allege that the performance of Fifth Third Cincinnati and Fifth Third Columbus under the CRA:

(i) does not include sufficient components of effective CRA programs, including ascertainment of the credit needs of the communities, marketing of products, and managerial oversight;

(ii) reflects minimal participation in CRA-related programs;

(iii) results in insufficient lending in low-income and minority communities; and

(iv) does not contain adequate policies governing branch locations and closings.

The Board has carefully reviewed the CRA performance record of Fifth Third Cincinnati and Fifth Third Columbus, as well as Protestants' comments and the banks' responses to those comments, in light of the CRA, the Board's regulations, and the Statement of the Federal Financial Supervisory Agencies Regarding the Community Reinvestment Act ("Agency CRA Statement").[3] The Agency CRA Statement provides guidance regarding the types of policies and procedures that the supervisory agencies believe financial institutions should have in place in order to fulfill their responsibilities under the CRA on an ongoing basis and the procedures that the supervisory agencies will use during the application process to review an institution's CRA compliance and performance. The Agency CRA Statement also suggests that decisions by agencies to allow financial institutions to expand will be made pursuant to an analysis of the institution's overall CRA performance and will be based on the actual record of performance of the institution.[4]

Initially, the Board notes that Fifth Third Cincinnati and Fifth Third Columbus have both received a satisfactory rating from their primary regulator in the most recent examination of their CRA performance.[5] The Agency CRA Statement provides that a CRA examination is an important and often controlling factor particularly where, as in this case, the specific issues raised by the protests were incorporated in the reviews of the banks.[6] Accordingly, the Board has considered the allegations of Protestants discussed below in light of these satisfactory ratings.

Components of CRA Programs

Protestants allege deficiencies in both banks' programs for ascertaining the credit needs of their communities, marketing of products, and managerial oversight.[7] Regarding Fifth Third Cincinnati, Protestants allege that the bank lacks interest in meeting with low- and moderate-income communities, directs its marketing efforts toward wealthy, non-minority communities,

1. 12 U.S.C. § 2901.

2. The Board also has considered additional comments filed by several Protestants after the close of the comment period. Under the Board's rules, the Board may in its discretion take into consideration the substance of such comments. 12 C.F.R. 262.3(e).

3. 54 *Federal Register* 13,742 (1989).

4. *Id.*

5. The Federal Reserve Bank of Cleveland conducted CRA compliance examinations for Fifth Third Cincinnati and Fifth Third Columbus as of October 15, 1990.

6. 54 *Federal Register* at 13,745.

7. Protestants also allege that the CRA public comment files in both banks were inadequately maintained. Although these files generally complied with the Board's regulations, the examiners found certain deficiencies in the descriptions of community delineations and listings of the types of credit products available. The banks have committed to correct these deficiencies, and the Board expects these deficiencies to be resolved promptly. Protestants also charged that both banks have not employed minorities in decision-making positions. While the Board fully supports affirmative programs designed to promote equal opportunity in every aspect of a bank's personnel policies and practices in the employment, development, advancement, and treatment of employees and applicants for employment, the Board believes that the alleged deficiencies in the banks' general personnel practices are beyond the scope of factors assessed under the CRA.

and has failed to act on suggestions by the City of Cincinnati in a report regarding the commercial credit needs of the city's minority businesses.[8] In addition, Protestants allege that Fifth Third Columbus's marketing is ineffective for low-income communities, has failed to use minority media advertising, and is premised on a survey designed for Cincinnati instead of Columbus.

Fifth Third Cincinnati and Fifth Third Columbus have adopted many of the elements of an effective CRA program as outlined in the Agency CRA Statement. Both banks have a CRA officer responsible for coordinating CRA activities throughout the banks. Frequent calls in the communities are made by the CRA officer and banking center managers.[9] Ascertainment efforts and CRA activities are reviewed on a regular basis by oversight committees made up of senior management, banking center managers, and representatives from the lending, marketing, and community affairs departments.[10] CRA program developments are in turn periodically reported to both banks' boards of directors which review the overall CRA program in their respective banks.[11] In the case of Fifth Third Columbus, a recent survey of credit needs in its market was completed in conjunction with the Ohio State Legal Services Association and a local minority businessman who is also a community organizer.

Fifth Third Cincinnati and Fifth Third Columbus market their credit products by means of traditional media such as television, radio, and local newspapers as well as in minority publications.[12] Although the record reveals that both banks are making efforts to market their products in low- and moderate-income communities, some weaknesses exist in the effectiveness of the banks' advertising efforts in these communities. Both banks have committed to review their marketing strategies and to increase their efforts in reaching these markets.

Participation in CRA-Related Programs

Protestants have criticized both banks for insufficient participation in CRA-related programs.[13] Specifically, Protestants note that Fifth Third Cincinnati does not participate in Ohio's State Bond Money Program which is designed to assist low- and moderate-income home buyers purchasing their first home.[14] Fifth Third Columbus and Fifth Third Cincinnati are also criticized for their minimal participation in government-assisted programs to aid the poor.[15]

Fifth Third Cincinnati participates in various federal government loan programs, including SBA, FHA, VA, and guaranteed-student loan programs.[16] The bank also participates in several State of Ohio programs for home purchase or home improvement. Fifth Third Cincinnati participates in the Withrow Linked Deposit Loan Program to provide borrowers with below-market interest rates for home purchase loans and the Ohio Energy Action Loan Program, which targets energy saving home improvements. The bank also

8. The report by the City of Cincinnati does not contain specific recommendations nor have Protestants identified recommendations that Fifth Third Cincinnati has failed to adopt. Although not a recommendation in the report, Fifth Third Cincinnati has formed a Minority Business Development Committee, which meets bi-monthly to discuss minority business development concerns and review all declined minority business applications for ways to help with future credit requests.

9. The policies of both banks require bank center managers to make 26 calls per month on small- and medium-size businesses within the service area. In addition, real estate loan originators are required to target calling efforts on minority realtors to increase the banks' penetration in minority communities as well as low- and moderate-income areas.

10. Fifth Third Columbus has also formed specific groups such as the community development lending group and the small business lending group that meet regularly to discuss ways to increase the bank's lending to low- and moderate-income areas and small businesses.

11. The examination report of Fifth Third Cincinnati notes weaknesses in loan application and review procedures employed by senior management including the board of directors. The bank has indicated that it will implement a system to analyze the bank's Home Mortgage Disclosure Act ("HMDA") data which will be presented to the bank's executive committee periodically and to the board of directors on an annual basis. The Board expects Fifth Third Cincinnati to implement appropriate formal systems of review with senior management and board of director oversight to correct these deficiencies.

12. For example, Fifth Third Columbus has advertised in minority publications such as *Call and Post, The Blue Chip Profile*, and *The Main Street Business Journal*.

13. Although Protestants have alleged that Fifth Third Cincinnati has attempted to tie improving its CRA performance to obtaining partial management of the city's Retirement System Pension Fund, in the Board's view, the facts in the record do not support this allegation.

14. Protestants also contend that both banks have historically made an inadequate amount of charitable contributions. Each bank has a foundation officer responsible for the administration of foundation funding and philanthropic projects. For example, Fifth Third Cincinnati provides assistance to the United Way and other community-oriented programs such as Cincinnati Youth Collaborative (a program to reduce the drop-out rate by focusing on jobs and education), INROADS (placement of minority youths in businesses), and Partners in Education (a mentor program for bank employees and junior high students). Since the previous examination, Fifth Third Cincinnati has awarded $3.6 million in grants and $7.5 million in contributions to nonprofit organizations, all of which benefit low- and moderate-income communities.

15. Protestants allege that Fifth Third Columbus does not cash government checks for non-depositors. However, the bank does cash State Warrant checks and offers several free or low-cost checking accounts for low-income individuals and senior citizens. Fifth Third Cincinnati also offers a Senior Citizen Checking Account which provides discounts to senior citizens for checking services.

16. Since becoming an FHA and VA lender in 1988, Fifth Third Cincinnati has lent $1.1 million (1988), $5.5 million (1989), and $8.2 million (first 9 months of 1990) under these programs. In addition, Fifth Third Cincinnati has made $14.6 million in guaranteed student loans (first 9 months of 1990) and $2.3 million in SBA small business loans (first 9 months of 1990).

participates in the Neighborhood Lending Program in Dayton, which provides, in connection with the City of Dayton, discounts on mortgage loans to individuals in low- and moderate-income communities. Fifth Third Cincinnati also offers the Good Neighbor Program, which provides loan discounts for families with an income of under $35,000 to purchase homes in one of Cincinnati's 38 Community Development Block Grant communities.[17]

Fifth Third Columbus also participates in programs designed to assist the housing needs of low- and moderate-income families. The bank recently announced the Community Home Buyers Program, a mortgage lending program developed in conjunction with General Electric to provide flexible, affordable mortgage loans to families with low- and moderate-incomes. The bank is also participating with the Columbus Housing Partnership ("CHP") to increase housing loans to low- and moderate-income communities in Columbus and contributes a loan origination fee to the CHP for each loan the bank makes to targeted low- and moderate-income areas.[18] Fifth Third Columbus has recently been approved as a FHA and VA lender and acts as an agent for its affiliated banks in offering guaranteed student loans.

Lending in Low- and Moderate-Income Communities

Protestants allege that Fifth Third Cincinnati and Fifth Third Columbus have invested minimal amounts in Ohio's minority communities. In the case of Fifth Third Cincinnati, the Protestants suggest that the bank's lending patterns indicate discriminatory lending practices. According to Protestants, Fifth Third Columbus's lending patterns suggest disinvestment in minority and low-income communities.

Fifth Third Cincinnati's delineated community includes minority and low- and moderate-income communities in Cincinnati, where its main office is located, as well as Hamilton and Middletown Counties, Dayton, and Cleveland. Data available under HMDA show that the overall trend in the number of mortgage loans by Fifth Third Cincinnati in all segments of low- and moderate-income tracts in Cincinnati has been increasing over the last few years, while loans to upper-income areas have been decreasing. These data also demonstrate that, overall, Fifth Third Cincinnati made more loans per 1,000 owner-occupied units in the low- and moderate-income tracts in Cincinnati than in the upper-income tracts.[19] Fifth Third Columbus's delineated community includes low- and moderate-income communities in Columbus. The Board notes that there are some disparities in the HMDA data for Fifth Third Columbus's lending in Columbus. The recent examinations of both banks, however, found no evidence of loan discrimination against individuals in minority and low- and moderate-income communities.

As previously noted, Fifth Third Cincinnati and Fifth Third Columbus have committed to take steps to target additional marketing toward minority and low- and moderate-income communities and to improve their lending performance to these areas. These steps will include increasing the amount of funds available for marketing the banks' products in low- and moderate-income neighborhoods. The Board directs that both banks report quarterly to the Federal Reserve Bank of Cleveland and that the Reserve Bank carefully monitor compliance with these commitments. The Reserve Bank will also report to the Board regarding the extent to which the banks have implemented their improvements in the areas of weakness previously noted and the progress made in correcting these deficiencies. The Agency CRA Statement provides that, while commitments for future action are not viewed as part of the CRA record of performance of the financial institution, commitments for such improvement can be used to address specific problems in an otherwise satisfactory record. In this case, in light of the banks' overall satisfactory CRA performance, the Board believes it appropriate to consider the steps that the banks have committed to take to address weaknesses identified in the record.

Branch Locations and Closings

Protestants question the policies governing branch locations and closings for both banks. According to Protestants, Fifth Third Cincinnati is closing branches in low- and moderate- income areas while opening branches in upper-income areas. Fifth Third Columbus's branches are alleged to be in locations that are inconvenient to low-income and minority residents.

In the year and one-half period between its last two CRA examinations, Fifth Third Cincinnati has opened

17. Although few loans have been originated in this relatively new program, Fifth Third Cincinnati has committed $13.2 million over the next two years. It has also indicated that it will be extending its participation in the Good Neighbor Program to its Dayton branch, at which time it intends to phase out its participation in the Neighborhood Lending Program.

18. In addition, Fifth Third Columbus works with CHP to provide funding for the purchase and rehabilitation of housing in low- and moderate-income communities.

19. Fifth Third Cincinnati's Cleveland branch has only been in operation for one year and HMDA data for 1990 are not yet available. The Board also notes that the HMDA data for Fifth Third Cincinnati show some weaknesses in the bank's pattern of lending in Dayton and in Hamilton and Middletown Counties. The Board expects Fifth Third Cincinnati to address these disparities and the bank's progress will be considered in reviews of future applications.

ten branches and closed three. Four of the newly opened branches were located in high-income areas while five were located in middle-income areas and one was located in a low-income area. All of the three closed branches were in middle- and high-income areas. The Superior Avenue full-service branch in Cleveland that Fifth Third Cincinnati has requested to open in this application will be located in a low- and moderate-income and predominately minority area.

Fifth Third Columbus has not closed any branches. Fifth Third Columbus has four of its seventeen branches located in low-income areas and five located in middle-income areas. Examiners determined that Fifth Third Columbus's branches were at locations accessible to all segments of its service community.

Both banks have a closure, consolidation and reduction-in-service policy that addresses the need to identify and serve the needs of the banks' communities. These policies outline the factors to be considered when opening and closing banking centers. In addition, these policies require advance notice to the community explaining the rationale for closing a banking center and providing alternatives for continued service to the affected community.

For the reasons discussed above, the Board believes that, on balance, and subject to the commitments to address the deficiencies noted in both banks' performance under the CRA, the CRA records of Fifth Third Cincinnati and Fifth Third Columbus are consistent with approval of these applications.[20] The Board expects both banks to continue their record of improvement under the CRA and to report on their progress in addressing the areas of weakness in their performance as previously discussed.

The Board also concludes that the financial conditions of both banks, the general character of their managements, and the proposed exercise of corporate powers are consistent with approval and the purposes of section 9 of the FRA.

Based on all the foregoing and other facts of record, including the commitments to improve both banks' CRA performance, the Board has determined that the applications should be, and hereby are, approved.

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

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

By order of the Board of Governors, effective March 22, 1991.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

Appendix

Fifth Third Cincinnati will establish the following CBCTs:

(1) 1294 North Fairfield Road, Beavercreek, Ohio;
(2) 1024 South Smithville Road, Dayton, Ohio;
(3) 875 Central Avenue, Springboro, Ohio;
(4) 7747 Old Troy Pike, Huber Heights, Ohio;
(5) 425 Dayton Avenue, Xenia, Ohio;
(6) 3243 West Seibenthaler Avenue, Dayton, Ohio;
(7) 855 Union Road, Englewood, Ohio;
(8) 2100 Beechmont Avenue, Mt. Washington, Ohio;
(9) 1783 Ohio Pike, S.R. 125, Amelia, Ohio;
(10) 5740 Harrison Pike, Dent, Ohio;
(11) 420 Wells Mill Road, Oxford, Ohio;
(12) 8241 Vine Street, Cincinnati, Ohio;
(13) 7545 Beechmont Avenue, Cincinnati, Ohio;
(14) 1555 Wayne Avenue, Dayton, Ohio;
(15) 1220 East Central Avenue, Miamisburg S/C, Ohio;
(16) 700 Spinning Road, Spinning Plaza, Dayton, Ohio;
(17) 726 East Main Street, Lebanon, Ohio;
(18) 2900 West Street, Route 22 & 3, Maineville, Ohio;
(19) 954 East McMillan, Wallnut Hills, Ohio;
(20) 960 Enright Avenue, Price Hill, Ohio;
(21) 8800 Beechmont Avenue, Cherry Grove, Ohio;
(22) 1244 Rombach Avenue, Wilmington, Ohio;
(23) 1864 Seymour Avenue, Hillcrest Square, Cincinnati, Ohio;
(24) 1606 North Bend Road, College Hill, Ohio;
(25) University of Dayton, 300 College Park, Dayton, Ohio;
(26) Salem Mall, 5200 Salem Avenue, Trotwood, Ohio;
(27) Wright State University, 3640 Colonel Glenn Highway, Fairborn, Ohio;
(28) Kenwood Towne Centre # 1, 7875 Montgomery Road, Cincinnati, Ohio;
(29) Kenwood Towne Centre #2, 7875 Montgomery Road, Cincinnati, Ohio;
(30) West & Wooster Pike, Mariemont, Ohio;

(31) 516 East Cherry Street, Blanchester, Ohio;
(32) 11973 Lebanon Pike, Sharonville, Ohio;
(33) 6950 Miami Avenue, Madeira, Ohio;
(34) 1 West Corry Street, University Plaza, Cincinnati, Ohio;
(35) 800 Main Street, Clermont S/C, Milford, Ohio;
(36) 6150 Glenway Avenue, Western Hills Plaza, Cincinnati, Ohio;
(37) 6020 Chambersburgh Road, Huber Heights, Ohio;
(38) 3484 Towne Boulevard, Franklin, Ohio;
(39) 5021 Vine Street, St. Bernard, Ohio;
(40) 575 West Main Street, Batavia, Ohio;
(41) 1420 Vine Street, Cincinnati, Ohio;
(42) 2435 Harrison Avenue, Westwood, Ohio;
(43) 4840 Glenway Avenue, Cincinnati, Ohio;
(44) 250 South Miami Avenue, Cleves, Ohio;
(45) 430 Oxford State Road, Middletown, Ohio;
(46) 3829 Montgomery Road, Norwood Plaza, Ohio;
(47) 2830 Colerain Avenue, Camp Washington, Ohio;
(48) 8120 Hamilton Avenue, Mt. Healthy, Ohio;
(49) 3760 Paxton Avenue, Hyde Park Plaza, Cincinnati, Ohio;
(50) 26350 Great Northern Mall, N. Olmsted, Ohio;
(51) 6677 Pearl Road, Parma Heights, Ohio;
(52) 5400 Northfield Road, Maple Heights, Ohio;
(53) 1395 Som Center Road, Mayfield Heights, Ohio;
(54) 1650 Snow Road, Parma, Ohio;
(55) 1225 W. Pleasant Valley Road, Parma, Ohio;
(56) 5132 Wilson Mills, Richmond Heights, Ohio;
(57) 1499 Columbia Road, Westlake, Ohio;
(58) 11501 Buckeye Road, Cleveland, Ohio;
(59) 3024 Clark Avenue, Cleveland, Ohio;
(60) 33311 Aurora Road, Solon, Ohio;
(61) 4798 Ride Road, Brooklyn, Ohio;
(62) 7300 St. Clair Avenue, Cleveland, Ohio;
(63) 10950 Lorain Avenue, Cleveland, Ohio;
(64) 18501 Neff Road, Cleveland, Ohio;
(65) 8009 Day Drive, Parma, Ohio;
(66) 4934 Turney Road, Garfield Heights, Ohio;
(67) 14225 Pearl Road, Strongville, Ohio;
(68) 23949 Chagrin Boulevard, Beachwood, Ohio;
(69) 14100 Detroit Avenue, Lakewood, Ohio;
(70) 6711 Broadway Avenue, Cleveland, Ohio;
(71) Pavillion Mall, Beachwood, Ohio;
(72) Harvard & Lee, Cleveland, Ohio; and
(73) 230 Howe Avenue, Cuyahoga Falls, Ohio.

Fifth Third Columbus will establish the following CBCTs:

(1) 6962 East Main Street, Reynoldsburg, Ohio;
(2) 5991 Sunbury Road, Westerville, Ohio;
(3) 2913 Olentangy River Road, Columbus, Ohio;
(4) 60 Worthington Square S/C, Worthington, Ohio;
(5) 299 West Bridge Street, Dublin, Ohio;
(6) 1350 North High Street, Columbus, Ohio;
(7) 4656 Cemetary Road, Hilliard, Ohio;
(8) 3471 North High Street, Columbus, Ohio;
(9) 1630 Morse Road, Columbus, Ohio;
(10) 4850 East Min Street, Whitehall, Ohio;
(11) 560 East Livingston, Columbus, Ohio;
(12) 83 Hamilton Road North, Gahanna, Ohio;
(13) 120 Robinwood Avenue, Whitehall, Ohio;
(14) 4485 Refugee Road, Columbus, Ohio;
(15) 2433 East Dublin-Granville, Columbus, Ohio;
(16) 2000 East Main Street, Columbus, Ohio;
(17) 3559 South High Street, Columbus, Ohio;
(18) 3353 Cleveland Avenue, Columbus, Ohio;
(19) 2474 Stringtown Road, Grove City, Ohio;
(20) 55 West Schrock Road, Westerville, Ohio; and
(21) 159 South Sandusky Street, Delaware, Ohio.

Orders Issued Under the Financial Institutions Reform, Recovery, and Enforcement Act ("FIRREA Orders")

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

Bank Holding Company	Acquired Thrift	Surviving Bank(s)	Approval Date
Bank of North America Bancorp, Inc., Miami, Florida	Commonwealth Federal Savings and Loan Association, Fort Lauderdale, Florida (Boca Raton, Florida Branch)	Bank of North America, Miami, Florida	March 8, 1991

FIRREA Orders—Continued

Bank Holding Company	Acquired Thrift	Surviving Bank(s)	Approval Date
Community Bancshares, Inc., Noblesville, Indiana	Colonial Central Savings Bank, F.S.B., Mt. Clemens, Michigan (Lapel, Indiana Branch)	Summitville Bank and Trust Co., Summitville, Indiana	March 7, 1991
First Chicago Corporation, Chicago, Illinois	Horizon Savings Bank, F.S.B., Wilmette, Illinois	The First National Bank of Chicago, Chicago, Illinois	March 8, 1991
First of America Bank Corporation, Kalamazoo, Michigan	Primebank, Federal Savings Bank, Grand Rapids, Michigan	First of America Bank-Holland, N.A., Holland, Michigan	March 1, 1991
Flagler Bank Corporation, West Palm Beach, Florida	Central Savings and Loan Association, Stuart, Florida	Flagler National Bank, West Palm Beach, Florida	March 8, 1991
Resource Bancshares Corporation, Columbia, South Carolina	Poughkeepsie Savings Bank, F.S.B., Poughkeepsie, New York (3 Spartanburg, South Carolina Branches and Landrum, South Carolina Branch)	Republic National Bank, Columbia, South Carolina	March 15, 1991
SouthTrust Corporation, Birmingham, Alabama	Commonwealth Federal Savings and Loan Association, Fort Lauderdale, Florida (Home Depot Branch, St. Petersburg, Florida)	SouthTrust Bank of Pinellas County, St. Petersburg, Florida	March 8, 1991

Applications Approved Under Bank Holding Company Act

By the Secretary of the Board

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

Section 4

Applicant(s)	Bank(s)	Effective Date
First of America Bank Corporation, Kalamazoo, Michigan	First of America Information Systems, Inc., Peoria, Illinois	March 1, 1991

APPLICATIONS APPROVED UNDER BANK HOLDING COMPANY ACT

By Federal Reserve Banks

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

Section 3

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Beaman Bancshares, Inc., Beaman, Iowa	Farmers State Bank, Beaman, Iowa	Chicago	February 22, 1991
Citizens Bancorp, Inc., Morris, Minnesota	Citizens Bank, Morris, Minnesota	Minneapolis	February 22, 1991
Community Bancshares, Inc., Noblesville, Indiana	Summitville Bank and Trust Co., Summitville, Indiana	Chicago	March 7, 1991
Community Financial Holding Company, Westmont, New Jersey	Community National Bank of New Jersey, Westmont, New Jersey	Philadelphia	March 4, 1991
Community Group, Inc., Chattanooga, Tennessee	Consolidated Bancorporation, Inc., Chattanooga, Tennessee	Atlanta	February 28, 1991
Farmers Savings Bank Employee Stock Ownership Plan & Trust, West Union, Iowa	BJS, Inc., West Union, Iowa	Chicago	February 28, 1991
First American Financial Corporation, Sulphur Springs, Texas	First American Bank of Sulphur Springs, N.A., Sulphur Springs, Texas	Dallas	March 14, 1991
First Bank Corp., Fort Smith, Arkansas	Sequoyah County Bankshares, Inc., Sallisaw, Oklahoma	St. Louis	February 22, 1991
First Berlin Bancorp., Inc., Berlin, Wisconsin	The First National Bank of Berlin, Berlin, Wisconsin	Chicago	March 13, 1991
First National Bancorporation of Stoughton, Stoughton, Wisconsin	The First National Bank of Stoughton, Stoughton, Wisconsin	Chicago	March 11, 1991
FNC Bancorp, Inc., Douglas, Georgia	First National Bank of Coffee County, Douglas, Georgia	Atlanta	March 1, 1991
Founders Financial Corporation, Naples, Florida	Colonial National Bank, Fort Myers, Florida	Atlanta	March 4, 1991
Founders Financial Corporation, Naples, Florida	Colonial National Bank, Fort Myers, Florida	Atlanta	March 4, 1991
Greater Southwest Bancshares, Inc., Employee Stock Ownership Plan, Irving, Texas	Greater Southwest Bancshares, Inc., Irving, Texas Bank of the West, Irving, Texas	Dallas	March 1, 1991

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Heartland Bancorporation, Aurora, Nebraska	Farmers State Bank and Trust Company, Aurora, Nebraska Crete State Corporation, Crete, Nebraska	Kansas City	February 21, 1991
Husker Bank Holding Company, Inc., Lincoln, Nebraska	Republic Bank of Nebraska, Columbus, Nebraska	Kansas City	March 8, 1991
Jefferson County Bancorp, Inc., Jefferson, Wisconsin	Jefferson County Bank, Jefferson, Wisconsin	Chicago	March 19, 1991
KSB Financial, Inc., Kingston, Michigan	The Kingston State Bank, Kingston, Michigan	Chicago	February 22, 1991
Midwest Banco Corporation, Cozad, Nebraska	Enders Company, Enders, Nebraska	Kansas City	March 13, 1991
Mountain Holding Corporation, Tucker, Georgia	Mountain National Bank, Tucker, Georgia	Atlanta	March 4, 1991
National Banc of Commerce Company, Charleston, West Virginia	Lavalette State Bank, Lavalette, West Virginia	Richmond	March 12, 1991
People's Bank of Brevard, Inc., Cocoa, Florida	People's Bank of Brevard, Cocoa, Florida	Atlanta	February 27, 1991
The Peoples Holding Company, Fort Walton Beach, Florida	Peoples Federal Savings Bank, Fort Walton Beach, Florida	Atlanta	March 8, 1991
Peoples Preferred Bancshares, Inc., Colquitt, Georgia	The Peoples Bank, Colquitt, Georgia	Atlanta	March 11, 1991
Routt County National Bank Corporation, Steamboat Springs, Colorado	First National Bank of Steamboat Springs, Steamboat Springs, Colorado	Kansas City	March 8, 1991
SB Holdings, Inc., Douglasville, Georgia	Southern National Bank, Douglasville, Georgia	Atlanta	March 1, 1991
Texhoma Bancshares, Inc., Texhoma, Oklahoma	First National Bank of Texhoma, Texhoma, Oklahoma	Kansas City	March 8, 1991
Tifton Banks, Inc., Tifton, Georgia	Tifton Bank & Trust Company, Tifton, Georgia	Atlanta	March 6, 1991
United Community Bancorp, Inc., Greenfield, Illinois	Peoples State Bank of Gillespie, Gillespie, Illinois	St. Louis	March 4, 1991
U.S.B. Holding Company, Inc., Nanuet, New York	The New Milford Bank and Trust Company, Inc., New Milford, Connecticut	New York	March 19, 1991

Section 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
ABN AMRO Holding N.V., Amsterdam, The Netherlands Stichting Prioriteit ABN AMRO Holding, Amsterdam, The Netherlands Stichting Administratiekantoor ABN AMRO Holding, Amsterdam, The Netherlands, Albemene Bank Nederland, N.V., Amsterdam, The Netherlands, ABN AMRO North America, Inc., Chicago, Illinois La Salle National Corporation, Chicago, Illinois	Investment and Capital Management Corp, Chicago, Illinois Chemical Investment Group, Chicago, Illinois	Chicago	March 8, 1991
Community Bancshares, Inc., Noblesville, Indiana	Community Federal Savings Bank, Lapel, Indiana	Chicago	March 7, 1991
East Ridge Bancshares, Inc., East Ridge, Tennessee	Mortgage South of Tennessee, Inc., East Ridge, Tennessee	Atlanta	March 13, 1991
Great Lakes Financial Resources, Inc. Employee Stock Ownership Plan, Homewood, Illinois	Great Lakes Financial Resources, Inc., Homewood, Illinois Allied Mortgage Corporation, Chicago, Illinois	Chicago	February 27, 1991
Norwest Corporation, Minneapolis, Minnesota	Simons and Gregoire Agency, Inc., Marshall, Minnesota	Minneapolis	March 18, 1991
Resource Bancshares Corporation, Columbia, South Carolina	Interim Federal Savings Bank, Columbia, South Carolina	Richmond	March 15, 1991
United Bancshares, Inc., Lincoln, Nebraska	Vistar Financial Services, Inc., Lincoln, Nebraska	Kansas City	March 19, 1991

Applications Approved Under Bank Merger Act

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Citizens Bank & Trust Company, Blackstone, Virginia	First Colonial Savings Bank, Hopewell, Virginia	Richmond	March 8, 1991
The Peoples Bank, Pratt, Kansas	Sharon Valley State Bank, Sharon, Kansas	Kansas City	March 8, 1991
United Jersey Bank, Hackensack, New Jersey	United Jersey Bank/Northwest, Randolph, New Jersey	New York	March 15, 1991

PENDING CASES INVOLVING THE BOARD OF GOVERNORS

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

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

State of Illinois v. Board of Governors, No. 90–3824 (7th Circuit, appeal filed December 19, 1990). Appeal of injunction restraining the Board from providing state examination materials in response to a Congressional subpoena. On November 30, 1990, the U.S. District Court for the Northern District of Illinois issued a preliminary injunction preventing the Board and the Chicago Reserve Bank from providing documents relatingto the state examination in response to the subpoena. The House Committee on Banking, Finance and Urban Affairs has appealed the injunction. The Board's brief is due on April 15, 1991.

Citicorp v. Board of Governors, No. 90–4124 (2d Circuit, filed October 4, 1990). Petition for review of Board order requiring Citicorp to terminate certain insurance activities conducted pursuant to Delaware law by an indirect nonbank subsidiary. The Delaware Bankers Association and the State of Delaware have intervened on behalf of petitioners, and insurance trade associations have intervened on behalf of the Board in the action. Awaiting decision.

Stanley v. Board of Governors, No. 90–3183 (7th Circuit, filed October 3, 1990). Petition for review of Board order imposing civil money penalties on five former bank holding company directors. Awaiting scheduling of oral argument.

Sibille v. Federal Reserve Bank of New York and Board of Governors, No. 90-CIV-5898 (S.D. New York, filed September 12, 1990). Appeal of denial of Freedom of Information Act request.

Kuhns v. Board of Governors, No. 90–1398 (D.C. Cir., filed July 30, 1990). Petition for review of Board order denying request for attorney's fees pursuant to Equal Access to Justice Act. Awaiting decision.

May v. Board of Governors, No. 90–1316 (D.C. Cir., filed July 27, 1990). Appeal of District Court order dismissing plaintiff's action under Freedom of Information and Privacy Acts. Board's motion for summary affirmance filed October 12, 1990.

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

Rutledge v. Board of Governors, No. 90–7599 (11th Cir., filed August 21, 1990). Appeal of district court grant of summary judgment for defendants in tort suit challenging Board and Reserve Bank supervisory actions. The Court of Appeals summarily affirmed the lower court on January 17, 1991.

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

Babcock and Brown Holdings, Inc. v. Board of Governors, No. 89–70518 (9th Cir., filed November 22, 1989). Petition for review of Board determination that a company would control a proposed insured bank for purposes of the Bank Holding Company Act. Oral argument is scheduled for April 9.

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

Synovus Financial Corp. v. Board of Governors, No. 89–1394 (D.C. Cir., filed June 21, 1989). Petition for review of Board order permitting relocation of a bank holding company's national bank subsidiary from Alabama to Georgia. Oral argument was held on October 11, 1990. On December 10, the Justice Department filed a brief on behalf of the Board and the Office of the Comptroller of the Currency in response to a request from the court regarding an issue in the case.

MCorp v. Board of Governors, No. 89–2816 (5th Cir., filed May 2, 1989). Appeal of preliminary injunction against the Board enjoining pending and future enforcement actions against a bank holding company now in bankruptcy. On May 15, 1990, the Fifth Circuit vacated the district court's order enjoining the Board from proceeding with enforcement actions based on section 23A of the Federal Reserve Act, but upheld the district court's order enjoining such actions based on the Board's source-of-strength doctrine. 900 F.2d 852 (5th Cir. 1990). On March 4, 1991, the Supreme Court granted the parties' cross-petitions for certiorari, Nos. 90–913, 90–914. The Board's brief is due on April 18, 1991.

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

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

Final Enforcement Orders Issued by the Board of Governors

Banca Nazionale Del Lavoro
Rome, Italy

The Federal Reserve Board announced on March 11, 1991, the issuance of a Cease and Desist Order against Banca Nazionale Del Lavoro, Rome, Italy, and its Atlanta, Georgia agency and New York, New York branch.

BCCI Holdings (Luxembourg) S.A.
Luxembourg, Luxembourg

The Federal Reserve Board announced on March 4, 1991, the joint issuance, with the superintendent of Banks of the State of New York, of an Order against BCCI Holdings (Luxembourg) S.A., Luxembourg, and Bank of Credit and Commerce International S.A., Luxembourg.

Written Agreements Approved by Federal Reserve Banks

The Bank of the West
Irving, Texas

The Federal Reserve Board announced on March 12, 1991, the execution of a Written Agreement between the Federal Reserve Bank of Dallas and H. Gary Blankenship, the Bank of the West, Greater Southwest Bancshares, Inc., and Greater Southwest Bancshares, Inc. Employee Stock Ownership Plan, Irving, Texas.

Sterling Bancorp, Inc.
St. Albans, West Virginia

The Federal Reserve Board announced on March 15, 1991, the execution of a Written Agreement between the Federal Reserve Bank of Richmond, the Commissioner of Banking, State of West Virginia, and Sterling Bancorp, Inc., St. Albans, West Virginia.

United American Bank of Central Florida
Orlando, Florida

The Federal Reserve Board announced on March 5, 1991, the execution of a Written Agreement between the Federal Reserve Bank of Atlanta, the State Comptroller and Banking Commissioner of the State of Florida, and the United American Bank of Central Florida, Orlando, Florida.

Directors of Federal Reserve Banks and Branches

Regional decentralization and a combination of governmental and private characteristics are important hallmarks of the uniqueness of the Federal Reserve System. Under the Federal Reserve Act, decentralization was achieved by division of the country into twelve regions called Federal Reserve Districts and the establishment in each District of a separately incorporated Federal Reserve Bank, with its own board of directors. The blending of governmental and private characteristics is provided through ownership of the stock of the Reserve Bank by member banks in its District who also elect the majority of the board of directors, and by the general supervision of the Reserve Banks by the Board of Governors, an agency of the federal government. The Board also appoints a minority of each board of directors. Thus, there are essential elements of regional participation and counsel in the conduct of the System's affairs for which the Federal Reserve relies in an important way on the contributions of the directors of the Federal Reserve Banks and Branches.

The following list of directors of Federal Reserve Banks and Branches shows for each director the class of directorship, the principal business affiliation, and the date the current term expires. Each Federal Reserve Bank has nine members on its board of directors: The member banks elect the three Class A and three Class B directors, and the Board of Governors appoints the three directors in Class C. Directors are chosen without discrimination as to race, creed, color, sex, or national origin.

Class A directors of each Reserve Bank represent the stockholding member banks of the Federal Reserve District. Class B and Class C directors represent the public and are chosen with due, but not exclusive, consideration of the interests of agriculture, commerce, industry, services, labor, and consumers; they may not be officers, directors, or employees of any bank. In addition, Class C directors may not be stockholders of any bank. The Board of Governors designates annually one Class C director as chairman of the board of directors of each District Bank, and designates another Class C director as deputy chairman.

Each of the twenty-five Branches of Federal Reserve Banks has a board of either seven or five directors, a majority of whom are appointed by the parent Federal Reserve Bank; the others are appointed by the Board of Governors. One of the Board's appointees is designated annually as chairman of the board of that Branch in a manner prescribed by the parent Federal Reserve Bank.

The names of the chairman and deputy chairman of the board of directors of each Reserve Bank and of the chairman of each Branch are published monthly in the *Federal Reserve Bulletin*.[1]

1. The current list appears on page A86 of this *Bulletin*.

DISTRICT 1—BOSTON

Class A

		Term expires Dec. 31
William H. Chadwick	Vice Chairman of the Board and Chief Operating Officer, Banknorth Group, Inc., Burlington, Vermont	1991
Terrence Murray	Chairman of the Board, President, and Chief Executive Officer, Fleet/Norstar Financial Group, Inc., Providence, Rhode Island	1992
Norman F.C. Kent	President, First National Bank of Portsmouth, Portsmouth, New Hampshire	1993

District 1—Continued

Class B

		Term expires Dec. 31
Edward H. Ladd	Chairman and Chief Executive Officer, Standish, Ayer and Wood, Inc., Boston, Massachusetts	1991
Joan T. Bok	Chairman of the Board, New England Electric System, Westborough, Massachusetts	1992
Stephen R. Levy	Chairman of the Board and Chief Executive Officer, Bolt Beranek and Newman, Inc., Cambridge, Massachusetts	1993

Class C

Dr. Jerome H. Grossman	Chairman of the Board and Chief Executive Officer, New England Medical Center, Inc., Boston, Massachusetts	1991
Richard N. Cooper	Maurits C. Boas Professor of International Economics, Harvard University, Cambridge, Massachusetts	1992
Vacancy		1993

District 2—New York

Class A

John F. McGillicuddy	Chairman of the Board and Chief Executive Officer, Manufacturers Hanover Trust Company, New York, New York	1991
Victor J. Riley, Jr.	Chairman of the Board, President, and Chief Executive Officer, KeyCorp, Albany, New York	1992
Barbara Harding	Chairman of the Board and Chief Executive Officer, Phillipsburg National Bank and Trust Company, Phillipsburg, New Jersey	1993

Class B

Richard L. Gelb	Chairman of the Board and Chief Executive Officer, Bristol-Myers Squibb Company, New York, New York	1991
John A. Georges	Chairman of the Board and Chief Executive Officer, International Paper, Purchase, New York	1992
Rand V. Araskog	Chairman and Chief Executive Officer, ITT Corporation, New York, New York	1993

Class C

Maurice R. Greenberg	Chairman and Chief Executive Officer, American International Group, Inc., New York, New York	1991
Cyrus R. Vance	Presiding Partner, Simpson Thacher & Bartlett, New York, New York	1992
Ellen V. Futter	President, Barnard College, New York, New York	1993

—Buffalo Branch

Appointed by the Federal Reserve Bank

Richard H. Popp	Operating Partner, Southview Farm, Castile, New York	1991
Robert G. Wilmers	Chairman of the Board and Chief Executive Officer, Manufacturers and Traders Trust Company, Buffalo, New York	1991
Wilbur F. Beh	President and Chief Executive Officer, FNB of Rochester, Rochester, New York	1992
Susan A. McLaughlin	President, Eastman Savings and Loan Association, Rochester, New York	1993

DISTRICT 2—Continued
Buffalo Branch—Continued

Appointed by the Board of Governors

		Term expires Dec. 31
Mary Ann Lambertsen	Vice President—Human Resources and Information Systems, Fisher-Price, Division of The Quaker Oats Company, East Aurora, New York	1991
Herbert L. Washington	HLW Fast Track, Inc., Rochester, New York	1992
Joseph J. Castiglia	President and Chief Executive Officer, Pratt & Lambert, Inc., Buffalo, New York	1993

DISTRICT 3—PHILADELPHIA

Class A

H. Bernard Lynch	President and Chief Executive Officer, The First National Bank of Wyoming, Wyoming, Delaware	1991
Samuel A. McCullough	Chairman of the Board and Chief Executive Officer, Meridian Bancorp, Inc., Reading, Pennsylvania	1992
Gary F. Simmerman	President and Chief Executive Officer, United Jersey Bank/South, N.A., Cherry Hill, New Jersey	1993

Class B

Nicholas Riso	Executive Vice President, AHOLD, U.S.A., Harrisburg, Pennsylvania	1991
David W. Huggins	President, R M S Technologies, Inc., Marlton, New Jersey	1992
James M. Mead	President, Capital Blue Cross, Harrisburg, Pennsylvania	1993

Class C

Donald J. Kennedy	Business Manager, International Brotherhood of Electrical Workers, Local Union No. 269, Trenton, New Jersey	1991
Peter A. Benoliel	Chairman of the Board, Quaker Chemical Corporation, Conshohocken, Pennsylvania	1992
Jane G. Pepper	President, The Pennsylvania Horticultural Society, Philadelphia, Pennsylvania	1993

DISTRICT 4—CLEVELAND

Class A

William T. McConnell	President, The Park National Bank, Newark, Ohio	1991
Frank Wobst	Chairman of the Board and Chief Executive Officer, Huntington Bancshares Incorporated, Columbus, Ohio	1992
Alfred C. Leist	President, Chairman, and Chief Executive Officer, Apple Creek Banking Company, Apple Creek, Ohio	1993

Class B

Douglas E. Olesen	President and Chief Executive Officer, Battelle Memorial Institute, Columbus, Ohio	1991
Laban P. Jackson, Jr.	Chairman of the Board, Clearcreek Properties, Lexington, Kentucky	1992
Verna K. Gibson	Former President, The Limited Stores, Inc., Columbus, Ohio	1993

DISTRICT 4—Continued

Class C

		Term expires Dec. 31
John R. Miller	Former President and Chief Operating Officer, The Standard Oil Company (Ohio), Cleveland, Ohio	1991
A. William Reynolds	Chairman and Chief Executive Officer, GenCorp, Fairlawn, Ohio	1992
John R. Hodges	President, Ohio AFL-CIO, Columbus, Ohio	1993

—Cincinnati Branch

Appointed by the Federal Reserve Bank

Allen L. Davis	President and Chief Executive Officer, The Provident Bank, Cincinnati, Ohio	1991
Clay Parker Davis	President and Chief Executive Officer, Citizens National Bank, Somerset, Kentucky	1992
Jack W. Buchanan	President, Sphar & Company, Inc., Winchester, Kentucky	1993
Harry A. Shaw III	Chairman and Chief Executive Officer, Huffy Corporation, Dayton, Ohio	1993

Appointed by the Board of Governors

Kate Ireland	National Chairman of the Board, Frontier Nursing Service, Wendover, Kentucky	1991
Eleanor Hicks	Advisor for International Liaison, Protocol, and Services and Associate Professor of Political Science, University of Cincinnati, Cincinnati, Ohio	1992
Marvin Rosenberg	Partner, Towne Properties, Ltd., Cincinnati, Ohio	1993

—Pittsburgh Branch

Appointed by the Federal Reserve Bank

E. James Trimarchi	President and Chief Executive Officer, First Commonwealth Financial Corporation, Indiana, Pennsylvania	1991
William F. Roemer	Chairman and Chief Executive Officer, Integra Financial Corporation, Pittsburgh, Pennsylvania	1992
George A. Davidson, Jr.	Chairman of the Board and Chief Executive Officer, Consolidated Natural Gas Company, Pittsburgh, Pennsylvania	1993
I.N. Rendall Harper, Jr.	President, American Micrographics Company, Inc., Monroeville, Pennsylvania	1993

Appointed by the Board of Governors

Jack B. Piatt	Chairman of the Board, Millcraft Industries, Inc., Washington, Pennsylvania	1991
Robert P. Bozzone	President and Chief Executive Officer, Allegheny Ludlum Corporation, Pittsburgh, Pennsylvania	1992
Sandra L. Phillips	Executive Director, Pittsburgh Partnership for Neighborhood Development, Pittsburgh, Pennsylvania	1993

DISTRICT 5—RICHMOND

Class A

C.R. Hill, Jr.	Chairman of the Board and President, Merchants & Miners National Bank, Oak Hill, West Virginia	1991
A. Pierce Stone	Chairman, President, and Chief Executive Officer, Virginia Community Bank, Louisa, Virginia	1992
James G. Lindley	Chairman, President, and Chief Executive Officer, South Carolina National Bank, Columbia, South Carolina	1993

DISTRICT 5—Continued

Class B

		Term expires Dec. 31
Edward H. Covell	President, The Covell Company, Easton, Maryland	1991
R.E. Atkinson, Jr.	Chairman, Dilmar Oil Company, Inc., Florence, South Carolina	1992
Paul A. DelaCourt	Chairman, The North Carolina Enterprise Corporation, Raleigh, North Carolina	1993

Class C

Anne Marie Whittemore	Partner, McGuire, Woods, Battle & Boothe, Richmond, Virginia	1991
Henry J. Faison	President, Faison Associates, Charlotte, North Carolina	1992
Stephen Brobeck	Executive Director, Consumer Federation of America, Washington, D.C.	1993

—Baltimore Branch

Appointed by the Federal Reserve Bank

H. Grant Hathaway	Chairman of the Board, Maryland National Bank, Baltimore, Maryland	1991
Joseph W. Mosmiller	Chairman of the Board, Loyola Federal Savings and Loan Association, Baltimore, Maryland	1991
Richard M. Adams	Chairman and Chief Executive Officer, United Bankshares, Inc., Parkersburg, West Virginia	1992
Daniel P. Henson III	Senior Development Director, Struever Bros., Eccles & Rouse, Inc., Baltimore, Maryland	1993

Appointed by the Board of Governors

Thomas R. Shelton	President, Case Foods, Inc., Salisbury, Maryland	1991
John R. Hardesty, Jr.	President, Preston Energy, Inc., Kingwood, West Virginia	1992
William H. Wynn	International President, United Food and Commercial Workers International Union, AFL–CIO & CLC, Washington, D.C.	1993

—Charlotte Branch

Appointed by the Federal Reserve Bank

Crandall C. Bowles	President, The Springs Company, Lancaster, South Carolina	1991
L. Glenn Orr, Jr.	Chairman, President, and Chief Executive Officer, Southern National Corporation, Lumberton, North Carolina	1991
David B. Jordan	President, Chief Executive Officer, and Director, Omni Capital Group, Inc. and OMNIBANK, Salisbury, North Carolina	1992
Jim M. Cherry, Jr.	President and Chief Executive Officer, Williamsburg First National Bank, Kingstree, South Carolina	1993

Appointed by the Board of Governors

Harold D. Kingsmore	President and Chief Operating Officer, Graniteville Company, Graniteville, South Carolina	1991
Anne M. Allen	President, Anne Allen & Associates, Inc., Greensboro, North Carolina	1992
William E. Masters	President, Perception, Inc., Easley, South Carolina	1993

District 6—Atlanta

Class A

		Term expires Dec. 31
Virgil H. Moore, Jr.	Chairman of the Board and Chief Executive Officer, First Farmers and Merchants National Bank, Columbia, Tennessee	1991
W.H. Swain	Chairman of the Board, First National Bank, Oneida, Tennessee	1992
James B. Williams	President and Chief Executive Officer, SunTrust Banks, Inc., Atlanta, Georgia	1993

Class B

Saundra H. Gray	Co-Owner, Gemini Springs Farm, DeBary, Florida	1991
J. Thomas Holton	Chairman of the Board and President, Sherman International Corporation, Birmingham, Alabama	1992
Andre M. Rubenstein	Chairman of the Board and Chief Executive Officer, Rubenstein Brothers, Inc., New Orleans, Louisiana	1993

Class C

Larry L. Prince	Chairman and Chief Executive Officer, Genuine Parts Company, Atlanta, Georgia	1991
Leo Benatar	Chairman of the Board and President, Engraph, Inc., Atlanta, Georgia	1992
Edwin A. Huston	Senior Executive Vice President–Finance, Ryder System, Inc., Miami, Florida	1993

—Birmingham Branch

Appointed by the Federal Reserve Bank

Shelton E. Allred	Chairman of the Board, President, and Chief Executive Officer, Frit Industries, Inc., Ozark, Alabama	1991
William F. Childress	President, First American Federal Savings and Loan Association, Huntsville, Alabama	1991
Robert M. Barrett	Chairman and President, The First National Bank, Wetumpka, Alabama	1992
Julian W. Banton	Chairman, President, and Chief Executive Officer, SouthTrust Bank of Alabama, N.A., Birmingham, Alabama	1993

Appointed by the Board of Governors

Roy D. Terry	President and Chief Executive Officer, Terry Manufacturing Company, Inc., Roanoke, Alabama	1991
Nelda P. Stephenson	President, Nelda Stephenson Chevrolet, Inc., Florence, Alabama	1992
Donald E. Boomershine	President, Better Business Bureau of Central Alabama, Inc., Birmingham, Alabama	1993

—Jacksonville Branch

Appointed by the Federal Reserve Bank

Perry M. Dawson	President and Chief Executive Officer, Suncoast Schools Federal Credit Union, Tampa, Florida	1991
Samuel H. Vickers	Chairman, President, and Chief Executive Officer, Design Containers, Inc., Jacksonville, Florida	1991
Merle L. Graser	Chairman and Chief Executive Officer, First National Bank of Venice, Venice, Florida	1992
Hugh H. Jones, Jr.	Chairman of the Board and Chief Executive Officer, Barnett Bank of Jacksonville, N.A., Jacksonville, Florida	1993

DISTRICT 6—Continued
Jacksonville Branch—Continued

Appointed by the Board of Governors

		Term expires Dec. 31
Hugh M. Brown	President and Chief Executive Officer, BAMSI, Inc., Titusville, Florida	1991
Lana Jane Lewis-Brent	Vice Chairman of the Board, President, and Chief Executive Officer, Sunshine Jr. Stores, Inc., Panama City, Florida	1992
Joan Dial Ruffier	General Partner, Sunshine Cafes and Vice President, Vista Landscaping, Orlando, Florida	1993

—Miami Branch

Appointed by the Federal Reserve Bank

Roberto G. Blanco	Vice Chairman of the Board and Chief Financial Officer, Republic National Bank of Miami, Miami, Florida	1991
A. Gordon Oliver	Chairman, President, and Chief Executive Officer, Citizens and Southern National Bank of Florida, Fort Lauderdale, Florida	1992
Steven C. Shimp	President, O-A-K/Florida, Inc., Fort Myers, Florida	1993
Pat L. Tornillo, Jr.,	Executive Vice President, United Teachers of Dade, Miami, Florida	1993

Appointed by the Board of Governors

Dorothy C. Weaver	President, Intercap Equities, Inc., Coral Gables, Florida	1991
Jose L. Saumat	President, Greater Miami Trading, Inc., Miami, Florida	1992
Michael T. Wilson	President, Vinegar Bend Farms, Inc., Belle Glade, Florida	1993

—Nashville Branch

Appointed by the Federal Reserve Bank

William Baxter Lee III	Chairman of the Board and President, Southeast Services Corporation, Knoxville, Tennessee	1991
Edwin W. Moats, Jr.	Chairman of the Board and Chief Executive Officer, Metropolitan Federal Savings and Loan Association, Nashville, Tennessee	1991
James D. Harris	President and Chief Executive Officer, Brentwood National Bank, Brentwood, Tennessee	1992
Williams E. Arant, Jr.	President and Chief Executive Officer, First National Bank of Knoxville, Knoxville, Tennessee	1993

Appointed by the Board of Governors

Shirley A. Zeitlin	President, Shirley Zeitlin & Co. Realtors, Nashville, Tennessee	1991
Harold A. Black	Professor and Head, Department of Finance, College of Business Administration, University of Tennessee, Knoxville, Tennessee	1992
Victoria B. Jackson	President and Chief Executive Officer, Diesel Sales and Service, Inc. and Prodiesel, Inc., Nashville, Tennessee	1993

—New Orleans Branch

Appointed by the Federal Reserve Bank

Joel B. Bullard, Jr.	President, Joe Bullard Automotive Companies, Mobile, Alabama	1991
Stanley S. Scott	President, Crescent Distributing Company, Harahan, Louisiana	1991
Earl W. Lundy	Chairman of the Board and Chief Executive Officer, First National Bank of Vicksburg, Vicksburg, Mississippi	1992
A. Hartie Spence	President, Calcasieu Marine National Bank, Lake Charles, Louisiana	1993

DISTRICT 6—Continued
New Orleans Branch—Continued

		Term expires Dec. 31
Appointed by the Board of Governors		
JoAnn Slaydon	President, Slaydon's Ltd., Baton Rouge, Louisiana	1991
Vacancy		1992
Victor Bussie	President, Louisiana AFL-CIO, Baton Rouge, Louisiana	1993

DISTRICT 7—CHICAGO

Class A

John W. Gabbert	President and Chief Executive Officer, First of America Bank-LaPorte, N.A., LaPorte, Indiana	1991
B.F. Backlund	Chairman of the Board and Chief Executive Officer, Bartonville Bank, Bartonville, Illinois	1992
David W. Fox	Chairman, President, and Chief Executive Officer, The Northern Trust Corporation and The Northern Trust Company, Chicago, Illinois	1993

Class B

Max J. Naylor	President, Naylor Farms, Inc., Jefferson, Iowa	1991
Paul J. Schierl	Financial Consultant, Green Bay, Wisconsin	1992
A. Charlene Sullivan	Associate Professor of Management, Krannert Graduate School of Management, Purdue University, West Lafayette, Indiana	1993

Class C

Charles S. McNeer	Chairman of the Board and Chief Executive Officer, Wisconsin Energy Corporation, Milwaukee, Wisconsin	1991
Richard G. Cline	Chairman of the Board, President, and Chief Executive Officer, NICOR, Inc., Naperville, Illinois	1992
Robert M. Healey	President, Chicago Federation of Labor and Industrial Union Council, AFL-CIO, Chicago, Illinois	1993

—Detroit Branch

Appointed by the Federal Reserve Bank

Robert J. Mylod	Chairman of the Board, President, and Chief Executive Officer, Michigan National Corporation, Farmington Hills, Michigan	1991
Norman F. Rodgers	President and Chief Executive Officer, Hillsdale County National Bank, Hillsdale, Michigan	1992
Charles E. Allen	President and Chief Executive Officer, Graistone Realty Advisors, Inc., Detroit, Michigan	1993
William E. Odom	Chairman, Ford Motor Credit Company, Dearborn, Michigan	1993

Appointed by the Board of Governors

Phyllis E. Peters	Director, Professional Standards Review, Deloitte & Touche, Detroit, Michigan	1991
J. Michael Moore	Chairman of the Board and Chief Executive Officer, Invetech Company, Detroit, Michigan	1992
Beverly Beltaire	President, P R Associates, Inc., Detroit, Michigan	1993

District 8—St. Louis

Class A

		Term expires Dec. 31
Henry G. River, Jr.	President and Chief Executive Officer, First National Bank in Pinckneyville, Pinckneyville, Illinois	1991
W.E. Ayres	Chairman of the Board and Chief Executive Officer, Simmons First National Bank of Pine Bluff, Pine Bluff, Arkansas	1992
Ray U. Tanner	Chairman of the Board and Chief Executive Officer, Jackson National Bank and Volunteer Bancshares, Inc., Jackson, Tennessee	1993

Class B

Thomas F. McLarty III	Chairman of the Board and Chief Executive Officer, Arkla, Inc., Little Rock, Arkansas	1991
Frank M. Mitchener, Jr.	President, Mitchener Farms, Inc., Sumner, Mississippi	1992
Warren R. Lee	President, W.R. Lee & Associates, Inc., Louisville, Kentucky	1993

Class C

Robert H. Quenon	Chairman, Peabody Holding Company, Inc., St. Louis, Missouri	1991
H. Edwin Trusheim	Chairman of the Board and Chief Executive Officer, General American Life Insurance Company, St. Louis, Missouri	1992
Janet McAfee Weakley	President, Janet McAfee, Inc., St. Louis, Missouri	1993

—Little Rock Branch

Appointed by the Federal Reserve Bank

Barnett Grace	Chairman and Chief Executive Officer, First Commercial Bank, N.A., Little Rock, Arkansas	1991
Patricia M. Townsend	President, Townsend Company, Stuttgart, Arkansas	1992
James V. Kelley III	Chairman, President, and Chief Executive Officer, First United Bancshares, Inc., El Dorado, Arkansas	1993
Mahlon A. Martin	President, Winthrop Rockefeller Foundation, Little Rock, Arkansas	1993

Appointed by the Board of Governors

James R. Rodgers	Airport Manager, Little Rock Regional Airport, Little Rock, Arkansas	1991
L. Dickson Flake	President, Barnes, Quinn, Flake & Anderson, Inc., Little Rock, Arkansas	1992
William E. Love	President, Sound-Craft Systems, Inc., Morrilton, Arkansas	1993

—Louisville Branch

Appointed by the Federal Reserve Bank

Douglas M. Lester	Chairman of the Board, President, and Chief Executive Officer, Trans Financial Bancorp, Inc., Bowling Green, Kentucky	1991
Morton Boyd	Chairman and Chief Executive Officer, First Kentucky National Corporation, Louisville, Kentucky	1992
Laura M. Douglas	Legal Director, Metropolitan Sewer District, Louisville, Kentucky	1993
Vacancy		1993

DISTRICT 8—Continued
Louisville Branch—Continued

		Term expires Dec. 31
Appointed by the Board of Governors		
Lois H. Gray	Chairman of the Board, James N. Gray Construction Company, Inc., Glasgow, Kentucky	1991
Daniel L. Ash	President and Plant Manager (Retired), Rohm and Haas Kentucky Incorporated, Louisville, Kentucky	1992
John A. Williams	Chairman and Chief Executive Officer, Computer Services, Inc., Paducah, Kentucky	1993

—Memphis Branch

Appointed by the Federal Reserve Bank		
James L. Magee	Chairman and Chief Executive Officer, Farmers Bank & Trust Company, Blytheville, Arkansas	1991
Michael J. Hennessey	President, Munro & Company, Inc., Wynne, Arkansas	1992
Thomas M. Garrott	President and Chief Operating Officer, National Bank of Commerce and National Commerce Bancorporation, Memphis, Tennessee	1993
Larry A. Watson	Chairman of the Board and President, Liberty Federal Savings Bank, Paris, Tennessee	1993
Appointed by the Board of Governors		
Katherine Hinds Smythe	President, Memorial Park, Inc., Memphis, Tennessee	1991
Sandra B. Sanderson-Chesnut	President and Chief Executive Officer, Sanderson Plumbing Products, Inc., Columbus, Mississippi	1992
Seymour B. Johnson	Owner, Kay Planting Company, Indianola, Mississippi	1993

DISTRICT 9—MINNEAPOLIS

Class A		
James H. Hearon III	Chairman of the Board and Chief Executive Officer, National City Bank, Minneapolis, Minnesota	1991
Rodney W. Fouberg	Chairman of the Board, Farmers and Merchants Bank and Trust Co., Aberdeen, South Dakota	1992
Charles L. Seaman	President and Chief Executive Officer, First State Bank of Warner, Warner, South Dakota	1993
Class B		
Duane E. Dingmann	President, Trubilt Auto Body, Inc., Eau Claire, Wisconsin	1991
Bruce C. Adams	Partner, Triple Adams Farms, Minot, North Dakota	1992
Earl R. St. John, Jr.	President, St. John Forest Products, Inc., Spalding, Michigan	1993
Class C		
Jean D. Kinsey	Professor, Consumption and Consumer Economics, Department of Agricultural and Applied Economics, University of Minnesota, St. Paul, Minnesota	1991
Gerald A. Rauenhorst	Chairman of the Board and Chief Executive Officer, Opus Corporation, Minneapolis, Minnesota	1992
Delbert W. Johnson	President and Chief Executive Officer, Pioneer Metal Finishing, Minneapolis, Minnesota	1993

District 9—Continued

—Helena Branch

		Term expires Dec. 31
Appointed by the Federal Reserve Bank		
Beverly D. Harris	President, Empire Federal Savings and Loan Association, Livingston, Montana	1991
Robert T. Gerhardt	Chairman, President, and Chief Executive Officer, First Interstate Bank of Montana, N.A., Kalispell, Montana	1992
Nancy M. Stephenson	Executive Director, Neighborhood Housing Services, Great Falls, Montana	1992
Appointed by the Board of Governors		
James E. Jenks	Jenks Farms, Hogeland, Montana	1991
J. Frank Gardner	President, Montana Resources, Inc., Butte, Montana	1992

District 10—Kansas City

Class A		
Robert L. Hollis	Chairman of the Board and Chief Executive Officer, First National Bank and Trust Co. of Okmulgee, Okmulgee, Oklahoma	1991
Harold L. Gerhart, Jr.	Chairman and Chief Executive Officer, First National Bank, Newman Grove, Nebraska	1992
Roger L. Reisher	Co-Chairman of the Board, FirstBank Holding Company of Colorado, Lakewood, Colorado	1993
Class B		
Frank J. Yaklich, Jr.	President, CF & I Steel Corporation, Pueblo, Colorado	1991
Frank A. McPherson	Chairman of the Board and Chief Executive Officer, Kerr-McGee Corporation, Oklahoma City, Oklahoma	1992
Don E. Adams	Buffalo, Oklahoma	1993
Class C		
Burton A. Dole, Jr.	Chairman of the Board and President, Puritan-Bennett Corporation, Overland Park, Kansas	1991
Fred W. Lyons, Jr.	President, Marion Merrell Dow Inc., Kansas City, Missouri	1992
Thomas E. Rodriguez	President and General Manager, Thomas E. Rodriguez & Associates, P.C., Aurora, Colorado	1993

—Denver Branch

Appointed by the Federal Reserve Bank		
Norman R. Corzine	President and Chief Executive Officer, First National Bank in Albuquerque, Albuquerque, New Mexico	1991
W. Richard Scarlett III	Chairman of the Board and Chief Executive Officer, Jackson State Bank, Jackson Hole, Wyoming	1991
Henry A. True III	Partner, True Companies, Casper, Wyoming	1992
Peter R. Decker	President, Decker & Associates, Denver, Colorado	1993
Appointed by the Board of Governors		
Barbara B. Grogan	President, Western Industrial Contractors, Inc., Denver, Colorado	1991
Sandra K. Woods	Vice President, Corporate Real Estate, Adolph Coors Company, Golden, Colorado	1992
Gilbert Sanchez	President, New Mexico Highlands University, Las Vegas, New Mexico	1993

DISTRICT 10—CONTINUED

—Oklahoma City Branch

Appointed by the Federal Reserve Bank

		Term expires Dec. 31
C. Kendric Fergeson	Chairman of the Board and Chief Executive Officer, The National Bank of Commerce, Altus, Oklahoma	1991
W. Dean Hidy	Chairman of the Board, Triad Bank, N.A., Tulsa, Oklahoma	1992
John Wm. Laisle	President, MidFirst Bank, SSB, Oklahoma City, Oklahoma	1992

Appointed by the Board of Governors

Ernest L. Holloway	President, Langston University, Langston, Oklahoma	1991
William R. Allen	President and Chief Executive Officer, Union Equity Cooperative Exchange, Enid, Oklahoma	1992

—Omaha Branch

Appointed by the Federal Reserve Bank

Sheila Griffin	Associate Director for Audience and Program Development, Lied Center for Performing Arts, University of Nebraska-Lincoln, Lincoln, Nebraska	1991
John T. Selzer	Chairman of the Board and Chief Executive Officer, FirsTier Bank, N.A., Scottsbluff, Nebraska	1991
John R. Cochran	President and Chief Executive Officer, Norwest Bank, Nebraska, N.A., Omaha, Nebraska	1992

Appointed by the Board of Governors

LeRoy W. Thom	President, T-L Irrigation Company, Hastings, Nebraska	1991
Herman Cain	President and Chief Executive Officer, Godfather's Pizza, Inc., Omaha, Nebraska	1992

DISTRICT 11—DALLAS

Class A

Charles T. Doyle	Chairman of the Board and Chief Executive Officer, Gulf National Bank, Texas City, Texas	1991
Robert G. Greer	Chairman of the Board, Tanglewood Bank, N.A., Houston, Texas	1992
T.C. Frost	Chairman of the Board, Frost National Bank, San Antonio, Texas	1993

Class B

Peyton Yates	President, Yates Drilling Company, and Executive Vice President, Yates Petroleum Corporation, Artesia, New Mexico	1991
Gary E. Wood	President, Texas Research League, Austin, Texas	1992
J.B. Cooper, Jr.	Farmer, Roscoe, Texas	1993

Class C

Hugh G. Robinson	Chairman of the Board and Chief Executive Officer, The Tetra Group, Inc., Dallas, Texas	1991
Leo E. Linbeck, Jr.	Chairman of the Board and Chief Executive Officer, Linbeck Construction Corporation, Houston, Texas	1992
Henry G. Cisneros	Chairman and Chief Executive Officer, Cisneros Asset Management Co., San Antonio, Texas	1993

DISTRICT 11—CONTINUED

—El Paso Branch

		Term expires Dec. 31
Appointed by the Federal Reserve Bank		
Humberto F. Sambrano	President, SamCorp General Contractors, El Paso, Texas	1991
Wayne Merritt	President, Claydesta National Bank, Midland, Texas	1992
Ben H. Haines, Jr.	President, First National Bank of Dona Ana County, Las Cruces, New Mexico	1993
Alvin T. Johnson	Senior Vice President and Founder, Management Assistance Corporation of America, El Paso, Texas	1993
Appointed by the Board of Governors		
Donald G. Stevens	Owner, Stevens Oil Company, Roswell, New Mexico	1991
W. Thomas Beard III	President, Leoncita Cattle Company, Alpine, Texas	1992
Diana S. Natalicio	President, The University of Texas at El Paso, El Paso, Texas	1993

—Houston Branch

Appointed by the Federal Reserve Bank		
Jeff Austin, Jr.	President, First National Bank of Jacksonville, Jacksonville, Texas	1991
Jenard M. Gross	President, Gross Builders, Inc., Houston, Texas	1992
Walter E. Johnson	President and Chief Executive Officer, Southwest Bank of Texas, Houston, Texas	1993
Clive Runnells	President and Director, Runnells Cattle Company, Bay City, Texas	1993
Appointed by the Board of Governors		
Gilbert D. Gaedcke, Jr.	Chairman of the Board and Chief Executive Officer, Gaedcke Equipment Company, Houston, Texas	1991
Judy Ley Allen	Partner and Administrator, Allen Investments, Houston, Texas	1992
Milton Carroll	President, Instrument Products, Inc., Houston, Texas	1993

—San Antonio Branch

Appointed by the Federal Reserve Bank		
Jane Flato Smith	Investor and Rancher, San Antonio, Texas	1991
Gregory W. Crane	Chairman of the Board, President, and Chief Executive Officer, Broadway National Bank, San Antonio, Texas	1992
Javier Garza	Executive Vice President, The Laredo National Bank, Laredo, Texas	1993
Sam R. Sparks	President, Sam R. Sparks, Inc., Santa Rosa, Texas	1993
Appointed by the Board of Governors		
Roger R. Hemminghaus	Chairman of the Board, President, and Chief Executive Officer, Diamond Shamrock, Inc., San Antonio, Texas	1991
Lawrence E. Jenkins	Vice President (Retired), Lockheed Missiles and Space Company, Austin, Texas	1992
Erich Wendl	President, Maverick Markets, Inc., Corpus Christi, Texas	1993

DISTRICT 12—SAN FRANCISCO

Class A

		Term expires Dec. 31
William E.B. Siart	President, First Interstate Bancorp, Los Angeles, California	1991
Warren K.K. Luke	President and Director, Hawaii National Bancshares, Inc., and Vice Chairman of the Board, Hawaii National Bank, Honolulu, Hawaii	1992
Richard L. Mount	Chairman, President, and Chief Executive Officer, Saratoga Bancorp, Saratoga, California	1993

Class B

William L. Tooley	Chairman, Tooley & Company, Investment Builders, Los Angeles, California	1991
E. Kay Stepp	President, Portland General Electric, Portland, Oregon	1992
John N. Nordstrom	Co-Chairman of the Board, Nordstrom, Inc., Seattle, Washington	1993

Class C

Carolyn S. Chambers	President and Chief Executive Officer, Chambers Communications Corp., Eugene, Oregon	1991
Robert F. Erburu	Chairman of the Board and Chief Executive Officer, The Times Mirror Company, Los Angeles, California	1992
James A. Vohs	Chairman of the Board, President, and Chief Executive Officer, Kaiser Foundation Health Plan, Inc., and Kaiser Foundation Hospitals, Oakland, California	1993

—Los Angeles Branch

Appointed by the Federal Reserve Bank

David R. Lovejoy	Former Vice Chairman of the Board, Security Pacific National Bank, Los Angeles, California	1991
Ignacio E. Lozano, Jr.	Editor-in-Chief, *La Opinion*, Los Angeles, California	1991
Fred D. Jensen	Chairman of the Board, President, and Chief Executive Officer, National Bank of Long Beach, Long Beach, California	1992
Anita Landecker	Director of California Programs, Local Initiatives Support Corporation, Los Angeles, California	1993

Appointed by the Board of Governors

Harry W. Todd	Managing Partner, Carlisle Enterprises, L.P., Coronado, California	1991
Yvonne Brathwaite Burke	Partner, Jones, Day, Reavis & Pogue, Los Angeles, California	1992
Donald G. Phelps	Chancellor, Los Angeles Community College District, Los Angeles, California	1993

—Portland Branch

Appointed by the Federal Reserve Bank

Stuart H. Compton	Chairman of the Board and Chief Executive Officer, Pioneer Trust Bank, N.A., Salem, Oregon	1991
Cecil W. Drinkward	President and Chief Executive Officer, Hoffman Construction Company, Portland, Oregon	1993
Stephen G. Kimball	President and Chief Executive Officer, Baker Boyer Bancorp, Walla Walla, Washington	1993

DISTRICT 12—Continued
Portland Branch—Continued

		Term expires Dec. 31
Appointed by the Board of Governors		
William A. Hilliard	Editor, *The Oregonian*, Portland, Oregon	1991
Wayne E. Phillips, Jr.	Vice President, Phillips Ranch, Inc., Baker, Oregon	1992
Ross R. Runkel	Director, Willamette University Center for Dispute Resolution, Salem, Oregon	1993

—Salt Lake City Branch

Appointed by the Federal Reserve Bank		
Gerald R. Christensen	President and Chairman, First Federal Savings Bank, Salt Lake City, Utah	1991
Ronald S. Hanson	President, Zions First National Bank, Salt Lake City, Utah	1992
Curtis H. Eaton	Vice President; Manager, Community Banking Area; and Member of the Board of Directors, First Security Bank of Idaho, N.A., Twin Falls, Idaho	1993
Virginia P. Kelson	Partner, Ralston & Associates, Salt Lake City, Utah	1993
Appointed by the Board of Governors		
D.N. Rose	President and Chief Executive Officer, Mountain Fuel Supply Company, Salt Lake City, Utah	1991
Gary G. Michael	Chairman and Chief Executive Officer, Albertson's, Inc., Boise, Idaho	1992
Constance G. Hogland	Executive Director, Boise Neighborhood Housing Services, Inc., Boise, Idaho	1993

—Seattle Branch

Appointed by the Federal Reserve Bank		
Robert P. Gray	President, National Bank of Alaska, Anchorage, Alaska	1991
H.H. Larison	President, Columbia Paint & Coatings, Spokane, Washington	1992
B.R. Beeksma	Chairman of the Board, InterWest Savings Bank, Oak Harbor, Washington	1993
Gerry B. Cameron	President and Chief Operating Officer, U.S. Bank of Washington, N.A., Seattle, Washington	1993
Appointed by the Board of Governors		
Bruce R. Kennedy	Chairman, Alaska Air Group, Inc., Seattle, Washington	1991
Judith M. Runstad	Managing Partner, Foster Pepper and Shefelman, Seattle, Washington	1992
George F. Russell, Jr.	Chairman, President and CEO, Frank Russell Company, Tacoma, Washington	1993

Financial and Business Statistics

CONTENTS

Domestic Financial Statistics

MONEY STOCK AND BANK CREDIT

POLICY INSTRUMENTS

FEDERAL RESERVE BANKS

MONETARY AND CREDIT AGGREGATES

COMMERCIAL BANKING INSTITUTIONS

WEEKLY REPORTING COMMERCIAL BANKS

FINANCIAL MARKETS

FEDERAL FINANCE

SECURITIES MARKETS AND CORPORATE FINANCE

Domestic Financial Statistics – Continued

REAL ESTATE

CONSUMER INSTALLMENT CREDIT

FLOW OF FUNDS

Domestic Nonfinancial Statistics

SELECTED MEASURES

International Statistics

SUMMARY STATISTICS

REPORTED BY BANKS IN THE UNITED STATES

REPORTED BY NONBANKING BUSINESS ENTERPRISES IN THE UNITED STATES

SECURITIES HOLDINGS AND TRANSACTIONS

INTEREST AND EXCHANGE RATES

SPECIAL TABLE

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

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

Monetary and credit aggregates	1990				1990			1991	
	Q1	Q2	Q3	Q4	Oct.	Nov.	Dec.	Jan.[r]	Feb.
Reserves of depository institutions[2]									
1 Total	2.4	-1.4	-1.4	1.7	-9.4	3.1	15.3	6.2	9.8
2 Required	2.5	-.9	-1.5	-.2	-8.3	1.1	.9	-3.9	17.5
3 Nonborrowed	-3.9	-1.0	2.0	4.7	-5.2	6.8	13.5	2.1	15.4
4 Monetary base[3]	8.2	7.4	8.6	9.0	7.6	5.4	7.7	18.4	16.4
Concepts of money, liquid assets, and debt[4]									
5 M1	5.2	4.2	3.7	3.4	-.9	3.1	3.1	1.9	14.1
6 M2	6.2	3.9	3.0	2.2	1.4	.2	1.7	1.0	8.6
7 M3	2.9	1.3	1.6	1.1[r]	.8[r]	-.1[r]	.7[r]	3.3	10.6
8 L	2.8	.9	1.9[r]	1.7[r]	.1[r]	1.1[r]	.9[r]	2.3	n.a.
9 Debt	6.3[r]	7.0[r]	7.1[r]	6.0[r]	4.7[r]	6.1[r]	5.1[r]	4.6	n.a.
Nontransaction components									
10 In M2[5]	6.5	3.8	2.7	1.8	2.2	-.7	1.2	.8	6.8
11 In M3 only[6]	-9.7	-9.1	-3.9	-3.6[r]	-1.7[r]	-1.5[r]	-3.7[r]	13.0	19.1
Time and savings deposits									
Commercial banks									
12 Savings	9.6	4.1	5.9	5.2	6.7	3.6	7.3	12.0	11.3
13 MMDAs	10.4	9.6	8.2	3.5	1.9	2.2	3.2	-2.5	17.2
14 Small-denomination time[7]	7.8	12.7	15.5	11.5	18.0	2.7[r]	17.5[r]	7.2	8.2
15 Large-denomination time[8,9]	-.8	-2.9	-2.2	-8.5	-12.6	1.9	-4.3	23.9	19.8
Thrift institutions									
16 Savings	1.7	2.2	-3.3	-7.3	-10.6	-5.6	-8.5	-4.5	9.1
17 MMDAs	2.7	.4	-7.7	-7.2	-11.9	-5.5	-16.7	-1.9	8.5
18 Small-denomination time[7]	-3.2	-7.4	-11.1	-7.9	-13.2	-1.5	-13.6	-10.2	-11.3
19 Large-denomination time[8]	-23.0	-28.7	-27.3	-26.3	-24.7	-29.9	-39.3	-30.7	-31.6
Money market mutual funds									
20 General purpose and broker-dealer	18.1	4.7	10.0	11.2	8.8	4.6	16.4	29.7	14.1
21 Institution-only	9.1	14.8	21.6	30.4	35.1	9.0	51.8	42.0	84.9
Debt components[4]									
22 Federal	6.8	9.7	14.4[r]	11.4[r]	5.6[r]	15.5[r]	13.1[r]	10.9	n.a.
23 Nonfederal	6.2[r]	6.2[r]	4.9[r]	4.3[r]	4.4[r]	3.2[r]	2.5[r]	2.6	n.a.

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

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

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

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

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

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

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

L: M3 plus the nonbank public holdings of U.S. savings bonds, short-term Treasury securities, commercial paper and bankers acceptances, net of money market mutual fund holdings of these assets.

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

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

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

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

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

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

1.11 RESERVES OF DEPOSITORY INSTITUTIONS AND RESERVE BANK CREDIT

Millions of dollars

Factors	Monthly averages of daily figures			Weekly averages of daily figures for week ending						
	1990	1991		1991						
	Dec.	Jan.	Feb.	Jan. 16	Jan. 23	Jan. 30	Feb. 6	Feb. 13	Feb. 20	Feb. 27
SUPPLYING RESERVE FUNDS										
1 **Reserve Bank credit**	**291,223**	**284,701**	**286,467**	**283,623**	**280,967**	**286,334**	**285,477**	**285,706**	**286,980**	**287,851**
U.S. government securities[1, 2]										
2 Bought outright-system account	239,499	234,665	235,257	235,214	232,843	234,862	233,094	236,243	235,574	235,783
3 Held under repurchase agreements	3,144	2,165	3,542	405	0	3,797	3,343	898	4,341	5,603
Federal agency obligations[2]										
4 Bought outright	6,342	6,342	6,342	6,342	6,342	6,342	6,342	6,342	6,342	6,342
5 Held under repurchase agreements	121	223	331	126	0	266	402	73	303	675
6 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions[2]										
7 Adjustment credit	508	52	145	365	1,292	213	39	30	203	265
8 Seasonal credit	78	32	36	23	32	43	27	27	46	43
9 Extended credit	23	29	34	26	30	38	21	20	33	60
10 Float	1,727	1,077	874	1,600	891	768	1,163	1,170	927	161
11 Other Federal Reserve assets	40,077	39,661	39,907	39,522	39,539	40,006	41,046	40,904	39,212	38,920
12 Gold stock	11,058	11,058	11,058	11,058	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	20,368	20,429	20,471	20,424	20,434	20,444	20,454	20,464	20,474	20,484
ABSORBING RESERVE FUNDS										
15 Currency in circulation	283,000	284,549	284,133	284,584	283,705	283,126	282,944	283,967	284,780	284,535
16 Treasury cash holdings	552	572	576	567	576	578	584	558	590	569
Deposits, other than reserve balances, with Federal Reserve Banks										
17 Treasury	5,809	8,701	11,221	5,320	5,494	14,064	11,182	11,187	9,728	13,345
18 Foreign	251	252	223	242	254	241	213	215	221	235
19 Service-related balances and adjustments	2,078	3,097	2,777	4,355	2,871	2,829	2,766	2,674	2,805	2,849
20 Other	226	188	195	196	173	217	202	184	210	188
21 Other Federal Reserve liabilities and capital	9,170	8,467	9,246	8,377	8,513	8,690	9,649	9,612	8,936	9,017
22 Reserve balances with Federal Reserve Banks[3]	31,582	20,379	19,643	21,483	20,893	18,111	19,467	18,851	21,261	18,672
	End-of-month figures			Wednesday figures						
	1990	1991		1991						
	Dec.	Jan.	Feb.	Jan. 16	Jan. 23	Jan. 30	Feb.6	Feb. 13	Feb. 20	Feb. 27
SUPPLYING RESERVE FUNDS										
23 **Reserve Bank credit**	**301,882**	**299,857**	**298,834**	**285,489**	**291,434**	**285,659**	**282,526**	**285,495**	**290,125**	**286,231**
U.S. government securities[1, 2]										
24 Bought outright-system account	235,090	234,306	236,636	235,871	238,717	234,234	232,099	234,881	235,204	236,235
25 Held under repurchase agreements	17,013	14,888	14,768	0	0	2,359	0	2,578	6,118	3,580
Federal agency obligations[2]										
26 Bought outright	6,342	6,342	6,342	6,342	6,342	6,342	6,342	6,342	6,342	6,342
27 Held under repurchase agreements	1,341	2,186	1,266	0	0	866	0	196	181	575
28 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions[2]										
29 Adjustment credit	112	89	402	50	5,071	51	17	51	591	29
30 Seasonal credit	55	39	47	34	40	41	25	33	45	40
31 Extended credit	23	52	57	28	32	44	11	18	63	56
32 Float	2,222	531	1,073	3,719	1,536	1,685	3,066	713	2,276	216
33 Other Federal Reserve assets	39,685	41,425	38,245	39,446	39,696	40,038	40,967	40,684	39,305	39,159
34 Gold stock	11,058	11,058	11,058	11,059	11,059	11,058	11,058	11,058	11,058	11,058
35 Special drawing rights certificate account	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018
36 Treasury currency outstanding	20,388	20,454	20,494	20,424	20,434	20,444	20,454	20,464	20,474	20,484
ABSORBING RESERVE FUNDS										
37 Currency in circulation	286,949	283,004	285,151	284,091	283,890	282,780	283,419	284,411	285,234	284,691
38 Treasury cash holdings	561	590	605	576	576	590	553	589	597	605
Deposits, other than reserve balances, with Federal Reserve Banks										
39 Treasury	8,960	27,810	23,898	5,099	11,079	16,884	9,856	11,012	15,782	13,300
40 Foreign	369	271	329	213	188	225	234	210	235	301
41 Service-related balances and adjustments	2,253	2,766	2,854	4,355	2,871	2,829	2,766	2,674	2,805	2,849
42 Other	242	183	171	195	161	197	202	177	188	184
43 Other Federal Reserve liabilities and capital	8,147	9,820	8,216	8,190	8,429	8,506	9,366	8,719	8,819	8,746
44 Reserve balances with Federal Reserve Banks[3]	35,866	16,944	19,181	24,273	25,752	15,169	17,660	19,243	18,016	17,114

1. *Includes* securities loaned—fully guaranteed by U.S. government securities pledged with Federal Reserve Banks—and *excludes* any securities sold and scheduled to be bought back under matched sale-purchase transactions.
2. Beginning with the May 1990 *Bulletin*, this table has been revised to correspond with the H.4.1 statistical release.
3. Excludes required clearing balances and adjustments to compensate for float.

NOTE. For amounts of currency and coin held as reserves, see table 1.12. Components may not add to totals because of rounding.

1.12 RESERVES AND BORROWINGS Depository Institutions[1]

Millions of dollars

Reserve classification	1988	1989	1990	1990					1991	
	Monthly averages[9]									
	Dec.	Dec.	Dec.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.[r]	Feb.
1 Reserve balances with Reserve Banks[2]	37,837	35,436	30,237	32,448	33,303	32,127	33,382	30,237	22,023	19,825
2 Total vault cash[3]	28,204	29,822	31,777	30,842	30,625	31,515	31,086	31,777	33,220	33,477
3 Applied vault cash[4]	25,909	27,374	28,884	28,280	28,149	28,925	28,663	28,884	28,969	28,724
4 Surplus vault cash[5]	2,295	2,448	2,893	2,562	2,476	2,590	2,423	2,893	4,250	4,753
5 Total reserves[6]	63,746	62,810	59,120	60,728	61,452	61,052	62,045	59,120	50,992	48,548
6 Required reserves	62,699	61,888	57,456	59,860	60,544	60,206	61,099	57,456	48,824	46,742
7 Excess reserve balances at Reserve Banks[7]	1,047	922	1,665	868	909	847	947	1,665	2,168	1,807
8 Total borrowings at Reserve Banks	1,716	265	326	927	624	410	230	326	534	252
9 Seasonal borrowings at Reserve Banks	130	84	76	430	418	335	162	76	33	37
10 Extended credit at Reserve Banks[8]	1,244	20	23	127	6	18	24	23	27	34
	Biweekly averages of daily figures for weeks ending									
	1990					1991				
	Oct. 31	Nov. 14	Nov. 28	Dec. 12	Dec. 26	Jan. 9	Jan. 23	Feb. 6[r]	Feb. 20	Mar. 6
11 Reserve balances with Reserve Banks[2]	31,365	33,821	32,848	34,046	28,413	26,198	21,193	18,776	20,049	20,218
12 Total vault cash[3]	31,418	30,656	31,631	30,293	32,690	32,783	32,050[r]	35,759	33,341	32,005
13 Applied vault cash[4]	28,756	28,293	29,125	28,027	29,621	28,876	28,222	30,384	28,638	27,629
14 Surplus vault cash[5]	2,662	2,363	2,506	2,266	3,069	3,908	3,828	5,375	4,703	4,376
15 Total reserves[6]	60,121	62,114	61,972	62,073	58,034	55,074	49,415	49,160	48,687	47,847
16 Required reserves	59,471	61,132	61,006	61,513	56,113	51,481	48,478	46,439	46,934	46,634
17 Excess reserve balances at Reserve Banks[7]	650	982	966	561	1,922	3,592	937	2,721	1,753	1,214
18 Total borrowings at Reserve Banks	397	282	193	130	504	295	884	191	179	426
19 Seasonal borrowings at Reserve Banks	307	195	140	87	79	41	28	35	37	41
20 Extended credit at Reserve Banks[8]	26	25	25	25	22	22	28	30	27	50

1. These data also appear in the Board's H.3 (502) release. For address, see inside front cover.
2. Excludes required clearing balances and adjustments to compensate for float and includes other off-balance sheet "as-of" adjustments.
3. Total "lagged" vault cash held by those depository institutions currently subject to reserve requirements. Dates refer to the maintenance periods in which the vault cash can be used to satisfy reserve requirements. Under contemporaneous reserve requirements, maintenance periods end 30 days after the lagged computation periods in which the balances are held.
4. All vault cash held during the lagged computation period by "bound" institutions (i.e., those whose required reserves exceed their vault cash) plus the amount of vault cash applied during the maintenance period by "nonbound" institutions (i.e., those whose vault cash exceeds their required reserves) to satisfy current reserve requirements.
5. Total vault cash (line 2) less applied vault cash (line 3).
6. Reserve balances with Federal Reserve Banks (line 1) plus applied vault cash (line 3).
7. Total reserves (line 5) less required reserves (line 6).
8. Extended credit consists of borrowing at the discount window under the terms and conditions established for the extended credit program to help depository institutions deal with sustained liquidity pressures. Because there is not the same need to repay such borrowing promptly as there is with traditional short-term adjustment credit, the money market impact of extended credit is similar to that of nonborrowed reserves.
9. Data are prorated monthly averages of biweekly averages.

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

Averages of daily figures, in millions of dollars

Maturity and source	1990, week ending Monday[2]								
	Oct. 29	Nov. 5	Nov. 12	Nov. 19	Nov. 26	Dec. 3	Dec. 10	Dec. 17	Dec. 24
Federal funds purchased, repurchase agreements, and other selected borrowing in immediately available funds									
From commercial banks in the United States									
1 For one day or under continuing contract	75,748	82,906	83,216	87,080	82,126	83,431	88,675	83,932	80,069
2 For all other maturities	20,036	19,286	19,113	19,428	21,122	19,755	20,403	19,750	19,919
From other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies									
3 For one day or under continuing contract	34,674	38,560	36,566	37,728	34,159	36,220	35,472	34,350	29,847
4 For all other maturities	20,107	20,656	21,600	21,121	23,295	20,933	21,495	20,976	20,512
Repurchase agreements on U.S. government and federal agency securities in immediately available funds									
Brokers and nonbank dealers in securities									
5 For one day or under continuing contract	16,691	15,620	15,314	13,700	11,585	12,015	9,971	9,542	8,888
6 For all other maturities	23,144	22,952	23,366	21,972	21,976	21,258	20,222	18,797	16,567
All other customers									
7 For one day or under continuing contract	30,612	30,586	29,738	31,667	27,725	30,998	29,936	29,794	26,219
8 For all other maturities	13,302	13,818	13,370	13,665	17,193	13,248	12,912	12,064	13,609
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	47,006	49,786	45,086	50,258	46,826	47,141	46,871	44,446	43,353
10 To all other specified customers[3]	16,645	16,663	15,976	17,843	16,466	17,078	17,362	20,409	18,312

1. Banks with assets of $1 billion or more as of Dec. 31, 1977.
These data also appear in the Board's H.5 (507) release. For address, see inside front cover.
2. Beginning with the August Bulletin data appearing are the most current available. To obtain data from May 1, 1989, through April 16, 1990, contact the Division of Applications Development and Statistical Services, Financial Statement Reports Section, (202) 452-3349.
3. Brokers and nonbank dealers in securities; other depository institutions; foreign banks and official institutions; and United States government agencies.

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per year

Current and previous levels

Federal Reserve Bank	Adjustment credit and Seasonal credit[1]			Extended credit[2]						
				First 30 days of borrowing			After 30 days of borrowing[3]			
	On 3/25/91	Effective date	Previous rate	On 3/25/91	Effective date	Previous rate	On 3/25/91	Effective date	Previous rate	Effective date
Boston	6	2/1/91	6½	6	2/1/91	6½	6.75	3/21/91	7.05	3/7/91
New York		2/1/91			2/1/91			3/21/91		3/7/91
Philadelphia		2/1/91			2/1/91			3/21/91		3/7/91
Cleveland		2/1/91			2/1/91			3/21/91		3/7/91
Richmond		2/1/91			2/1/91			3/21/91		3/7/91
Atlanta		2/4/91			2/4/91			3/21/91		3/7/91
Chicago		2/1/91			2/1/91			3/21/91		3/7/91
St. Louis		2/4/91			2/4/91			3/21/91		3/7/91
Minneapolis		2/1/91			2/1/91			3/21/91		3/7/91
Kansas City		2/1/91			2/1/91			3/21/91		3/7/91
Dallas		2/1/91			2/1/91			3/21/91		3/7/91
San Francisco	6	2/1/91	6½	6	2/1/91	6½	6.75	3/21/91	7.05	3/7/91

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

Effective date	Range (or level)— All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)— All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)— All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1977	6	6	1981—May 5	13–14	14	1985—May 20	7½–8	7½
1978—Jan. 9	6–6½	6½	8	14	14	24	7½	7½
20	6½	6½	Nov. 2	13–14	13			
May 11	6½–7	7	6	13	13	1986—Mar. 7	7–7½	7
12	7	7	Dec. 4	12	12	10	7	7
July 3	7–7¼	7¼				Apr. 21	6½–7	6½
10	7¼	7¼	1982—July 20	11½–12	11½	July 11	6	6
Aug. 21	7¾	7¾	23	11½	11½	Aug. 21	5½–6	5½
Sept. 22	8	8	Aug. 2	11–11½	11	22	5½	5½
Oct. 16	8–8½	8½	3	11	11			
20	8½	8½	16	10½	10½	1987—Sept. 4	5½–6	6
Nov. 1	8½–9½	9½	27	10–10½	10	11	6	6
3	9½	9½	30	10	10			
			Oct. 12	9½–10	9½	1988—Aug. 9	6–6½	6½
1979—July 20	10	10	13	9½	9½	11	6½	6½
Aug. 17	10–10½	10½	Nov. 22	9–9½	9			
20	10½	10½	26	9	9	1989—Feb. 24	6½–7	7
Sept. 19	10½–11	11	Dec. 14	8½–9	9	27	7	7
21	11	11	15	8½–9	8½			
Oct. 8	11–12	12	17	8½	8½	1990—Dec. 19	6½	6½
10	12	12						
			1984—Apr. 9	8½–9	9	1991—Feb. 1	6–6½	6
1980—Feb. 15	12–13	13	13	9	9	4	6	6
19	13	13	Nov. 21	8½–9	8½			
May 29	12–13	13	26	8½	8½	In effect Mar. 25, 1991	6	6
30	12	12	Dec. 24	8	8			
June 13	11–12	11						
16	11	11						
July 28	10–11	10						
29	10	10						
Sept. 26	11	11						
Nov. 17	12	12						
Dec. 5	12–13	13						

1. Adjustment credit is available on a short-term basis to help depository institutions meet temporary needs for funds that cannot be met through reasonable alternative sources. After May 19, 1986, the highest rate established for loans to depository institutions may be charged on adjustment credit loans of unusual size that result from a major operating problem at the borrower's facility.

Seasonal credit is available to help smaller depository institutions meet regular, seasonal needs for funds that cannot be met through special industry lenders and that arise from a combination of expected patterns of movement in their deposits and loans. A temporary simplified seasonal program was established on Mar. 8, 1985, and the interest rate was a fixed rate ½ percent above the rate on adjustment credit. The program was reestablished for 1986 and 1987 but was not renewed for 1988.

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

3. For extended-credit loans outstanding more than 30 days, a flexible rate somewhat above rates on market sources of funds ordinarily will be charged, but in no case will the rate charged be less than the basic discount rate plus 50 basis points. The flexible rate is reestablished on the first business day of each two-week reserve maintenance period. At the discretion of the Federal Reserve Bank, the time period for which the basic discount rate is applied may be shortened.

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

In 1980 and 1981, the Federal Reserve applied a surcharge to short-term adjustment credit borrowings by institutions with deposits of $500 million or more that had borrowed in successive weeks or in more than four weeks in a calendar quarter. A 3 percent surcharge was in effect from Mar. 17, 1980 through May 7, 1980. There was no surcharge until Nov. 17, 1980, when a 2 percent surcharge was adopted; the surcharge was subsequently raised to 3 percent on Dec. 5, 1980, and to 4 percent on May 5, 1981. The surcharge was reduced to 3 percent effective Sept. 22, 1981, and to 2 percent effective Oct. 12, 1981. As of Oct. 1, 1981 the formula for applying the surcharge was changed from a calendar quarter to a moving 13-week period. The surcharge was eliminated on Nov. 17, 1981.

1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS[1]

Percent of deposits

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

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

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

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

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

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

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

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

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS[1]

Millions of dollars

	Type of transaction	1988	1989	1990	1990						1991
					July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
	U.S. TREASURY SECURITIES										
	Outright transactions (*excluding matched transactions*)										
	Treasury bills										
1	Gross purchases	8,223	14,284	24,739	287	4,264	631	933	6,658	0	0
2	Gross sales	587	12,818	7,291	0	68	0	0	0	2,350	120
3	Exchange	241,876	231,211	231,386	16,159	21,912	19,041	19,271	25,981	16,939	19,747
4	Redemptions	2,200	12,730	4,400	0	0	0	0	0	3,000	1,000
	Others within 1 year										
5	Gross purchases	2,176	327	425r	0	0	0	0	325	0	0
6	Gross sales	0	0	0	0	0	0	0	0	0	0
7	Maturity shift	23,854	28,848	25,638	1,321	3,235	1,010	1,934	3,531	1,991	989
8	Exchange	−24,588	−25,783	−27,424	−3,577	−4,550	0	0	−4,315	0	0
9	Redemptions	0	500	0	0	0	0	0	0	0	0
	1 to 5 years										
10	Gross purchases	5,485	1,436	250r	0	0	0	0	0	0	0
11	Gross sales	800	490	200r	0	0	0	0	0	200	0
12	Maturity shift	−17,720	−25,534	−21,770	−1,234	−2,188	−1,010	−1,677	−3,258	−1,991	−778
13	Exchange	22,515	23,250	25,410	3,577	4,200	0	0	3,915	0	0
	5 to 10 years										
14	Gross purchases	1,579	287	0	0	0	0	0	0	0	0
15	Gross sales	175	29	100r	0	0	0	0	0	100	0
16	Maturity shift	−5,946	−2,231	−2,186	−87	−697	0	−256	127	0	−212
17	Exchange	1,797	1,934	789	0	0	0	0	0	0	0
	Over 10 years										
18	Gross purchases	1,398	284	0	0	0	0	0	0	0	0
19	Gross sales	0	0	0	0	0	0	0	0	0	0
20	Maturity shift	−188	−1,086	−1,681	0	−350	0	0	−400	0	0
21	Exchange	275	600	1,226	0	350	0	0	400	0	0
	All maturities										
22	Gross purchases	18,863	16,617	25,414r	287	4,264	631	933	6,983	0	0
23	Gross sales	1,562	13,337	7,591r	0	68	0	0	0	2,650	120
24	Redemptions	2,200	13,230	4,400	0	0	0	0	0	3,000	1,000
	Matched transactions										
25	Gross sales	1,168,484	1,323,480	1,369,052	95,144	113,647	120,036	127,265	116,601	125,844	130,751
26	Gross purchases	1,168,142	1,326,542	1,363,434	95,787	110,635	120,280	129,722	114,488	123,442	126,141
	Repurchase agreements[2]										
27	Gross purchases	152,613	129,518	219,632	13,106	26,700	31,996	19,844	36,457	45,684	36,337
28	Gross sales	151,497	132,688	202,551	11,447	23,764	34,932	19,844	34,105	31,022	38,462
29	Net change in U.S. government securities	15,872	−10,055	24,886r	2,590	4,121	−2,060	3,390	7,222	6,608	−7,855
	FEDERAL AGENCY OBLIGATIONS										
	Outright transactions										
30	Gross purchases	0	0	0	0	0	0	0	0	0	0
31	Gross sales	0	0	0	0	0	0	0	0	0	0
32	Redemptions	587	442	183	33	37	0	34	0	1	0
	Repurchase agreements[2]										
33	Gross purchases	57,259	38,835	41,836	4,697	7,130	7,394	5,913	2,774	2,091	4,416
34	Gross sales	56,471	40,411	40,461	4,137	5,944	8,580	5,913	2,504	1,021	3,571
35	Net change in federal agency obligations	198	−2,018	1,192	527	1,149	−1,186	−34	270	1,070	845
36	**Total net change in System Open Market Account**	**16,070**	**−12,073**	**26,078r**	**3,117**	**5,270**	**−3,247**	**3,356**	**7,492**	**7,678**	**−7,010**

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

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

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

Millions of dollars

Account	Wednesday					End of month		
	1991					1990	1991	
	Jan. 30	Feb. 6	Feb. 13	Feb. 20	Feb. 27	Dec. 31	Jan. 31	Feb. 28
	Consolidated condition statement							
ASSETS								
1 Gold certificate account	11,058	11,058	11,058	11,058	11,058	11,058	11,058	11,058
2 *Special drawing rights certificate account*	*10,018*	*10,018*	*10,018*	*10,018*	*10,018*	*10,018*	*10,018*	*10,018*
3 Coin	611	634	653	656	661	535	611	653
Loans								
4 To depository institutions	136	53	102	700	125	190	180	506
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	0	0	0	0	0	0	0	0
7 Bought outright	6,342	6,342	6,342	6,342	6,342	6,342	6,342	6,342
8 Held under repurchase agreements	866	0	196	181	572	1,341	2,186	1,266
U.S. Treasury securities								
Bought outright								
9 Bills	111,664	109,529	112,311	112,634	113,215	112,520	111,736	113,616
10 Notes	91,407	91,407	91,407	91,307	91,757	91,407	91,407	91,757
11 Bonds	31,163	31,163	31,163	31,263	31,263	31,163	31,163	31,263
12 Total bought outright[2]	234,234	232,099	234,881	235,204	236,235	235,090	234,306	236,636
13 Held under repurchase agreements	2,359	0	2,578	6,118	3,580	17,013	14,888	14,768
14 Total U.S. Treasury securities	236,592	232,099	237,459	241,322	239,815	252,103	249,194	251,404
15 **Total loans and securities**	**243,936**	**238,493**	**244,098**	**248,544**	**246,856**	**259,975**	**257,901**	**259,517**
16 Items in process of collection	6,650	9,249	5,141	10,534	4,859	6,106	5,160	5,064
17 Bank premises	875	881	882	886	884	872	875	884
Other assets								
18 Denominated in foreign currencies[2]	32,838	33,842	33,457	33,463	33,499	32,633	33,879	32,611
19 All other[3]	6,308	6,301	6,234	4,824	4,867	6,376	6,704	5,211
20 ***Total assets***	***312,294***	***310,477***	***311,546***	***319,983***	***312,702***	***327,573***	***326,206***	***325,016***
LIABILITIES								
21 Federal Reserve notes	263,537	264,152	265,190	266,012	265,472	267,657	263,751	265,915
Deposits								
22 To depository institutions	17,926	21,122	21,578	20,975	20,072	38,658	19,902	22,109
23 U.S. Treasury—General account	16,884	9,856	11,012	15,782	13,300	8,960	27,810	23,898
24 Foreign—Official accounts	225	234	210	235	301	369	271	329
25 Other	197	202	177	188	184	242	183	171
26 **Total deposits**	**35,232**	**31,414**	**32,977**	**37,180**	**33,858**	**48,228**	**48,165**	**46,505**
27 Deferred credit items	5,019	5,544	4,661	7,972	4,626	3,540	4,470	4,380
28 Other liabilities and accrued dividends[4]	3,195	3,201	3,363	3,438	3,377	3,301	3,588	3,424
29 **Total liabilities**	**306,982**	**304,311**	**306,190**	**314,601**	**307,333**	**322,727**	**319,974**	**320,224**
CAPITAL ACCOUNTS								
30 Capital paid in	2,450	2,451	2,471	2,475	2,479	2,423	2,450	2,475
31 Surplus	2,423	2,423	2,423	2,423	2,423	2,423	2,423	2,262
32 Other capital accounts	438	1,292	462	484	467	0	1,359	54
33 **Total liabilities and capital accounts**	**312,294**	**310,477**	**311,546**	**319,983**	**312,702**	**327,573**	**326,206**	**325,016**
34 MEMO: Marketable U.S. Treasury securities held in custody for foreign and international accounts	252,496	251,193	253,250	250,470	253,419	247,521	255,092	257,639
	Federal Reserve note statement							
35 Federal Reserve notes outstanding issued to bank	306,722	307,418	309,167	309,963	309,954	304,829	306,681	310,176
36 LESS: Held by bank	43,185	43,266	43,977	43,951	44,482	37,172	42,930	44,261
37 Federal Reserve notes, net	263,537	264,152	265,190	266,012	265,472	267,657	263,751	265,915
Collateral held against notes net:								
38 Gold certificate account	11,058	11,058	11,058	11,058	11,058	11,058	11,058	11,058
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	4,635	117	0	0	0	0	0
41 U.S. Treasury and agency securities	242,460	238,441	243,997	244,936	244,396	246,581	242,675	244,839
42 **Total collateral**	**263,537**	**264,152**	**265,190**	**266,012**	**265,472**	**267,657**	**263,751**	**265,915**

1. Some of these data also appear in the Board's H.4.1 (503) release. For address, see inside front cover. Components may not add to totals because of rounding.
2. Includes securities loaned—fully guaranteed by U.S. Treasury securities pledged with Federal Reserve Banks—and excludes securities sold and scheduled to be bought back under matched sale-purchase transactions.
3. Valued monthly at market exchange rates.
4. Includes special investment account at the Federal Reserve Bank of Chicago in Treasury bills maturing within 90 days.
5. Includes exchange-translation account reflecting the monthly revaluation at market exchange rates of foreign-exchange commitments.

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holding

Millions of dollars

Type and maturity groupings	Wednesday					End of month		
	1991					1990	1991	
	Jan. 23	Jan. 30	Feb. 6	Feb. 13	Feb. 20	Dec. 31	Jan. 30	Feb. 27
1 Loans—Total	5,143	136	53	102	700	190	136	125
2 Within 15 days	5,141	136	40	91	700	186	136	125
3 16 days to 90 days	2	0	13	11	0	4	0	4
4 91 days to 1 year	0	0	0	0	0	0	0	0
5 Acceptances—Total	0	0	0	0	0	0	0	0
6 Within 15 days	0	0	0	0	0	0	0	0
7 16 days to 90 days	0	0	0	0	0	0	0	0
8 91 days to 1 year	0	0	0	0	0	0	0	0
9 U.S. Treasury securities—Total	238,717	236,592	232,098	237,459	241,322	235,090	237,000	236,238
10 Within 15 days[1]	12,074	12,567	11,922	15,753	14,173	5,516	12,567	9,319
11 16 days to 90 days	55,549	54,302	50,133	54,271	58,638	57,538	54,302	57,895
12 91 days to 1 year	74,541	73,169	73,100	70,492	71,002	75,428	73,169	71,166
13 Over 1 year to 5 years	58,510	58,510	58,901	58,901	59,549	58,749	58,510	59,549
14 Over 5 years to 10 years	13,306	13,306	13,306	13,306	13,284	13,121	13,306	13,634
15 Over 10 years	24,736	24,736	24,736	24,736	24,676	24,736	24,736	24,676
16 Federal agency obligations—Total	6,342	7,207	6,342	6,538	6,523	6,342	7,208	6,342
17 Within 15 days[1]	219	1,035	55	281	569	200	1,035	304
18 16 days to 90 days	884	864	963	878	575	737	864	657
19 91 days to 1 year	1,533	1,548	1,563	1,563	1,563	1,639	1,548	1,608
20 Over 1 year to 5 years	2,495	2,550	2,550	2,590	2,590	2,555	2,550	2,548
21 Over 5 years to 10 years	1,022	1,022	1,022	1,037	1,037	1,022	1,022	1,037
22 Over 10 years	188	187	188	187	187	188	188	187

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

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

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

Billions of dollars, averages of daily figures

Item	1987 Dec.	1988 Dec.	1989 Dec.	1990 Dec.	1990 July	1990 Aug.	1990 Sept.	1990 Oct.	1990 Nov.	1990 Dec.	1991 Jan.[r]	1991 Feb.
	Seasonally adjusted											
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[2]												
1 **Total reserves**[3]	**58.59**	**60.59**	**60.03**	**60.53**	**59.32**	**59.75**	**60.08**	**59.61**	**59.76**	**60.53**	**60.84**	**61.33**
2 Nonborrowed reserves[4]	57.82	58.88	59.77	60.20	58.56	58.82	59.46	59.20	59.53	60.20	60.30	61.08
3 Nonborrowed reserves plus extended credit[5]	58.30	60.12	59.79	60.22	58.84	58.95	59.46	59.22	59.56	60.22	60.33	61.11
4 Required reserves	57.55	59.55	59.11	58.86	58.46	58.88	59.17	58.76	58.82	58.86	58.67	59.53
5 Monetary base[6]	258.18	275.40	285.28	309.73	298.01	301.08	304.47	306.38	307.76	309.73	314.47	318.76
	Not seasonally adjusted											
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[2]												
6 **Total reserves**[7]	**60.07**	**62.22**	**61.67**	**62.18**	**59.47**	**59.21**	**59.81**	**59.24**	**60.02**	**62.18**	**62.50**	**60.29**
7 Nonborrowed reserves	59.30	60.50	61.40	61.86	58.71	58.29	59.19	58.83	59.79	61.86	61.97	60.04
8 Nonborrowed reserves plus extended credit[5]	59.78	61.75	61.42	61.88	58.99	58.41	59.20	58.85	59.82	61.88	61.99	60.07
9 Required reserves[8]	59.03	61.17	60.75	60.52	58.61	58.34	58.90	58.40	59.08	60.52	60.33	58.48
10 Monetary base[9]	262.00	279.54	289.45	314.03	299.90	301.46	303.56	305.00	308.71	314.03	315.57	315.32
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[10]												
11 **Total reserves**[11]	**62.14**	**63.75**	**62.81**	**59.12**	**60.94**	**60.73**	**61.45**	**61.05**	**62.05**	**59.12**	**50.99**	**48.55**
12 Nonborrowed reserves	61.36	62.03	62.54	58.79	60.19	59.80	60.83	60.64	61.82	58.79	50.46	48.30
13 Nonborrowed reserves plus extended credit[5]	61.85	63.27	62.56	58.82	60.47	59.93	60.83	60.66	61.84	58.82	50.48	48.33
14 Required reserves	61.09	62.70	61.89	57.46	60.08	59.86	60.54	60.21	61.10	57.46	48.82	46.74
15 Monetary base[12]	266.06	283.00	292.55	313.70	303.39	304.99	307.21	308.85	312.69	313.70	309.30	308.51
16 Excess reserves[13]	1.05	1.05	.92	1.66	.86	.87	.91	.85	.95	1.66	2.17	1.81
17 Borrowings from the Federal Reserve	.78	1.72	.27	.33	.76	.93	.62	.41	.23	.33	.53	.25

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

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

Billions of dollars, averages of daily figures

Item[2]	1987 Dec.	1988 Dec.	1989 Dec.	1990 Dec.	1990 Nov.	1990 Dec.	1991 Jan.[r]	1991 Feb.
	Seasonally adjusted							
1 M1	749.7	786.4	793.6	825.4	823.3	825.4	826.7	836.4
2 M2	2,910.1	3,069.9	3,223.1	3,330.5	3,325.8	3,330.5	3,333.4	3,357.3
3 M3	3,677.4	3,919.1	4,055.2	4,113.0[r]	4,110.7[r]	4,113.0[r]	4,124.4	4,160.9
4 L	4,337.0	4,676.0	4,889.9	4,964.3[r]	4,960.7[r]	4,964.3[r]	4,973.8	n.a.
5 Debt	8,345.1	9,107.6	9,790.4	10,450.0[r]	10,405.9[r]	10,450.0[r]	10,490.4	n.a.
M1 components								
6 Currency[3]	196.8	212.0	222.2	246.4	245.0	246.4	251.6	255.1
7 Travelers checks[4]	7.0	7.5	7.4	8.4	8.4	8.4	8.4	8.2
8 Demand deposits[5]	286.5	286.3	278.7	276.9	277.2	276.9	272.9	276.2
9 Other checkable deposits[6]	259.3	280.7	285.2	293.7	292.8	293.7	293.9	296.8
Nontransactions components								
10 In M2[7]	2,160.4	2,283.5	2,429.5	2,505.1	2,502.5	2,505.1	2,506.7	2,521.0
11 In M3 only[8]	767.3	849.3	832.1	782.5[r]	784.9[r]	782.5[r]	791.0	803.6
Time and Savings accounts								
Commercial banks								
12 Savings deposits	178.3	192.1	187.7	199.4	198.2	199.4	201.4	203.3
13 Money market deposit accounts	356.4	350.2	353.0	378.4	377.4	378.4	377.6	383.0
14 Small time deposits[9]	388.0	447.5	531.4	598.0	589.4[r]	598.0	601.6	605.7
15 Large time deposits[10, 11]	326.6	368.0	401.9	386.0	387.4	386.0	393.7	400.2
Thrift institutions								
16 Savings deposits	233.7	232.3	216.4	211.4	212.9	211.4	210.6	212.2
17 Money market deposit accounts	168.5	151.2	133.1	127.6	129.4	127.6	127.4	128.3
18 Small time deposits[9]	529.7	584.3	614.5	566.9	573.4	566.9	562.1	556.8
19 Large time deposits[10]	162.6	174.3	161.6	121.0	125.1	121.0	117.9	114.8
Money market mutual funds								
20 General purpose and broker-dealer	221.7	241.1	313.6	347.7	343.0	347.7	356.3	360.5
21 Institution-only	88.9	86.9	101.9	125.7	120.5	125.7	130.1	139.3
Debt components								
22 Federal debt	1,957.9	2,114.2	2,268.1	2,532.8[r]	2,505.4[r]	2,532.8[r]	2,555.9	n.a.
23 Nonfederal debt	6,387.2	6,993.4	7,522.3	7,917.2[r]	7,900.5[r]	7,917.2[r]	7,934.5	n.a.
	Not seasonally adjusted							
24 M1	766.2	804.2	811.9	844.3	826.1	844.3	833.2	823.4
25 M2	2,923.0	3,083.3	3,236.6	3,344.5	3,329.5	3,344.5	3,343.7	3,348.1
26 M3	3,690.3	3,931.5	4,067.0	4,125.1[r]	4,117.7[r]	4,125.1[r]	4,130.6	4,149.0
27 L	4,352.8	4,691.8	4,907.4	4,982.8[r]	4,965.4[r]	4,982.8[r]	4,989.9	n.a.
28 Debt	8,329.1	9,093.2	9,775.9	10,437.4[r]	10,376.7[r]	10,437.4[r]	10,480.2	n.a.
M1 components								
29 Currency[3]	199.3	214.8	225.3	249.6	245.7	249.6	249.8	252.6
30 Travelers checks[4]	6.5	6.9	6.9	7.8	8.0	7.8	7.8	7.8
31 Demand deposits[5]	298.6	298.9	291.5	289.9	280.5	289.9	277.7	268.1
32 Other checkable deposits[6]	261.8	283.5	288.2	296.9	291.9	296.9	297.9	294.8
Nontransactions components								
33 In M2[7]	2,156.8	2,279.1	2,424.7	2,500.3[r]	2,503.3	2,500.3[r]	2,510.5	2,524.7
34 In M3 only[8]	767.3	848.2	830.4	780.6[r]	788.3[r]	780.6[r]	786.9	801.0
Time and Savings accounts								
Commercial banks								
35 Savings deposits	176.8	190.6	186.4	197.7	197.9	197.7	199.9	201.6
36 Money market deposit accounts	359.0	353.2	356.5	381.6	379.7	381.6	380.5	384.5
37 Small time deposits[9]	387.2	446.0	529.2	596.0	588.4	596.0	602.0	606.3
38 Large time deposits[10, 11]	325.8	366.8	400.4	386.1[r]	389.9	386.1[r]	392.0	398.7
Thrift institutions								
39 Savings deposits	231.4	229.9	214.2	209.6	212.6	209.6	209.0	210.5
40 Money market deposit accounts	168.6	151.6	133.7	128.7	130.1	128.7	128.4	128.8
41 Small time deposits[9]	529.5	583.8	613.8	565.0	572.5	565.0	562.5	557.4
42 Large time deposits[10]	163.3	175.2	162.6	121.0	125.9	121.0	117.4	114.4
Money market mutual funds								
43 General purpose and broker-dealer	221.1	240.7	313.5	347.8	344.5	347.8	356.6	364.7
44 Institution-only	89.6	87.6	102.8	127.0	121.2	127.0	134.8	144.0
Repurchase agreements and Eurodollars								
45 Overnight	83.2	83.4	77.3	73.9	77.7	73.9	71.5	71.1
46 Term	197.1	227.7	179.8	160.0[r]	165.2[r]	160.0[r]	158.0	158.4
Debt components								
47 Federal debt	1,955.6	2,111.8	2,265.9	2,532.1	2,498.8	2,532.1	2,557.8	n.a.
48 Nonfederal debt	6,373.5	6,981.4	7,509.9	7,905.4[r]	7,877.9[r]	7,905.4[r]	7,922.4	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) release. Historical data are available from the Money and Reserves Projection Section, Division of Monetary Affairs, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

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

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

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

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

L: M3 plus the nonbank public holdings of U.S. savings bonds, short-term Treasury securities, commercial paper and bankers acceptances, net of money market mutual fund holdings of these assets.

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

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

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

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

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

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

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

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

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

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

1.22 BANK DEBITS AND DEPOSIT TURNOVER[1]

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

Bank group, or type of customer	1988[r]	1989[r]	1990	1990[r] July	Aug.	Sept.	Oct.	Nov.	Dec.
DEBITS TO	Seasonally adjusted								
Demand deposits[3]									
1 All insured banks	219,795.7	256,150.4	278,202.3	274,559.5	295,570.0	267,680.2	295,490.0	294,468.6	270,911.4
2 Major New York City banks	115,475.6	129,319.9	131,740.9	129,034.4	144,314.2	126,088.7	136,082.4	140,531.5	129,636.7
3 Other banks	104,320.2	126,830.5	146,461.4	145,525.1	151,255.8	141,591.5	159,407.6	153,937.1	141,274.7
4 ATS-NOW accounts[4]	2,478.1	2,910.5	3,344.7	3,417.0	3,549.5	3,110.7	3,449.3	3,479.2	3,310.2
5 Savings deposits[5]	537.0	547.5	558.2	583.4	599.8	523.6	573.7	565.8	519.9
DEPOSIT TURNOVER									
Demand deposits[3]									
6 All insured banks	622.9	735.1	801.4	794.8	851.9	764.8	865.9	857.1	789.7
7 Major New York City banks	2,897.2	3,421.5	3,802.2	3,715.5	4,119.5	3,717.9	4,280.5	4,320.4	3,926.2
8 Other banks	333.3	408.3	468.8	468.4	484.9	447.9	515.1	494.9	455.6
9 ATS-NOW accounts[4]	13.2	15.2	16.4	16.8	17.4	15.1	16.8	16.8	15.9
10 Savings deposits[5]	2.9	3.0	2.9	3.0	3.1	2.7	2.9	2.9	2.6
DEBITS TO	Not seasonally adjusted								
Demand deposits[3]									
11 All insured banks	219,790.4	256,133.2	277,719.5	277,167.8	302,515.9	257,936.7	298,947.2	277,536.6	279,499.3
12 Major New York City banks	115,460.7	129,400.1	131,784.7	130,100.1	147,040.1	121,343.4	142,664.0	133,220.6	133,491.9
13 Other banks	104,329.7	126,733.0	145,934.8	147,067.7	155,475.8	136,593.3	156,283.2	144,316.0	146,007.4
14 ATS-NOW accounts[4]	2,477.3	2,910.7	3,339.2	3,353.0	3,570.5	3,131.6	3,462.0	3,259.5	3,394.4
15 MMDA[6]	2,342.7	2,677.1	2,928.1	3,042.6	3,189.2	2,775.9	3,095.5	2,805.0	2,990.3
16 Savings deposits[5]	536.3	546.9	557.1	596.0	599.6	513.6	616.3	505.1	520.9
DEPOSIT TURNOVER									
Demand deposits[3]									
17 All insured banks	622.8	735.4	800.6	794.7	887.4	744.4	870.9	800.0	777.1
18 Major New York City banks	2,896.7	3,426.2	3,809.9	3,777.1	4,395.6	3,607.3	4,376.5	4,067.4	3,758.7
19 Other banks	333.2	408.0	467.3	467.9	505.7	436.6	503.1	459.3	450.4
20 ATS-NOW accounts[4]	13.2	15.2	16.4	16.7	17.7	15.4	17.1	15.8	16.0
21 MMDA[6]	6.6	7.9	8.0	8.3	8.6	7.5	8.3	7.4	7.9
22 Savings deposits[5]	2.9	2.9	2.9	3.0	3.1	2.6	3.1	2.6	2.7

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

These data also appear on the Board's G.6 (406) release. For address, see inside front cover.

2. Annual averages of monthly figures.

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

4. Accounts authorized for negotiable orders of withdrawal (NOW) and accounts authorized for automatic transfer to demand deposits (ATS). ATS data are available beginning December 1978.

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

6. Money market deposit accounts.

1.23 LOANS AND SECURITIES All Commercial Banks[1]

Billions of dollars; averages of Wednesday figures

Category	1990										1991	
	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
	Seasonally adjusted											
1 **Total loans and securities[2]**	**2,633.2**	**2,648.1**	**2,655.4**	**2,670.1**	**2,683.0**	**2,704.9**	**2,708.0**	**2,713.6**	**2,716.6**	**2,723.6**	**2,721.2r**	**2,735.1**
2 U.S. government securities	420.3	426.4	430.3	438.4	442.8	445.7	450.1	453.1	454.0	454.2	454.1r	458.0
3 Other securities	180.4	180.2	178.2	177.5	177.3	178.8	178.8	177.8	175.9	175.6	177.7r	177.6
4 Total loans and leases[2]	2,032.5	2,041.5	2,046.9	2,054.2	2,062.9	2,080.4	2,079.0	2,082.7	2,086.7	2,093.8	2,089.4r	2,099.5
5 Commercial and industrial	643.5	645.9	644.3	645.3	644.4	645.1	644.7	643.7	646.5	648.1	644.3	643.9
6 Bankers acceptances held[3]	7.5	7.6	7.6	7.8	7.6	7.4	7.5	7.3	7.4	7.5	7.7	6.8
7 Other commercial and industrial	636.0	638.3	636.7	637.4	636.7	637.7	637.1	636.4	639.1	640.5	636.6r	637.1
8 U.S. addressees[4]	631.0	634.0	632.2	633.2	632.5	633.4	632.6	631.7	634.0	635.3	631.1	631.5
9 Non-U.S. addressees[4]	4.9	4.3	4.4	4.3	4.3	4.3	4.5	4.7	5.1	5.2r	5.5	5.5
10 Real estate	782.7	790.8	798.9	805.9	814.5	818.0	822.5	827.7	832.0	836.5	837.3r	842.6
11 Individual	379.4	377.8	378.4	377.6	376.4	378.2	378.6	379.7	378.7	378.9	375.9r	377.7
12 Security	37.0	36.8	35.5	35.0	38.7	44.6	41.3	40.5	39.6	40.6	43.2	43.2
13 Nonbank financial institutions	33.7	34.0	34.1	34.4	34.7	35.0	35.2r	34.8r	34.6r	34.7r	34.2r	35.3
14 Agricultural	30.8	30.8	31.0	31.1	31.3	31.5	31.8	32.2	32.5	33.0	33.6	33.7
15 State and political subdivisions	38.6	38.2	37.9	37.3	36.4	35.8	35.2	35.1r	34.8r	34.2	33.5	33.4
16 Foreign banks	8.3	8.6	8.7	7.4	7.0	7.9	8.1	9.0	8.2	7.4	6.6	6.9
17 Foreign official institutions	3.2	3.3	3.3	3.2	3.2	3.2	3.3	3.2	3.2	3.2	3.0	3.1
18 Lease financing receivables	32.4	32.4	32.6	32.4	32.6	32.7	32.8	33.3	32.9	32.7	32.4	32.8
19 All other loans	43.0	42.8	42.3	44.5	43.6	48.2	45.5r	43.6r	43.6r	44.6r	45.5r	46.9
	Not seasonally adjusted											
20 **Total loans and securities[2]**	**2,630.0**	**2,647.7**	**2,654.5**	**2,670.8**	**2,677.5**	**2,700.1**	**2,707.0**	**2,715.5**	**2,720.1**	**2,730.5**	**2,721.0**	**2,737.3**
21 U.S. government securities	423.8	427.5	430.3	437.1	439.9	444.0	448.2	450.8	454.1	451.5	455.8	463.9
22 Other securities	179.7	179.5	178.0	177.5	176.4	179.1	179.0	178.0	176.6	176.3	177.9	177.3
23 Total loans and leases[2]	2,026.4	2,040.7	2,046.2	2,056.3	2,061.1	2,077.1	2,079.8	2,086.7	2,089.3	2,102.7	2,087.3r	2,096.1
24 Commercial and industrial	645.8	650.6	648.3	647.7	644.6	643.5	640.9	641.2	644.5	648.0	641.1	643.0
25 Bankers acceptances held[3]	7.5	7.4	7.6	8.0	7.3	7.2	7.5	7.4	7.6	7.7	7.6	7.0
26 Other commercial and industrial	638.4	643.2	640.8	639.7	637.3	636.3	633.4	633.8	636.9	640.3	633.4r	636.1
27 U.S. addressees[4]	633.6	638.6	636.3	635.5	632.9	631.8	628.8	629.1	631.9	635.1	628.2	630.6
28 Non-U.S. addressees[4]	4.7	4.6	4.5	4.3	4.4	4.5	4.6	4.7	5.0	5.2	5.3	5.5
29 Real estate	779.4	788.4	798.0	806.0	814.9	819.9	824.2	830.3	834.0	837.9	837.1	839.5
30 Individual	376.6	375.1	376.6	375.6	374.1	377.4	380.4	380.6	379.8	383.8	380.1r	377.1
31 Security	38.1	38.3	34.9	37.1	38.6	43.9	40.3	39.5	38.5	40.0	41.0	44.8
32 Nonbank financial institutions	33.0	33.7	33.8	34.5	34.6	35.0	34.9r	34.7r	35.0r	36.1r	34.7r	34.9
33 Agricultural	29.5	29.8	30.6	31.4	32.1	32.5	32.9	33.1	32.9	32.9	32.9	32.7
34 State and political subdivisions	38.6	38.2	37.8	37.2	36.2	35.7	35.2	35.1r	34.7r	34.0	34.1	33.5
35 Foreign banks	7.9	8.3	8.6	7.5	7.1	8.0	8.2	9.3	8.4	7.6	6.6	6.8
36 Foreign official institutions	3.2	3.3	3.3	3.2	3.2	3.2	3.3	3.2	3.2	3.2	3.0	3.1
37 Lease financing receivables	32.4	32.4	32.5	32.2	32.4	32.6	32.8	33.3	33.1	32.8	32.8	32.9
38 All other loans	42.0	42.5	41.6	43.9	43.3	45.4	46.8r	46.3r	45.3r	46.5r	43.7r	47.7

1. Data have been revised to reflect new benchmark and seasonal adjustments. Historical data may be obtained from the Division of Monetary Affairs, Banking and Money Market Statistics section, Board of Governors of the Federal Reserve System, Washington, D.C., 20551. These data also appear in the Board's G.7 (407) release. For address, see inside front cover.
2. Excludes loans to commercial banks in the United States.
3. Includes nonfinancial commercial paper held.
4. United States includes the 50 states and the District of Columbia.

1.24 MAJOR NONDEPOSIT FUNDS OF COMMERCIAL BANKS[1]

Monthly averages, billions of dollars

Source	1990										1991	
	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.[r]	Nov.	Dec.	Jan.[r]	Feb.
Seasonally adjusted												
1 Total nondeposit funds[2]	270.9	268.9	269.0	272.3	281.1	283.8[r]	283.0[r]	291.6	292.1[r]	287.4[r]	276.8	265.1
2 Net balances due to related foreign offices[3]	19.0	18.7	25.8	17.2	19.0	19.0	21.5	29.9	30.1	34.5[r]	33.4	24.6
3 Borrowings from other than commercial banks in United States[4]	251.8	250.3	243.2	255.1	262.0	264.8	261.4[r]	261.8	262.1[r]	252.9[r]	243.4	240.5
4 Domestically chartered banks	197.2	193.7	186.6	196.8	201.6	202.2	198.8	196.9	195.1	187.2	182.4	177.6
5 Foreign-related banks	54.6	56.6	56.5	58.3	60.4	62.6	62.7[r]	64.9	67.0[r]	65.7[r]	61.0	62.9
Not seasonally adjusted												
6 Total nondeposit funds[2]	276.5	269.7	277.3	275.1	277.2	282.5	278.6[r]	288.5	293.3[r]	281.9[r]	272.2	268.1
7 Net balances due to related foreign offices[3]	18.3	16.7	28.5	17.4	16.6[r]	18.5	21.5	29.6	30.8	37.1	33.1	24.5
8 Domestically chartered banks	−11.5	−10.6	−1.3	−6.1	−5.8	−3.4	−4.2	−1.0	.6	−4.2	−15.3	−15.2
9 Foreign-related banks	29.8	27.3	29.8	23.5	22.4	21.9	25.7	30.6	30.2	41.3	48.4	39.8
10 Borrowings from other than commercial banks in United States[4]	258.2	253.0	248.8	257.7	260.6	264.0	257.0[r]	259.0	262.5[r]	244.8[r]	239.1	243.6
11 Domestically chartered banks	202.3	194.8	191.6	197.7	199.1	201.7	195.6	195.0	197.6	182.9	177.9	179.8
12 Federal funds and security RP borrowings[5]	197.8	191.0	188.3	194.6	196.2	198.1	191.6	191.7	194.8	180.1	174.7	177.1
13 Other[6]	4.5	3.7	3.4	3.2	2.9	3.6	4.0	3.2	2.9	2.8	3.2	2.8
14 Foreign-related banks[6]	55.9	58.2	57.2	60.0	61.5	62.3	61.5[r]	64.0	64.9[r]	61.9[r]	61.2	63.7
MEMO												
Gross large time deposits[7]												
15 Seasonally adjusted	459.0	456.2	454.4	451.5	451.9	449.2	443.6	438.0	435.2	431.8	440.9	450.3
16 Not seasonally adjusted	458.8	453.9	454.0	451.0	450.5	450.1	445.4	440.4	437.8	431.8	439.2	448.9
U.S. Treasury demand balances at commercial banks[8]												
17 Seasonally adjusted	19.8	21.3	19.2	20.6	15.0	32.7	26.0	22.3	25.2	24.4	25.8	33.4
18 Not seasonally adjusted	16.7	20.0	25.2	20.9	15.2	23.5	31.0	20.9	19.2	23.0	29.4	39.3

1. Data have been revised to reflect new benchmark and seasonal adjustments. Historical data may be obtained from the Division of Monetary Affairs, Banking and Money Market Statistics section, Board of Governors of the Federal Reserve System, Washington, D.C., 20551. Commercial banks are those in the 50 states and the District of Columbia with national or state charters plus agencies and branches of foreign banks, New York investment companies majority owned by foreign banks, and Edge Act corporations owned by domestically chartered and foreign banks.

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

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

3. Reflects net positions of U.S. chartered banks, Edge Act corporations, and U.S. branches and agencies of foreign banks with related foreign offices plus net positions with own IBFs.

4. Other borrowings are borrowings through any instrument, such as a promissory note or due bill, given for the purpose of borrowing money for the banking business. This includes borrowings from Federal Reserve Banks and from foreign banks, term federal funds, loan RPs, and sales of participations in pooled loans.

5. Based on daily average data reported weekly by approximately 120 large banks and quarterly or annual data reported by other banks.

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

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

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

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

Billions of dollars

Account	1990									1991	
	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
ALL COMMERCIAL BANKING INSTITUTIONS[2]											
1 Loans and securities	2,839.0	2,847.1	2,871.6	2,878.8	2,896.8	2,887.1	2,931.3	2,925.1	2,936.9	2,908.7	2,924.9
2 Investment securities	583.0	587.2	589.8	588.3	597.2	601.7	604.9	603.3	605.6	612.8	614.0
3 U.S. government securities	413.1	417.8	422.2	421.7	429.1	434.5	438.0	437.6	439.6	447.6	449.5
4 Other	170.0	169.3	167.6	166.6	168.0	167.2	166.8	165.7	166.0	165.2	164.5
5 Trading account assets	23.9	21.4	23.7	27.7	29.3	21.4	27.4	25.0	22.0	24.1	26.9
6 Total loans	2,232.1	2,238.5	2,258.1	2,262.8	2,270.4	2,264.0	2,299.0	2,296.9	2,309.3	2,271.8	2,283.9
7 Interbank loans	190.5	192.8	202.2	204.8	200.1	191.0	207.9	207.0	204.0	193.3	185.0
8 Loans excluding interbank	2,041.5	2,045.7	2,055.9	2,057.9	2,070.3	2,073.0	2,091.2	2,089.8	2,105.3	2,078.6	2,099.0
9 Commercial and industrial	650.4	645.8	646.9	641.5	639.7	639.7	643.4	644.4	650.8	637.2	645.1
10 Real estate	790.2	801.7	807.9	816.0	820.1	825.0	831.5	833.7	838.3	836.9	840.1
11 Individual	376.7	376.6	376.8	374.8	379.4	381.2	380.8	380.5	384.7	378.6	376.4
12 All other	224.2	221.7	224.3	225.6	231.1	227.1	235.5	231.2	231.5	225.9	237.4
13 Total cash assets	210.6	237.7	219.6	210.7	207.7	213.7	220.8	216.7	217.9	199.2	204.5
14 Reserves with Federal Reserve Banks	31.5	27.6	31.8	29.8	30.0	33.6	29.7	33.0	23.4	16.5	18.1
15 Cash in vault	28.5	29.9	28.9	28.8	30.3	29.3	29.4	32.8	32.0	30.4	29.8
16 Cash items in process of collection	80.1	100.7	86.2	79.6	77.5	81.1	85.4	78.4	86.0	74.7	79.9
17 Demand balances at U.S. depository institutions	26.3	32.0	27.7	27.3	27.3	27.0	28.5	28.4	29.6	28.1	27.7
18 Other cash assets	44.2	47.5	45.0	45.2	42.5	42.8	47.8	44.2	46.8	49.6	49.0
19 Other assets	204.8	197.0	207.5	205.3	220.8	226.6	230.1	226.6	245.1	249.9	259.6
20 **Total assets/total liabilities and capital**	**3,254.4**	**3,281.8**	**3,298.6**	**3,294.8**	**3,325.3**	**3,327.4**	**3,382.2**	**3,368.5**	**3,399.9**	**3,357.8**	**3,388.9**
21 Deposits	2,258.3	2,295.3	2,282.4	2,290.9	2,296.5	2,300.1	2,332.0	2,319.9	2,363.4	2,334.6	2,365.0
22 Transaction deposits	600.9	618.1	598.6	590.1	589.1	595.3	612.1	598.1	637.1	587.9	594.1
23 Savings deposits	548.8	554.5	556.4	561.3	565.6	563.5	570.5	573.1	573.3	573.9	583.5
24 Time deposits	1,108.6	1,122.7	1,127.5	1,139.5	1,141.8	1,141.3	1,149.4	1,148.8	1,152.9	1,172.8	1,187.3
25 Borrowings	563.9	546.1	572.6	562.1	579.9	570.9	591.0	570.6	548.7	529.8	515.4
26 Other liabilities	216.0	223.3	223.9	220.5	226.2	233.1	236.0	255.3	264.4	268.8	282.3
27 Residual (assets less liabilities)	216.2	217.1	219.7	221.2	222.8	223.4	223.3	222.7	223.5	224.6	226.2
MEMO											
28 U.S. government securities (including trading account)	428.2	430.9	436.1	440.4	446.3	445.1	454.2	451.9	451.1	459.4	463.7
29 Other securities (including trading account)	178.7	177.6	177.4	175.6	180.2	178.0	178.1	176.4	176.5	177.5	177.2
DOMESTICALLY CHARTERED COMMERCIAL BANKS[3]											
30 Loans and securities	2,584.1	2,589.5	2,608.3	2,614.4	2,631.8	2,620.5	2,658.4	2,645.1	2,654.2	2,628.0	2,642.3
31 Investment securities	551.9	558.6	559.2	557.3	566.1	569.0	571.5	569.8	570.5	575.3	577.4
32 U.S. government securities	398.0	404.8	407.7	406.5	414.1	417.9	420.9	420.8	421.7	426.5	429.3
33 Other	154.0	153.7	151.5	150.8	152.0	151.2	150.6	149.1	148.8	148.7	148.2
34 Trading account assets	23.9	21.4	23.7	27.7	29.3	21.4	27.4	25.0	22.0	24.1	26.9
35 Total loans	2,008.3	2,009.5	2,025.5	2,029.4	2,036.4	2,030.0	2,059.5	2,050.3	2,061.7	2,028.6	2,038.0
36 Interbank loans	148.9	144.2	153.3	153.7	153.7	146.0	164.0	157.4	160.0	151.7	150.9
37 Loans excluding interbank	1,859.3	1,865.4	1,872.2	1,875.7	1,882.6	1,884.0	1,895.5	1,892.9	1,901.7	1,876.9	1,887.0
38 Commercial and industrial	524.0	521.4	520.1	517.3	514.0	513.2	515.4	513.4	512.7	504.2	508.4
39 Real estate	753.9	764.5	769.7	776.7	779.5	784.0	789.8	791.6	796.4	794.0	797.1
40 Individual	376.7	376.6	376.8	374.8	379.4	381.2	380.8	380.5	384.7	378.6	376.4
41 All other	204.7	202.9	205.5	206.9	209.8	205.7	209.5	207.4	207.9	200.2	205.1
42 Total cash assets	186.3	209.7	193.3	184.7	181.7	187.0	189.3	187.7	188.3	166.6	172.7
43 Reserves with Federal Reserve Banks	29.8	26.6	30.9	28.9	28.0	32.1	28.5	31.5	23.0	15.3	17.0
44 Cash in vault	28.5	29.9	28.9	28.8	30.3	29.2	29.4	32.8	32.0	30.3	29.8
45 Cash items in process of collection	78.7	99.3	84.2	78.1	75.9	79.0	83.6	76.4	83.9	72.9	78.2
46 Demand balances at U.S. depository institutions	24.6	30.0	25.9	25.6	25.0	25.1	26.6	26.2	27.6	26.2	25.8
47 Other cash assets	24.7	23.9	23.4	23.4	22.5	21.5	21.2	20.9	21.8	22.0	21.9
48 Other assets	133.5	136.0	141.2	139.1	145.6	152.3	153.6	155.0	167.8	166.9	171.3
49 **Total assets/liabilities and capital**	**2,903.9**	**2,935.2**	**2,942.9**	**2,938.2**	**2,959.1**	**2,959.7**	**3,001.3**	**2,987.8**	**3,010.3**	**2,961.4**	**2,986.3**
50 Deposits	2,175.7	2,213.0	2,200.0	2,209.2	2,214.9	2,220.1	2,253.8	2,243.3	2,283.5	2,236.2	2,255.2
51 Transaction deposits	591.3	608.3	588.5	580.2	578.8	584.4	601.5	587.7	626.1	577.4	583.8
52 Savings deposits	545.8	551.6	553.4	558.3	562.6	560.4	567.4	569.8	570.0	570.6	580.2
53 Time deposits	1,038.6	1,053.2	1,058.1	1,070.7	1,073.5	1,075.3	1,085.0	1,085.8	1,087.4	1,088.1	1,091.2
54 Borrowings	406.4	393.6	410.3	396.0	404.3	395.8	400.4	394.1	375.6	380.1	371.8
55 Other liabilities	109.5	115.1	116.5	115.3	120.7	124.1	127.5	131.5	131.4	124.2	136.8
56 Residual (assets less liabilities)	212.4	213.4	216.2	217.7	219.2	219.7	219.6	219.0	219.8	220.9	222.6
MEMO											
57 Real estate loans, revolving	53.2	54.1	55.0	56.3	57.7	58.6	60.6	61.1	61.7	62.9	63.3
58 Real estate loans, other	700.7	710.3	714.7	720.4	721.7	725.4	729.2	730.5	734.7	731.1	733.8

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

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

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

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

1.26 ASSETS AND LIABILITIES OF LARGE WEEKLY REPORTING COMMERCIAL BANKS

Millions of dollars, Wednesday figures

Account	1991								
	Jan. 2	Jan. 9	Jan. 16	Jan. 23	Jan. 30	Feb. 6	Feb. 13	Feb. 20	Feb. 27
ASSETS									
1 Cash and balances due from depository institutions	133,136	96,234	107,866	115,389	93,599	95,300	95,552	112,066	98,762
2 U.S. Treasury and government securities	177,443	180,405	180,439	182,704	182,598	185,685	187,472	188,605	186,968
3 Trading account	10,057	12,251	13,314	13,122	11,770	13,568	14,832	16,397	14,239
4 Investment account	167,386	168,154	167,124	169,581	170,828	172,116	172,640	172,208	172,730
5 Mortgage-backed securities[1]	80,976	80,824	79,871	81,188	81,572	81,960	81,965	82,117	82,577
6 All other maturing in									
7 One year or less	18,775	18,646	18,709	18,746	18,468	17,865	17,905	18,617	18,331
8 Over one through five years	37,783	38,466	38,832	39,217	39,586	40,850	40,963	39,703	39,773
9 Over five years	29,851	30,218	29,712	30,430	31,202	31,441	31,807	31,772	32,048
10 Other securities	60,873	60,444	60,704	60,387	60,434	60,432	60,222	60,293	60,544
11 Trading account	1,136	904	1,030	916	925	1,216	1,101	1,097	1,347
12 Investment account	59,736	59,539	59,674	59,471	59,509	59,216	59,121	59,196	59,197
13 State and political subdivisions, by maturity	29,976	29,919	29,843	29,785	29,688	29,372	29,299	29,223	29,090
14 One year or less	3,688	3,706	3,735	3,756	3,746	3,756	3,740	3,716	3,702
15 Over one year	26,288	26,214	26,108	26,029	25,943	25,616	25,559	25,507	25,388
16 Other bonds, corporate stocks, and securities	29,760	29,620	29,832	29,686	29,821	29,844	29,823	29,973	30,108
17 Other trading account assets	10,464	10,920	12,278	11,581	11,326	12,293	11,614	11,188	11,278
18 Federal funds sold[2]	88,472	78,990	71,850	74,920	75,526	87,864	74,645	80,606	73,718
19 To commercial banks in the U.S.	60,865	55,143	46,441	52,451	53,339	58,080	50,272	53,076	47,963
20 To nonbank brokers and dealers	22,786	19,813	22,132	19,869	19,062	25,385	20,742	24,511	21,870
21 To others[3]	4,821	4,033	3,276	2,600	3,126	4,399	3,631	3,018	3,884
22 Other loans and leases, gross	1,067,960	1,057,597	1,060,475	1,060,078	1,053,061	1,054,525	1,055,749	1,059,192	1,057,032
23 Commercial and industrial	322,406	319,169	319,237	318,765	318,154	320,033	319,623	320,246	320,763
24 Bankers' acceptances and commercial paper	1,446	1,497	1,482	1,495	1,473	1,607	1,579	1,674	1,523
25 All other	320,960	317,673	317,756	317,269	316,681	318,426	318,045	318,571	319,240
26 U.S. addressees	319,294	316,341	316,291	315,775	315,358	317,040	316,522	317,156	317,842
27 Non-U.S. addressees	1,666	1,332	1,465	1,494	1,323	1,386	1,522	1,416	1,399
28 Real estate loans	399,682	400,427	400,950	400,662	400,488	400,555	400,538	401,089	400,812
29 Revolving, home equity	35,330	35,409	35,576	35,604	35,657	35,676	35,764	35,598	35,559
30 All other	364,352	365,018	365,374	365,058	364,831	364,879	364,774	365,491	365,253
31 To individuals for personal expenditures	200,762	198,590	197,875	197,379	196,404	195,577	195,150	195,317	194,931
32 To depository and financial institutions	51,092	48,552	49,634	51,338	47,153	48,093	48,931	49,171	48,763
33 Commercial banks in the United States	22,861	21,674	24,132	24,816	21,542	22,032	23,089	23,024	23,226
34 Banks in foreign countries	4,222	3,656	2,662	4,388	3,243	3,333	2,969	3,423	3,017
35 Nonbank depository and other financial institutions	24,009	23,222	22,840	22,134	22,368	22,728	22,873	22,724	22,520
36 For purchasing and carrying securities	13,019	13,222	14,435	14,169	13,469	13,754	14,723	16,197	15,143
37 To finance agricultural production	6,259	6,021	6,008	5,924	5,858	5,798	5,787	5,738	5,731
38 To states and political subdivisions	21,078	21,242	21,295	21,193	21,092	20,904	20,856	20,816	20,802
39 To foreign governments and official institutions	1,452	1,382	1,146	1,186	1,170	1,152	1,205	1,233	1,316
40 All other loans[4]	25,136	21,993	22,613	22,215	21,938	21,347	21,552	22,019	21,429
41 Lease financing receivables	27,075	26,998	27,281	27,248	27,336	27,312	27,383	27,367	27,342
42 LESS: Unearned income	4,307	4,305	4,314	4,251	4,249	4,207	4,215	4,228	4,218
43 Loan and lease reserve[3]	37,446	38,135	38,493	38,750	38,849	39,221	38,054	37,997	38,006
44 Other loans and leases, net	1,026,206	1,015,157	1,017,668	1,017,077	1,009,964	1,011,096	1,013,481	1,016,967	1,014,808
45 Other assets	164,187	159,749	161,426	157,236	162,560	166,265	165,577	162,883	164,024
46 **Total assets**	**1,660,781**	**1,601,899**	**1,612,230**	**1,619,293**	**1,596,007**	**1,618,936**	**1,608,562**	**1,632,608**	**1,610,103**

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 Jan. 2	Jan. 9	Jan. 16	Jan. 23	Jan. 30	Feb. 6	Feb. 13	Feb. 20	Feb. 27
LIABILITIES									
47 Deposits	1,167,944	1,112,654	1,117,851	1,105,514	1,089,936	1,105,362	1,100,158	1,114,940	1,099,336
48 Demand deposits	278,832	225,097	229,172	223,942	213,853	218,833	217,141	228,696	216,608
49 Individuals, partnerships, and corporations	218,324	181,495	184,959	177,418	172,109	176,618	176,436	181,508	173,674
50 Other holders	60,508	43,602	44,213	46,525	41,744	42,215	40,705	47,188	42,934
51 States and political subdivisions	9,346	6,599	6,617	7,302	6,756	6,507	6,199	7,074	6,787
52 U.S. government	4,834	1,884	4,076	1,941	1,511	1,419	1,186	1,608	1,627
53 Depository institutions in the United States	28,339	19,736	19,926	21,816	18,896	19,375	18,052	22,031	17,994
54 Banks in foreign countries	6,976	6,008	5,036	6,658	4,984	5,278	4,820	5,156	4,921
55 Foreign governments and official institutions	884	694	589	637	637	701	819	699	676
56 Certified and officers' checks	10,129	8,680	7,968	8,172	8,960	8,934	9,629	10,621	10,929
57 Transaction balances other than demand deposits[4]	91,165	89,240	87,839	84,254	82,988	86,962	84,688	85,254	84,413
58 Nontransaction balances	797,947	798,317	800,839	797,317	793,096	799,567	798,329	800,989	798,314
59 Individuals, partnerships, and corporations	762,833	763,187	764,918	761,219	757,266	762,689	761,161	763,669	760,760
60 Other holders	35,114	35,130	35,922	36,098	35,829	36,878	37,168	37,320	37,555
61 States and political subdivisions	28,314	28,201	28,855	29,044	28,734	29,606	30,014	30,177	30,644
62 U.S. government	1,004	994	941	856	869	864	865	873	875
63 Depository institutions in the United States	5,306	5,464	5,597	5,682	5,731	5,906	5,801	5,788	5,559
64 Foreign governments, official institutions, and banks	490	470	529	516	495	502	489	481	476
65 Liabilities for borrowed money[5]	283,616	274,686	281,568	301,294	292,930	302,514	292,875	299,806	287,479
66 Borrowings from Federal Reserve Banks	336	540	10	4,889	0	0	0	525	0
67 Treasury tax and loan notes	13,992	9,856	20,174	28,988	28,200	28,228	28,012	28,756	29,199
68 Other liabilities for borrowed money[6]	269,288	264,290	261,384	267,417	264,731	274,285	264,862	270,525	258,281
69 Other liabilities (including subordinated notes and debentures)	99,280	103,587	101,801	101,255	102,305	100,043	103,517	106,108	111,559
70 **Total liabilities**	**1,550,839**	**1,490,928**	**1,501,220**	**1,508,063**	**1,485,171**	**1,507,919**	**1,496,550**	**1,520,854**	**1,498,374**
71 Residual (Total assets minus total liabilities)[7]	109,942	110,971	111,010	111,230	110,835	111,017	112,012	111,754	111,729
MEMO									
72 Total loans and leases, gross, adjusted, plus securities[8]	1,321,486	1,311,538	1,315,173	1,312,403	1,308,064	1,320,687	1,316,342	1,323,783	1,318,351
73 Time deposits in amounts of $100,000 or more	212,521	213,259	213,817	212,740	209,768	211,262	210,117	209,579	207,798
74 Loans sold outright to affiliates, total[9]	1,247	1,256	1,276	1,266	1,275	1,279	1,284	1,284	1,293
75 Commercial and industrial	714	724	736	730	737	743	746	748	753
76 Other	533	532	540	536	538	536	537	537	539
77 Foreign branch credit extended to U.S. residents[10]	23,317	24,476	24,837	24,905	24,961	24,884	25,528	26,078	26,036
78 Net due to related institutions abroad	−17,154	−9,531	−13,009	−13,058	−15,265	−18,304	−15,150	−12,185	−7,031

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

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

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

Millions of dollars, Wednesday figures

Account	1991								
	Jan. 2	Jan. 9	Jan. 16	Jan. 23	Jan. 30	Feb. 6	Feb. 13	Feb. 20	Feb. 27
1 Cash and balances due from depository institutions	18,381	17,531	17,989	19,072	18,317	19,135	17,842	17,228	17,867
2 U.S. Treasury and government agency securities	11,781	12,140	13,031	13,686	13,669	13,627	13,250	13,082	13,082
3 Other securities	7,805	7,858	7,838	7,788	7,624	7,595	7,698	7,592	7,576
4 Federal funds sold[1]	7,357	8,097	7,038	9,020	7,729	8,577	8,832	10,572	9,696
5 To commercial banks in the United States	5,317	5,702	4,191	5,885	4,739	3,686	3,726	5,584	3,953
6 To others[2]	2,040	2,395	2,847	3,135	2,989	4,890	5,107	4,988	5,743
7 Other loans and leases, gross	142,833	139,242	139,143	138,297	137,190	136,325	136,638	135,724	136,822
8 Commercial and industrial	82,902	81,374	81,063	80,636	80,078	80,559	80,948	81,959	82,084
9 Bankers acceptances and commercial paper	3,189	3,062	3,122	2,973	2,238	2,588	2,446	2,273	2,111
10 All other	79,713	78,312	77,941	77,663	77,839	77,971	78,502	79,686	79,973
11 U.S. addressees	78,001	76,650	76,223	75,810	75,902	76,053	76,562	77,688	77,990
12 Non-U.S. addressees	1,713	1,662	1,718	1,853	1,937	1,918	1,940	1,998	1,983
13 Loans secured by real estate	26,859	26,773	27,044	27,099	27,232	27,331	27,529	27,637	27,845
14 To financial institutions	28,389	26,835	26,248	25,801	24,662	23,600	23,171	21,642	21,773
15 Commercial banks in the United States	21,360	20,063	19,478	18,869	17,806	16,410	15,848	14,403	14,177
16 Banks in foreign countries	931	840	1,032	1,276	1,193	1,403	1,442	1,590	1,514
17 Nonbank financial institutions	6,097	5,931	5,738	5,656	5,663	5,787	5,882	5,649	6,082
18 For purchasing and carrying securities	1,379	1,451	1,635	1,414	1,611	1,250	1,577	1,176	1,645
19 To foreign governments and official institutions	221	209	215	213	222	250	213	204	290
20 All other[3]	3,083	2,599	2,938	3,133	3,386	3,335	3,200	3,105	3,185
21 Other assets (claims on nonrelated parties)	33,806	33,691	33,623	33,631	33,838	33,027	33,043	31,053	31,291
22 **Total assets**[4]	**234,903**	**232,571**	**233,970**	**239,537**	**237,106**	**240,479**	**241,123**	**239,100**	**240,767**
23 Deposits or credit balances due to other than directly related institutions	49,653	52,963	56,877	60,434	63,467	65,716	69,203	70,332	73,281
24 Demand deposits[5]	4,677	4,296	4,665	3,948	4,030	3,993	4,007	4,046	4,019
25 Individuals, partnerships, and corporations	3,147	2,808	3,038	2,709	2,637	2,610	2,452	2,521	2,462
26 Other	1,530	1,487	1,627	1,239	1,394	1,384	1,555	1,525	1,558
27 Nontransaction accounts	44,976	48,668	52,212	56,486	59,436	61,723	65,196	66,286	69,262
28 Individuals, partnerships, and corporations	33,788	36,487	38,904	41,534	43,913	46,234	48,837	50,242	52,438
29 Other	11,188	12,181	13,308	14,952	15,523	15,489	16,358	16,044	16,824
30 Borrowings from other than directly related institutions[6]	102,803	105,614	95,701	99,537	93,491	98,136	95,226	92,744	90,136
31 Federal funds purchased[7]	43,057	47,233	36,364	38,924	36,788	42,198	40,342	42,011	36,641
32 From commercial banks in the United States	23,558	24,135	15,487	16,356	17,096	18,601	15,840	17,954	14,974
33 From others	19,498	23,098	20,877	22,569	19,692	23,598	24,502	24,057	21,667
34 Other liabilities for borrowed money	59,747	58,381	59,337	60,613	56,703	55,937	54,884	50,733	53,495
35 To commercial banks in the United States	31,254	29,186	29,806	29,057	26,821	24,134	24,156	21,326	21,818
36 To others	28,492	29,196	29,531	31,556	29,882	31,804	30,729	29,407	31,678
37 Other liabilities to nonrelated parties	33,882	32,702	32,905	33,495	33,396	32,526	32,497	30,372	30,084
38 **Total liabilities**[8]	**234,903**	**232,571**	**233,970**	**239,537**	**237,106**	**240,479**	**241,123**	**239,100**	**240,767**
MEMO									
39 Total loans (gross) and securities adjusted[9]	143,099	141,571	143,382	144,037	143,666	146,027	146,845	146,983	149,046
40 Net due to related institutions abroad	35,625	27,278	33,179	28,028	28,013	21,907	20,378	21,802	22,832

1. Includes securities purchased under agreements to resell.
2. Includes transactions with nonbank brokers and dealers in securities.
3. Includes lease financing receivables.
4. Includes net due from related institutions abroad for U.S. branches and agencies of foreign banks having a net due from position.
5. Includes other transaction deposits.
6. Includes borrowings only from other than directly related institutions.
7. Includes securities sold under agreements to repurchase.
8. Includes net due to related institutions abroad for U.S. branches and agencies of foreign banks having a net due to position.
9. Excludes loans to and federal funds transactions with commercial banks in the U.S. At the district level this also excludes trading account securities.

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Instrument	1986 Dec.	1987 Dec.	1988 Dec.	1989 Dec.	1990 Dec.r	1990 Aug.	1990 Sept.	1990 Oct.	1990 Nov.	1990 Dec.r	1991 Jan.
	Commercial paper (seasonally adjusted unless noted otherwise)										
1 **All issuers**	**329,991r**	**358,997r**	**458,464r**	**530,123r**	**566,688**	**551,399r**	**562,508r**	**561,148r**	**564,482r**	**566,688**	**569,378**
Financial companies[1]											
Dealer-placed paper[2]											
2 Total	101,707	102,742r	159,777r	186,343r	218,953	200,302r	205,093	205,673r	211,986r	218,953	216,148
3 Bank-related (not seasonally adjusted)[3]	2,265	1,428	1,248	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Directly placed paper[4]											
4 Total	151,897r	174,332r	194,931r	212,640r	201,862	204,693r	206,079r	205,420r	204,191r	201,862	202,997
5 Bank-related (not seasonally adjusted)[3]	40,860	43,173	43,155	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
6 Nonfinancial companies[5]	77,712r	81,923r	103,756r	131,140r	145,873	146,404r	151,336r	150,055r	148,305r	145,873	150,233
	Bankers dollar acceptances (not seasonally adjusted)[6]										
7 **Total**	**64,974**	**70,565**	**66,631**	**62,972**	**54,771**	**52,324**	**50,469**	**52,093**	**53,968**	**54,771**	**56,498**
Holder											
8 Accepting banks	13,423	10,943	9,086	9,433	9,017	9,944	9,366	9,189	8,751	9,017	10,029
9 Own bills	11,707	9,464	8,022	8,510	7,930	7,895	7,944	7,868	7,535	7,930	8,539
10 Bills bought	1,716	1,479	1,064	924	1,087	2,049	1,421	1,321	1,217	1,087	1,490
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	1,560	1,333	1,145	880	918	927
13 Others	50,234	58,658	56,052	52,473	44,836	40,821	39,770	41,760	44,337	44,836	45,542
Basis											
14 Imports into United States	14,670	16,483	14,984	15,651	13,096	13,188	12,723	12,408	12,758	13,096	14,284
15 Exports from United States	12,960	15,227	14,410	13,683	12,703	12,221	11,889	13,238	13,865	12,703	12,870
16 All other	37,344	38,855	37,237	33,638	26,481	26,915	25,856	26,447	27,345	26,481	n.a.

1. Institutions engaged primarily in activities such as, but not limited to, commercial savings, and mortgage banking; sales, personal, and mortgage financing; factoring, finance leasing, and other business lending; insurance underwriting; and other investment activities.
2. Includes all financial company paper sold by dealers in the open market.
3. *Beginning January 1989, bank-related series have been discontinued.*
4. As reported by financial companies that place their paper directly with investors.
5. Includes public utilities and firms engaged primarily in such activities as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services.
6. Beginning January 1988, the number of respondents in the bankers acceptance survey were reduced from 155 to 111 institutions—those with $100 million *or more in total acceptances. The panel is revised every January and currently has* about 100 respondents. The current reporting group accounts for over 90 percent of total acceptances activity.

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

Percent per year

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

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

1.35 INTEREST RATES Money and Capital Markets

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

Instrument	1988	1989	1990	1990		1991		1991, week ending				
				Nov.	Dec.	Jan.	Feb.	Jan. 25	Feb. 1	Feb. 8	Feb. 15	Feb. 22
MONEY MARKET RATES												
1 Federal funds[1,2,3]	7.57	9.21	8.10	7.81	7.31	6.91	6.25	6.88	7.46	6.32	6.29	6.26
2 Discount window borrowing[2,11]	6.20	6.93	6.98	7.00	6.79	6.50	6.00	6.50	6.50	6.07	6.00	6.00
Commercial paper[3,4,5]												
3 1-month	7.58	9.11	8.15	7.84	8.28	7.12	6.53	6.83	6.90	6.44	6.47	6.51
4 3-month	7.66	8.99	8.06	7.91	7.80	7.10	6.49	6.92	6.89	6.41	6.45	6.48
5 6-month	7.68	8.80	7.95	7.74	7.49	7.02	6.41	6.86	6.82	6.36	6.36	6.42
Finance paper, directly placed[3,4,6]												
6 1-month	7.44	8.99	8.00	7.64	7.62	6.95	6.31	6.68	6.76	6.32	6.31	6.25
7 3-month	7.38	8.72	7.87	7.75	7.32	6.92	6.38	6.77	6.73	6.29	6.34	6.39
8 6-month	7.14	8.16	7.53	7.42	6.95	6.59	6.14	6.55	6.47	6.06	6.07	6.16
Bankers acceptances[3,4,7]												
9 3-month	7.56	8.87	7.93	7.82	7.60	6.96	6.36	6.76	6.67	6.28	6.30	6.38
10 6-month	7.60	8.67	7.80	7.58	7.25	6.84	6.22	6.63	6.54	6.14	6.15	6.24
Certificates of deposit, secondary market[3,8]												
11 1-month	7.59	9.11	8.15	7.92	8.27	7.10	6.45	6.77	6.77	6.40	6.38	6.44
12 3-month	7.73	9.09	8.15	8.03	7.82	7.17	6.52	6.94	6.84	6.45	6.44	6.54
13 6-month	7.91	9.08	8.17	7.95	7.64	7.17	6.51	6.97	6.85	6.45	6.44	6.54
14 Eurodollar deposits, 3-month[3,9]	7.85	9.16	8.16	8.04	7.87	7.23	6.60	7.20	6.95	6.70	6.50	6.50
U.S. Treasury bills												
Secondary market[3,4]												
15 3-month	6.67	8.11	7.50	7.06	6.74	6.22	5.94	6.12	6.17	5.94	5.87	5.94
16 6-month	6.91	8.03	7.46	7.03	6.70	6.28	5.93	6.20	6.19	5.91	5.87	5.93
17 1-year	7.13	7.92	7.35	6.85	6.61	6.25	5.91	6.19	6.13	5.87	5.84	5.93
Auction average[3,4,12]												
18 3-month	6.68	8.12	7.51	7.07	6.81	6.30	5.95	6.14	6.22	5.97	5.86	5.94
19 6-month	6.92	8.04	7.47	7.04	6.76	6.34	5.93	6.21	6.28	5.94	5.85	5.91
20 1-year	7.17	7.91	7.36	6.81	6.58	6.22	5.85	n.a.	n.a.	n.a.	5.85	n.a.
CAPITAL MARKET RATES												
U.S. Treasury notes and bonds												
Constant maturities[13]												
21 1-year	7.65	8.53	7.89	7.31	7.05	6.64	6.27	6.58	6.51	6.23	6.20	6.30
22 2-year	8.10	8.57	8.16	7.60	7.31	7.13	6.87	7.09	7.03	6.81	6.79	6.91
23 3-year	8.26	8.55	8.26	7.74	7.47	7.38	7.08	7.35	7.29	7.01	6.98	7.12
24 5-year	8.47	8.50	8.37	8.02	7.73	7.70	7.47	7.66	7.60	7.41	7.39	7.51
25 7-year	8.71	8.52	8.52	8.28	8.00	7.97	7.73	7.92	7.87	7.69	7.66	7.76
26 10-year	8.85	8.49	8.55	8.39	8.08	8.09	7.85	8.04	8.02	7.82	7.78	7.86
27 30-year	8.96	8.45	8.61	8.54	8.24	8.27	8.03	8.22	8.19	8.01	7.97	8.03
Composite[14]												
28 Over 10 years (long-term)	8.98	8.58	8.74	8.60	8.31	8.33	8.12	8.28	8.25	8.08	8.05	8.13
State and local notes and bonds												
Moody's series[15]												
29 Aaa	7.36	7.00	6.96	6.75	6.63	6.57	n.a.	6.51	6.66	6.31	6.21	6.45
30 Baa	7.83	7.40	7.29	7.22	7.10	7.17	n.a.	7.10	7.13	7.07	6.93	6.98
31 *Bond Buyer* series[16]	7.68	7.23	7.27	7.18	7.09	7.08	6.91	7.06	7.00	6.86	6.81	6.97
Corporate bonds												
Seasoned issues[17]												
32 All industries	10.18	9.66	9.77	9.85	9.63	9.62	9.36	9.61	9.55	9.40	9.31	9.34
33 Aaa	9.71	9.26	9.32	9.30	9.05	9.04	8.83	9.05	9.00	8.87	8.77	8.81
34 Aa	9.94	9.46	9.56	9.59	9.39	9.37	9.16	9.36	9.33	9.21	9.12	9.14
35 A	10.24	9.74	9.82	9.88	9.64	9.61	9.38	9.58	9.54	9.40	9.34	9.36
36 Baa	10.83	10.18	10.36	10.62	10.43	10.45	10.07	10.44	10.34	10.13	10.00	10.04
37 A-rated, recently offered utility bonds[18]	10.20	9.79	10.01	10.07	9.95	9.83	9.54	9.80	9.65	9.53	9.46	9.53
MEMO: Dividend/price ratio[19]												
38 Preferred stocks	9.23	9.05	n.a.	8.88	8.72	8.71	8.46	8.69	8.61	8.57	8.44	8.41
39 Common stocks	3.64	3.45	n.a.	3.91	3.74	3.82	3.35	3.75	3.64	3.43	3.32	3.34

1. The daily effective federal funds rate is a weighted average of rates on trades through N.Y. brokers.
2. Weekly figures are averages of 7 calendar days ending on Wednesday of the current week; monthly figures include each calendar day in the month.
3. Annualized using a 360-day year or bank interest.
4. Quoted on a discount basis.
5. An average of offering rates on commercial paper placed by several leading dealers for firms whose bond rating is AA or the equivalent.
6. An average of offering rates on paper directly placed by finance companies.
7. Representative closing yields for acceptances of the highest rated money center banks.
8. An average of dealer offering rates on nationally traded certificates of deposit.
9. Bid rates for Eurodollar deposits at 11 a.m. London time.
10. One of several base rates used by banks to price short-term business loans.
11. Rate for the Federal Reserve Bank of New York.
12. Auction date for daily data; weekly and monthly averages computed on an issue-date basis.
13. Yields on actively traded issues adjusted to constant maturities. Source: U.S. Treasury.
14. Unweighted average of rates on all outstanding bonds neither due nor callable in less than 10 years, including one very low yielding "flower"bond.
15. General obligation based on Thursday figures; Moody's Investors Service.
16. General obligations only, with 20 years to maturity, issued by 20 state and local governmental units of mixed quality. Based on figures for Thursday.
17. Daily figures from Moody's Investors Service. Based on yields to maturity on selected long-term bonds.
18. Compilation of the Federal Reserve. This series is an estimate of the yield on recently-offered, A-rated utility bonds with a 30-year maturity and 5 years of call protection. Weekly data are based on Friday quotations.
19. Standard and Poor's corporate series. Preferred stock ratio based on a sample of ten issues: four public utilities, four industrials, one financial, and one transportation. Common stock ratios on the 500 stocks in the price index.

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

1.36 STOCK MARKET Selected Statistics

Indicator	1988	1989	1990	1990 June	1990 July	1990 Aug.	1990 Sept.	1990 Oct.	1990 Nov.	1990 Dec.	1991 Jan.	1991 Feb.
	Prices and trading (averages of daily figures)											
Common stock prices												
1 New York Stock Exchange (Dec. 31, 1965 = 50)	149.97	180.13	183.48	196.68	196.61	181.45	173.22	168.05	172.21	179.57	177.95	197.75
2 Industrial	180.83	228.04	225.81	242.42	245.86	226.73	216.81	208.58	212.81	221.86	220.69	246.74
3 Transportation	134.09	174.90	158.64	177.37	173.18	147.41	136.95	131.99	132.96	141.31	145.89	166.06
4 Utility	72.22	94.33	90.61	93.65	89.85	85.81	83.30	87.27	89.69	91.56	88.59	92.08
5 Finance	127.41	162.01	133.23	147.93	143.11	128.14	118.59	108.01	113.76	122.18	121.39	141.03
6 Standard & Poor's Corporation (1941–43 = 10)[1]	265.88	323.05	334.63	360.39	360.03	330.75	315.41	307.12	315.29	328.75	325.49	362.26
7 American Stock Exchange (Aug. 31, 1973 = 50)[2]	295.08	356.67	338.36	361.62	359.09	333.49	318.53	296.67	294.88	305.54	304.08	338.11
Volume of trading (thousands of shares)												
8 New York Stock Exchange	161,386	165,568	156,842	153,634	160,490	174,446	142,054	159,590	149,916	155,836	166,323	226,635
9 American Stock Exchange	9,955	13,124	13,155	12,421	12,529	15,881	11,668	11,294	10,368	11,620	10,870	16,649
	Customer financing (end-of-period balances, in millions of dollars)											
10 Margin credit at broker-dealers[3]	**32,740**	**34,320**	**28,210**	**31,720**	**32,130**	**30,350**	**29,640**	**28,650**	**27,820**	**28,210**	**27,390**	**28,860**
Free credit balances at brokers[4]												
11 Margin-account[5]	5,660	7,040	8,050	6,490	6,385	7,140	7,285	7,245	7,300	8,050	7,435	7,190
12 Cash-account	16,595	18,505	19,285	15,625	17,035	16,745	16,185	15,820	17,025	19,285	18,825	19,435

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

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

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

1.37 SELECTED FINANCIAL INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1988	1989	1990 Mar.	1990 Apr.	1990 May	1990 June	1990 July	1990 Aug.	1990 Sept.	1990 Oct.	1990 Nov.	1990 Dec.
	SAIF-insured institutions											
1 **Assets**	**1,350,500**	**1,249,055**	**1,223,350**	**1,210,338**	**1,197,787**	**1,174,615[r]**	**1,162,561[r]**	**1,157,157[r]**	**1,124,895[r]**	**1,115,363**	**1,107,485**	**1,083,631**
2 Mortgages	764,513	733,729	717,687	715,422	708,550	691,239	689,080[r]	684,967[r]	665,955[r]	662,451	653,512	633,957
3 Mortgage-backed securities	214,587	170,532	167,683	166,167	165,741	159,173	158,146[r]	156,398[r]	154,196[r]	153,425	155,577	155,360
4 Contra-assets to mortgage assets[1]	37,950	25,457	23,073	21,999	22,044	20,337	19,550	19,321	18,460[r]	17,031	16,908	16,926
5 Commercial loans	33,889	32,150	31,069	30,931	30,351	28,753	28,483	27,868	26,775[r]	26,053	25,249	24,233
6 Consumer loans	61,922	58,685	56,805	56,639	55,659	55,171	54,667[r]	53,387[r]	50,517[r]	49,323	48,552	47,218
7 Contra-assets to nonmortgage loans[2]	3,056	3,592	2,476	2,227	1,771	1,980	1,978[r]	2,022	1,956[r]	1,712	1,676	1,942
8 Cash and investment securities	186,986	166,053	162,313	153,346	152,391	155,674	150,396[r]	153,052[r]	148,041[r]	145,304	146,020	146,517
9 Other[3]	129,610	116,955	113,341	112,059	108,910	106,922	103,318[r]	102,829[r]	99,827[r]	97,550	97,159	95,215
10 **Liabilities and net worth**	**1,350,500**	**1,249,055**	**1,223,350**	**1,210,338**	**1,197,787**	**1,174,615[r]**	**1,162,561[r]**	**1,157,157[r]**	**1,124,895[r]**	**1,115,363**	**1,107,485**	**1,083,631**
11 Savings capital	971,700	945,656	929,910	916,069	902,653	890,497	885,272	878,730	857,687[r]	851,810	846,820	835,532
12 Borrowed money	299,400	252,230	246,875	246,646	241,943	230,169	222,442	221,872	212,224[r]	206,771	202,316	195,619
13 FHLBB	134,168	124,577	117,489	115,620	114,047	109,733	106,127	105,882	101,731[r]	100,574	100,493	100,391
14 Other	165,232	127,653	129,386	131,026	127,896	120,436	116,315	115,990	110,493[r]	106,197	101,823	95,228
15 Other	24,216	27,556	25,997	27,341	28,807	25,151	26,749[r]	28,240	23,861[r]	25,585	26,135	21,247
16 Net worth	n.a.	23,612	20,568	20,282	24,379	28,803	28,099	28,316[r]	31,124[r]	31,197	32,214	31,234
	SAIF-insured federal savings banks											
17 **Assets**	**425,966**	**498,522**	**595,644**	**593,345**	**570,795**	**583,392**	**580,847**	**584,632**	**591,136**	**588,880**	**585,847**	**576,531**
18 Mortgages	230,734	283,844	332,995	333,300	317,985	323,516	328,236	328,895	332,927	332,431	328,122	320,233
19 Mortgage-backed securities	64,957	70,499	80,059	81,030	77,781	78,001	80,474	80,994	82,418	82,219	84,190	81,205
20 Contra-assets to mortgage assets[1]	13,140	13,548	11,844	11,590	10,798	10,200	9,227	9,339	9,964	9,578	9,305	9,591
21 Commercial loans	16,731	18,143	20,366	20,324	19,713	19,683	18,810	18,662	18,767	18,458	18,197	17,674
22 Consumer loans	24,222	28,212	20,365	20,324	32,407	32,745	31,003	31,183	30,750	30,682	30,421	29,933
23 Contra-assets to nonmortgage loans[2]	889	1,193	1,001	908	707	970	870	813	980	572	809	990
24 Finance leases plus interest	880	1,101	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
25 Cash and investment	61,029	64,538	76,158	72,618	70,999	75,081	71,354	73,756	73,602	75,117	72,454	75,940
26 Other	35,412	39,981	46,371	46,180	44,840	47,723	44,150	44,129	46,043	45,287	45,319	45,008
27 **Liabilities and net worth**	**425,966**	**498,522**	**595,644**	**593,345**	**570,795**	**583,392**	**580,847**	**584,632**	**591,136**	**588,880**	**585,847**	**576,531**
28 Savings capital	298,197	360,547	433,000	429,469	413,009	427,379	423,472	424,260	434,705	436,080	436,903	434,297
29 Borrowed money	99,286	108,448	126,253	126,240	123,415	121,721	118,393	120,592	119,991	115,472	111,270	107,270
30 FHLBB	46,265	57,032	63,550	63,120	61,057	60,666	61,287	62,209	61,605	60,256	60,265	59,949
31 Other	53,021	51,416	62,703	63,120	62,358	61,055	57,106	58,383	58,386	55,216	51,005	47,321
32 Other	8,075	9,041	9,435	9,982	10,307	8,889	9,245	10,128	8,253	9,063	9,824	8,193
33 Net worth	20,218	22,716	24,169	23,505	21,138	21,944	26,424	26,420	24,859	24,837	24,931	24,172

1.37—Continued

Account	1988	1989	1990 Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Credit unions[4]											
34 **Total assets/liabilities and capital**	**174,593**	**183,688**	**192,718**	**193,208**	**195,020**	**195,302**	**194,523**	**196,625**	**197,272**			
35 Federal	114,566	120,666	126,690	127,250	128,648	128,142	127,564	128,715	129,086			
36 State	60,027	63,022	66,028	65,958	66,372	67,160	66,959	67,910	68,186			
37 Loans outstanding	113,191	122,608	121,660	122,616	123,205	123,968	124,343	126,156	127,341	n.a.	n.a.	n.a.
38 Federal	73,766	80,272	79,407	80,205	80,550	81,063	81,063	82,040	82,823			
39 State	39,425	42,336	42,253	42,411	42,655	42,905	43,280	44,116	44,518			
40 Savings	159,010	167,371	175,942	175,745	176,701	178,127	176,360	178,081	177,532			
41 Federal	104,431	109,653	115,714	115,554	116,402	116,717	115,305	116,411	115,469			
42 State	54,579	57,718	60,228	60,191	60,299	61,408	61,056	61,670	62,063			
	Life insurance companies[5]											
43 **Assets**			**1,299,756**			**1,376,660**			**1,387,463**			
Securities												
44 Government			178,141			195,287			202,962			
45 United States[6]			153,361			167,735			175,156			
46 State and local			9,028			10,963			11,818			
47 Foreign[7]			15,752			16,589			15,988			
48 Business	n.a.	n.a.	663,677	n.a.	n.a.	705,070	n.a.	n.a.	709,470	n.a.	n.a.	n.a.
49 Bonds			538,063			570,245			588,251			
50 Stocks			125,614			134,825			121,219			
51 Mortgages			254,215			264,865			266,063			
52 Real estate			39,908			44,188			44,544			
53 Policy loans			57,439			63,144			60,641			
54 Other assets			106,376			104,106			103,783			

1. Contra-assets are credit-balance accounts that must be subtracted from the corresponding gross asset categories to yield net asset levels. Contra-assets to mortgage loans, contracts, and pass-through securities include loans in process, unearned discounts and deferred loan fees, valuation allowances for mortgages "held for sale," and specific reserves and other valuation allowances.
2. Contra-assets are credit-balance accounts that must be subtracted from the corresponding gross asset categories to yield net asset levels. Contra-assets to nonmortgage loans include loans in process, unearned discounts and deferred loan fees, and specific reserves and valuation allowances.
3. Holding of stock in Federal Home Loan Bank and Finance leases plus interest are included in "Other" (line 9).
4. Data include all federally insured credit unions, both federal and state chartered, serving natural persons.
5. Data are no longer available on a monthly basis for life insurance companies.
6. Direct and guaranteed obligations. Excludes federal agency issues not guaranteed, which are shown in the table under "Business" securities.
7. Issues of foreign governments and their subdivisions and bonds of the International Bank for Reconstruction and Development.

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

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

Credit unions: Estimates by the National Credit Union Administration for federally chartered and federally insured state-chartered credit unions serving natural persons.

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

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year 1988	Fiscal year 1989	Fiscal year 1990[r]	Calendar year 1990 Sept.	1990 Oct.	1990 Nov.	1990 Dec.	1991 Jan.	1991 Feb.
U.S. budget[1]									
1 Receipts, total	908,166	990,701	1,031,228	102,860[r]	77,061[r]	70,507[r]	101,900[r]	100,713[r]	67,657
2 On-budget	666,675	727,035	749,574	78,528[r]	57,101[r]	45,531[r]	82,059[r]	70,023	45,954
3 Off-budget	241,491	263,666	281,654	24,332	19,960	24,976	19,841	30,690	22,063
4 Outlays, total	1,063,318	1,144,020	1,251,618	82,012[r]	108,346[r]	118,218[r]	109,212[r]	98,952[r]	93,737
5 On-budget	860,627	933,107[r]	1,026,551	80,599[r]	89,433[r]	96,769[r]	94,679[r]	79,035[r]	72,570
6 Off-budget	202,691	210,911	225,065	1,413	18,912	21,448	14,532	19,918	21,167
7 Surplus, or deficit (−), total	−155,151[r]	−153,320[r]	−220,390	20,848	−31,285	−47,711	−7,311	1,760	−26,080
8 On-budget	−193,952	−206,072[r]	−276,977	−2,071	−32,332	−51,238	−12,620	−9,012	−26,976
9 Off-budget	38,800	52,753[r]	56,590	22,919	1,048	3,528	5,309	10,772	896
Source of financing (total)									
10 Borrowing from the public	166,139	141,806	264,453	−2,595	32,265	46,776	19,700	31,764	34,611
11 Operating cash (decrease, or increase (−))	−7,962	3,425	818	17,832	4,720	12,533	−9,286	−30,627	2,341
12 Other[2]	−3,026[r]	8,089[r]	−44,881	−421	−5,700	−11,59	−3,103	−2,897	−10,872
MEMO									
13 Treasury operating balance (level, end of period)	44,398	40,973	40,155	40,155	35,435	22,902	32,188	62,815	60,474
14 Federal Reserve Banks	13,023	13,452	7,638	7,638	7,607	5,495	8,960	27,810	23,898
15 Tax and loan accounts	31,375	27,521	32,517	32,517	27,828	17,406	23,228	35,006	36,577

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

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

SOURCE. *Monthly Treasury Statement of Receipts and Outlays of the U.S. Government* and the *Budget of the U.S. Government.*

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

Millions of dollars

Source or type	Fiscal year 1989	Fiscal year 1990	Calendar year						
			1989		1990		1990	1991	
			H1	H2	H1	H2	Dec.	Jan.	Feb.
RECEIPTS									
1 **All sources**	**990,701**	**1,031,229r**	**527,574**	**470,276r**	**548,861r**	**503,119r**	**101,900r**	**100,713r**	**67,657**
2 Individual income taxes, net	445,690	466,884	233,572	218,706	243,087	230,745	46,471	50,882	27,929
3 Withheld	361,386	390,480	174,230	193,296	190,219	207,469	44,560	29,390	32,737
4 Presidential Election Campaign Fund	32	32	28	3	30	3	0	0	4
5 Nonwithheld	154,839	149,189	121,563	33,303	117,675	31,728	2,605	21,799	1,186
6 Refunds	70,567	72,817	62,251	7,898	64,838	8,455	694	308	5,998
Corporation income taxes									
7 Gross receipts	117,015	110,017	61,585	52,269	58,830	54,044	23,425	5,025	3,611
8 Refunds	13,723	16,510	7,259	6,842	8,326	7,603	902	1,197	1,116
9 Social insurance taxes and contributions, net	359,416	380,047	200,127	162,574	210,476	178,468	25,480	39,604	29,872
10 Employment taxes and contributions[2]	332,859	353,891	184,569	152,407	195,269	167,224	24,918	38,472	27,824
11 Self-employment taxes and contributions[3]	18,504	21,795	16,371	1,947	19,017	2,638	0	1,795	1,445
12 Unemployment insurance	22,011	21,635	13,279	7,909	12,929	8,996	217	778	1,678
13 *Other net receipts*[4]	4,546	4,522	2,277	2,260	2,278	2,249	345	354	370
14 Excise taxes	34,386	35,345	16,814	16,799	18,153	17,535	3,005	2,931	2,594
15 Customs deposits	16,334	16,707	7,918	8,667	8,096	8,568	1,281	1,324	1,215
16 *Estate and gift taxes*	8,745	11,500	4,583	4,451	6,442	5,333	741	906	772
17 Miscellaneous receipts[5]	22,839	27,237r	10,235	13,651r	12,106r	16,029r	2,399r	1,237r	2,780
OUTLAYS									
18 **All types**	**1,144,020**	**1,251,618r**	**565,425**	**587,394r**	**640,867r**	**647,222r**	**109,212r**	**98,952r**	**93,737**
19 National defense	303,559	299,335	148,098	149,613	152,733	153,757	26,021	21,874	25,732
20 International affairs	9,574	13,760	6,567	5,971	6,770	8,943	488	395	929
21 General science, space, and technology	12,838	14,420	6,238	7,091	6,974	8,081	1,486	1,013	1,188
22 Energy	3,702	2,470	2,221	1,449	1,216	979	190	71	31
23 Natural resources and environment	16,182	17,009	7,022	9,183	7,343	9,930	1,138	1,398	1,183
24 Agriculture	16,948	11,998	9,619	4,132	7,450	6,878	2,742	1,516	578
25 Commerce and housing credit	29,091	67,495	4,129	22,295	38,672	37,491	4,597	−144	−2,257
26 Transportation	27,608	29,495	12,953	14,982	13,754	16,218	2,919	2,658	2,134
27 Community and regional development	5,361	8,466	1,833	4,879	3,987	3,939	−37	663	494
28 Education, training, employment, and social services	36,694	37,479	18,083	18,663	19,537	18,988	3,863	4,045	3,509
29 Health	48,390	58,101	24,078	25,339	29,488	31,424	5,206	5,663	5,464
30 Social security and medicare	317,506	346,383	162,195	162,322	175,997	176,353	29,301	30,625	30,476
31 Income security	136,031	148,299	70,937	67,950	78,475	75,948	13,904	14,299	15,475
32 Veterans benefits and services	30,066	29,112	14,891	14,864	15,217	15,479	2,446	962	2,591
33 Administration of justice	9,422	10,076	4,801	4,909r	4,868r	5,265r	846r	951r	1,010
34 General government	9,124	10,822	3,858	4,760	4,916	6,982	976	1,071	147
35 General-purpose fiscal assistance	n.a.	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
36 Net interest[6]	169,317	183,790	86,009	87,927	91,155	94,650	16,362	16,064	16,782
37 Undistributed offsetting receipts[7]	−37,212	−36,615	−18,131	−18,935	−17,688	−19,829	−2,891	−4,172	−11,730

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

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

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars

Item	1988	1989				1990			
	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31
1 **Federal debt outstanding**	**2,707.3**	**2,763.6**	**2,824.0**	**2,881.1**	**2,975.5**	**3,081.9**	**3,175.5**	**3,266.1**	**3,397.3**
2 Public debt securities	2,684.4	2,740.9	2,799.9	2,857.4	2,953.0	3,052.0	3,143.8	3,233.3	3,364.8
3 Held by public	2,095.2	2,133.4	2,142.1	2,180.7	2,245.2	2,329.3	2,368.8	2,437.6	n.a.
4 Held by agencies	589.2	607.5	657.8	676.7	707.8	722.7	775.0	795.8	n.a.
5 Agency securities	22.9	22.7	24.0	23.7	22.5	29.9	31.7	32.8	n.a.
6 Held by public	22.6	22.3	23.6	23.5	22.4	29.8	31.6	32.6	n.a.
7 Held by agencies	.3	.4	.5	.1	.1	.2	.2	.2	n.a.
8 **Debt subject to statutory limit**	**2,669.1**	**2,725.6**	**2,784.6**	**2,829.8**	**2,921.7**	**2,988.9**	**3,077.0**	**3,161.2**	**3,281.7**
9 Public debt securities	2,668.9	2,725.5	2,784.3	2,829.5	2,921.4	2,988.6	3,076.6	3,160.9	3,281.3
10 Other debt[1]	.2	.2	.2	.3	.3	.3	.4	.4	.4
11 MEMO: Statutory debt limit	2,800.0	2,800.0	2,800.0	2,870.0	3,122.7	3,122.7	3,122.7	3,195.0	4,145.0

1. Includes guaranteed debt of Treasury and other federal agencies, specified participation certificates, notes to international lending organizations, and District of Columbia stadium bonds.

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

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

Billions of dollars, end of period

Type and holder	1987	1988	1989	1990	1990			
					Q1	Q2	Q3	Q4
1 **Total gross public debt**	**2,431.7**	**2,684.4**	**2,953.0**	**3,364.8**	**3,052.0**	**3,143.8**	**3,233.3**	**3,364.8**
By type								
2 Interest-bearing debt	2,428.9	2,663.1	2,931.8	3,362.0	3,029.5	3,121.5	3,210.9	3,362.0
3 Marketable	1,724.7	1,821.3	1,945.4	2,195.8	1,995.3	2,028.0	2,092.8	2,195.8
4 Bills	389.5	414.0	430.6	527.4	453.1	453.5	482.5	527.4
5 Notes	1,037.9	1,083.6	1,151.5	1,265.2	1,169.4	1,192.7	1,218.1	1,265.2
6 Bonds	282.5	308.9	348.2	388.2	357.9	366.8	377.2	388.2
7 Nonmarketable[1]	704.2	841.8	986.4	1,166.2	1,034.2	1,093.5	1,118.2	1,166.2
8 State and local government series	139.3	151.5	163.3	160.8	163.5	164.3	161.3	160.8
9 Foreign issues[2]	4.0	6.6	6.8	43.5	37.1	36.4	36.0	43.5
10 Government	4.0	6.6	6.8	43.5	37.1	36.4	36.0	43.5
11 Public	.0	.0	.0	.0	.0	.0	.0	.0
12 Savings bonds and notes	99.2	107.6	115.7	124.1	118.0	120.1	122.2	124.1
13 Government account series[3]	461.3	575.6	695.6	813.8	705.1	758.7	779.4	813.8
14 Non-interest-bearing debt	2.8	21.3	21.2	2.8	22.4	22.3	22.4	2.8
By holder[4]								
15 *U.S. government agencies and trust funds*	477.6	589.2	707.8		722.7	775.0	795.8	
16 Federal Reserve Banks	222.6	238.4	228.4		219.3	231.4	232.5	
17 Private investors	1,731.4	1,858.5	2,015.8		2,115.1	2,141.8	2,207.3	
18 Commercial banks	201.5	193.8	180.6		182.0	195.0	n.a.	
19 Money market funds	14.6	11.8	14.4		31.3	28.1	n.a.	
20 Insurance companies	104.9	107.3	107.9		108.0	n.a.	n.a.	
21 Other companies	84.6	87.1	98.7	n.a.	102.2	112.1	114.6	n.a.
22 State and local Treasurys	284.6	313.6	337.1		342.0	n.a.	n.a.	
Individuals								
23 Savings bonds	101.1	109.6	117.7		119.9	121.9	123.9	
24 Other securities	71.3	79.2	93.8		95.0	n.a.	n.a.	
25 Foreign and international[5]	299.7	362.2	393.4		386.9	392.7	n.a.	
26 Other miscellaneous investors[6]	569.1	593.4	672.5		749.5	n.a.	n.a.	

1. Includes (not shown separately): Securities issued to the Rural Electrification Administration; depository bonds, retirement plan bonds, and individual retirement bonds.
2. Nonmarketable dollar-denominated and foreign currency-denominated series held by foreigners.
3. Held almost entirely by U.S. Treasury agencies and trust funds.
4. Data for Federal Reserve Banks and U.S. Treasury agencies and trust funds are actual holdings; data for other groups are Treasury estimates.
5. Consists of investments of foreign and international accounts. Excludes non-interest-bearing notes issued to the International Monetary Fund.
6. Includes savings and loan associations, nonprofit institutions, credit unions, mutual savings banks, corporate pension trust funds, dealers and brokers, certain U.S. Treasury deposit accounts, and federally-sponsored agencies.

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

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

Millions of dollars, daily averages

	Item	1990		1991	1991, week ending								
		Nov.	Dec.	Jan.	Jan. 2	Jan. 9	Jan. 16	Jan. 23	Jan. 30	Feb. 6	Feb. 13	Feb. 20	Feb. 27
	IMMEDIATE TRANSACTIONS[2]												
	By type of security												
	U.S. government securities												
1	Bills	32,259	32,387	35,403	31,087	39,907	36,908	37,132	28,449	40,113	30,613	30,502	29,602
	Coupon securities												
2	Maturing in less than 3.5 years	33,722	28,498	38,084	25,299	40,250	32,314	48,320	32,661	57,607	40,351	39,528	36,705
3	Maturing in 3.5 to 7.5 years	25,249	24,702	28,005	17,613	33,281	27,219	29,319	25,534	32,135	32,022	29,310	29,987
4	Maturing in 7.5 to 15 years	15,451	11,161	10,873	5,081	12,498	8,466	12,060	10,583	21,879	18,236	13,714	12,721
5	Maturing in 15 years or more	15,364	13,055	14,905	7,568	17,105	13,455	17,415	13,780	18,902	20,719	18,192	14,384
	Federal agency securities												
	Debt												
6	Maturing in less than 3.5 years	4,562	4,968	4,716	5,129	5,410	4,210	4,459	4,671	4,456	4,026	3,531	3,872
7	Maturing in 3.5 to 7.5 years	626	509	453	201	544	486	427	392	786	721	508	457
8	Maturing in 7.5 years or more	605	614	1,079	344	2,261	1,292	583	505	923	806	613	465
	Mortgage-backed												
9	Pass-throughs	8,646	12,308	10,991	8,502	15,847	10,970	8,615	9,468	11,283	11,728	7,788	10,060
10	All others[3]	1,440	1,340	1,066	502	1,128	1,172	1,042	1,106	1,277	1,456	1,205	1,715
	By type of counterparty												
	Primary dealers and brokers												
11	U.S. government securities	74,510	66,700	78,825	48,160	91,380	71,471	92,219	67,754	102,536	87,010	81,696	77,562
	Federal agency												
12	Debt securities	1,900	1,842	1,985	1,537	2,780	2,123	1,537	1,702	1,878	1,699	1,170	1,148
13	Mortgage backed securities	5,036	7,230	6,048	4,982	8,019	6,151	5,187	5,355	5,591	6,401	4,663	5,957
	Customers												
14	U.S. government securities	47,535	43,102	48,445	38,487	51,661	46,891	52,026	43,253	68,100	54,932	49,549	45,836
	Federal agency												
15	Debt securities	3,894	4,248	4,263	4,136	5,435	3,864	3,932	3,865	4,286	3,854	3,482	3,646
16	Mortgage-backed securities	5,050	6,418	6,008	4,022	8,956	5,991	4,470	5,219	6,969	6,783	4,331	5,817
	FUTURE AND FORWARD TRANSACTIONS[4]												
	By type of deliverable security												
	U.S. government securities												
17	Bills	5,402	4,833	6,339	2,228	7,624	5,259	10,793	3,089	7,506	3,642	4,344	3,677
	Coupon securities												
18	Maturing in less than 3.5 years	1,556	1,093	1,470	646	1,669	1,126	1,298	1,839	2,873	2,012	2,398	2,012
19	Maturing in 3.5 to 7.5 years	797	810	804	510	829	883	849	750	910	1,103	734	827
20	Maturing in 7.5 to 15 years	1,295	1,037	861	864	1,100	871	795	532	1,594	2,253	699	1,199
21	Maturing in 15 years or more	10,185	7,861	9,362	4,477	12,065	8,582	11,562	7,256	9,051	10,928	9,606	8,269
	Federal agency securities												
	Debt												
22	Maturing in less than 3.5 years	47	113	121	30	26	116	72	320	53	177	201	126
23	Maturing in 3.5 to 7.5 years	57	36	40	6	4	21	150	4	9	59	6	19
24	Maturing in 7.5 years or more	36	39	62	11	190	44	26	15	26	31	72	80
	Mortgage-backed												
25	Pass-throughs	9,025	6,603	9,203	3,598	12,348	11,465	9,498	5,741	9,199	11,688	11,168	6,995
26	All others[3]	1,151	780	1,112	434	1,369	1,034	1,268	974	1,477	702	1,268	930
	OPTION TRANSACTIONS[5]												
	By type of underlying securities												
	U.S. government securities												
27	Bills	63	10	64	0	58	14	38	160	120	78	236	0
	Coupon securities												
28	Maturing in less than 3.5 years	661	650	1,136	735	1,631	1,112	920	715	2,764	1,281	1,012	1,651
29	Maturing in 3.5 to 7.5 years	240	270	245	241	84	414	90	394	244	437	274	253
30	Maturing in 7.5 to 15 years	202	195	187	62	192	163	215	231	180	285	225	177
31	Maturing in 15 years or more	2,299	1,648	2,669	1,048	2,580	3,299	3,426	2,032	2,601	2,436	3,511	2,268
	Federal agency securities												
	Debt												
32	Maturing in less than 3.5 years	5	1	22	0	0	0	0	101	1	0	7	0
33	Maturing in 3.5 to 7.5 years	0	0	0	0	1	1	0	0	0	0	1	0
34	Maturing in 7.5 years or more	1	0	0	0	1	0	0	0	0	0	0	4
	Mortgage-backed												
35	Pass-throughs	370	382	356	284	538	274	331	306	376	645	191	285
36	All others[3]	0	0	2	0	0	0	8	0	0	0	0	2

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

Dealers report cumulative transactions for each week ending Wednesday.

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

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

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

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

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

Millions of dollars

Item	1990 Nov.	1990 Dec.	1991 Jan.	1990, week ending Dec. 26	1991, week ending Jan. 2	Jan. 9	Jan. 16	Jan. 23	Jan. 30	Feb. 6	Feb. 13	Feb. 20
	Positions[2]											
NET IMMEDIATE[3]												
By type of security												
U.S. government securities												
1 Bills	11,077	14,443	11,468	12,751	17,283	10,781	11,211	12,237	10,004	11,307	15,836	12,181
Coupon securities												
2 Maturing in less than 3.5 years	3,964	7,333	4,315	10,434	10,156	4,136	559	5,193	5,082	8,664	7,773	12,253
3 Maturing in 3.5 to 7.5 years	−6,343	−1,780	−1,311	−1,868	424	902	−768	−3,413	−1,857	−5,528	−4,118	−6,142
4 Maturing in 7.5 to 15 years	−6,674	−7,711	−7,520	−7,187	−6,890	−6,831	−7,520	−7,441	−8,500	−7,308	−4,794	−4,474
5 Maturing in 15 years or more	−10,609	−9,616	−13,762	−9,599	−10,498	−13,960	−14,961	−13,985	−13,324	−12,030	−10,988	−12,617
Federal agency securities												
Debt												
6 Maturing in less than 3.5 years	4,471	3,867	4,006	4,032	3,327	3,287	5,617	3,428	3,892	3,968	4,461	5,291
7 Maturing in 3.5 to 7.5 years	1,662	2,135	1,930	2,143	1,968	2,046	1,821	1,824	1,975	2,240	2,184	2,162
8 Maturing in 7.5 years or more	4,656	4,407	7,392	4,465	4,201	7,962	7,569	7,573	7,363	7,485	7,088	7,062
Mortgage-backed												
9 Pass-throughs	21,001	21,431	23,290	20,680	22,564	27,809	22,343	21,408	21,778	23,495	27,571	25,590
10 All others[4]	12,067	12,881	10,665	12,693	12,076	11,022	10,961	9,988	10,360	10,158	11,033	10,473
Other money market instruments												
11 Certificates of deposit	1,993	2,526	2,936	2,725	2,271	2,584	3,040	3,043	3,189	3,488	3,161	2,796
12 Commercial paper	5,995	7,132	6,243	7,816	6,762	6,200	6,162	5,759	6,531	7,441	5,633	5,708
13 Bankers' acceptances	1,407	863	1,041	693	732	1,072	960	999	1,214	1,105	942	1,039
FUTURE AND FORWARD[5]												
By type of deliverable security												
U.S. government securities												
14 Bills	−10,671	−19,084	−21,345	−21,009	−22,834	−23,447	−23,467	−19,460	−18,872	−19,314	−19,301	−14,857
Coupon securities												
15 Maturing in less than 3.5 years	−1,605	−1,347	−1,273	−2,231	−1,919	−1,363	−1,688	−2,518	705	−1,565	−2,617	−1,334
16 Maturing in 3.5 to 7.5 years	−890	−3,308	−3,147	−3,851	−4,178	−3,791	−3,103	−2,571	−2,867	−2,887	−2,013	−2,131
17 Maturing in 7.5 to 15 years	−1,726	−1,000	−917	−456	−734	−1,270	−676	−920	−937	−328	−776	−621
18 Maturing in 15 years or more	−5,330	−5,865	−5,487	−6,516	−5,934	−5,838	−3,837	−5,764	−6,157	−7,048	−5,043	−3,906
Federal agency securities												
Debt												
19 Maturing in less than 3.5 years	69	189	236	149	132	123	189	225	434	267	359	234
20 Maturing in 3.5 to 7.5 years	45	54	15	93	51	−34	−37	110	10	25	214	75
21 Maturing in 7.5 years or more	−35	−117	−84	−76	−67	−76	−92	−124	−50	−66	−39	−47
Mortgage-backed												
22 Pass-throughs	−11,250	−9,587	−11,001	−8,133	−10,757	−15,511	−10,196	−8,911	−9,161	−13,079	−18,492	−14,658
23 All others[4]	−2,604	−2,150	−547	−1,880	−1,241	−1,100	−285	31	−677	−266	−1,043	−674
Other money market instruments												
24 Certificates of deposit	85,459	48,860	53,410	49,743	45,519	47,017	61,280	56,755	50,752	54,058	19,020	4,907
25 Commercial paper	0	0	0	0	0	0	0	0	0	0	0	0
26 Bankers' acceptances	0	0	0	0	0	0	0	0	0	0	0	0
	Financing[6]											
Reverse repurchase agreements												
27 Overnight and continuing	169,357	145,088	161,799	132,538	148,182	168,573	160,269	158,837	163,110	163,877	158,693	169,523
28 Term	224,231	211,555	222,596	216,107	183,698	214,825	230,712	226,668	225,547	248,830	246,055	233,033
Repurchase agreements												
29 Overnight and continuing	235,064	244,723	261,845	242,359	254,613	263,060	268,767	258,038	258,273	271,015	258,164	284,136
30 Term	205,441	176,412	189,444	181,651	143,930	183,723	193,099	196,142	195,086	208,564	219,607	201,160
Securities borrowed												
31 Overnight and continuing	48,043	55,446	53,229	54,971	54,080	54,913	53,648	52,199	51,965	52,860	48,922	49,962
32 Term	22,067	22,406	24,357	22,970	22,685	23,950	25,409	24,576	24,099	23,451	22,235	22,978
Securities lent												
33 Overnight and continuing	5,518	6,176	6,463	6,615	6,600	6,773	6,452	6,352	6,196	6,751	6,375	7,207
34 Term	1,922	1,206	719	1,936	832	401	829	835	778	725	784	871
Collateralized loans												
35 Overnight and continuing	4,434	6,097	5,950	7,449	5,736	5,457	5,930	6,062	6,291	6,806	5,640	4,639
36 Term	1,078	890	1,066	695	396	918	779	1,392	1,320	1,384	1,572	1,648
MEMO: Matched book[7]												
Reverse repurchases												
37 Overnight and continuing	105,308	94,705	106,486	85,221	97,987	109,437	103,973	104,915	109,985	106,930	107,462	112,897
38 Term	179,011	168,822	181,794	170,680	146,342	179,319	186,140	185,169	183,574	203,506	200,490	190,709
Repurchases												
39 Overnight and continuing	126,078	123,020	141,455	115,356	126,933	145,740	142,360	138,640	142,516	146,452	134,462	147,567
40 Term	152,980	129,305	140,092	130,387	104,515	136,971	139,944	144,241	146,257	161,940	168,977	153,053

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

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1986	1987	1988	1989	1990				1991
					Sept.	Oct.	Nov.	Dec.	Jan.
1 **Federal and federally sponsored agencies**	**307,361**	**341,386**	**381,498**	**411,805**	**421,308**	**431,519**	**430,842**	**434,668**	**0**
2 Federal agencies	36,958	37,981	35,668	35,664	42,420	42,685	42,191	42,159	42,141
3 Defense Department[1]	33	13	8	7	7	7	7	7	7
4 Export-Import Bank[2,3]	14,211	11,978	11,033	10,985	11,346	11,346	11,346	11,376	11,376
5 Federal Housing Administration[4]	138	183	150	328	357	382	387	393	329
6 Government National Mortgage Association participation certificates[5]	2,165	1,615	0	0	0	0	0	0	0
7 Postal Service[6]	3,104	6,103	6,142	6,445	6,948	6,948	6,948	6,948	6,948
8 Tennessee Valley Authority	17,222	18,089	18,335	17,899	23,762	24,002	23,510	23,435	23,481
9 United States Railway Association[6]	85	0	0	0	0	0	0	0	0
10 Federally sponsored agencies[7]	270,553	303,405	345,830	375,407	378,388	388,834	388,651	392,509	0
11 Federal Home Loan Banks	88,758	115,727	135,836	136,108	116,336	117,120	116,627	117,895	115,402
12 Federal Home Loan Mortgage Corporation	13,589	17,645	22,797	26,148	27,985	29,073	30,035	30,941	0
13 Federal National Mortgage Association	93,563	97,057	105,459	116,064	118,826	119,775	122,257	123,403	125,849
14 Farm Credit Banks[8]	62,478	55,275	53,127	54,864	54,382	56,788	53,469	53,590	53,717
15 Student Loan Marketing Association[9]	12,171	16,503	22,073	28,705	33,376	33,592	33,777	34,194	0
16 Financing Corporation[10]	0	1,200	5,850	8,170	8,170	8,170	8,170	8,170	0
17 Farm Credit Financial Assistance Corporation[11]	0	0	690	847	1,261	1,261	1,261	1,261	0
18 Resolution Funding Corporation[12]	0	0	0	4,522	18,052	23,055	23,055	23,055	29,996
MEMO									
19 **Federal Financing Bank debt[13]**	**157,510**	**152,417**	**142,850**	**134,873**	**173,318**	**180,538**	**177,620**	**179,083**	**181,062**
Lending to federal and federally sponsored agencies									
20 Export-Import Bank[3]	14,205	11,972	11,027	10,979	11,340	11,340	11,340	11,370	11,370
21 Postal Service[6]	2,854	5,853	5,892	6,195	6,698	6,698	6,698	6,698	6,698
22 Student Loan Marketing Association	4,970	4,940	4,910	4,880	4,880	4,880	4,850	4,850	4,850
23 Tennessee Valley Authority	15,797	16,709	16,955	16,519	14,382	14,622	14,130	14,055	14,101
24 United States Railway Association[6]	85	0	0	0	0	0	0	0	0
Other Lending[14]									
25 Farmers Home Administration	65,374	59,674	58,496	53,311	52,049	52,324	52,324	52,324	52,169
26 Rural Electrification Administration	21,680	21,191	19,246	19,265	19,042	18,966	18,968	18,890	18,906
27 Other	32,545	32,078	26,324	23,724	64,927	71,708	69,310	70,896	72,968

1. Consists of mortgages assumed by the Defense Department between 1957 and 1963 under family housing and homeowners assistance programs.
2. Includes participation certificates reclassified as debt beginning Oct. 1, 1976.
3. *Off-budget Aug. 17, 1974, through Sept. 30, 1976; on-budget thereafter.*
4. Consists of debentures issued in payment of Federal Housing Administration insurance claims. Once issued, these securities may be sold privately on the securities market.
5. *Certificates of participation issued before fiscal 1969 by the Government* National Mortgage Association acting as trustee for the Farmers Home Administration; Department of Health, Education, and Welfare; Department of Housing and Urban Development; Small Business Administration; and the Veterans *Administration.*
6. Off-budget.
7. Includes outstanding noncontingent liabilities: notes, bonds, and debentures. Some data are estimated.
8. Excludes borrowing by the Farm Credit Financial Assistance Corporation, shown in line 17.
9. Before late 1981, the Association obtained financing through the Federal Financing Bank (FFB). Borrowing excludes that obtained from the FFB, which is shown on line 21.
10. The Financing Corporation, established in August 1987 to recapitalize the Federal Savings and Loan Insurance Corporation, undertook its first borrowing in October 1987.
11. *The Farm Credit Financial Assistance Corporation (established in January* 1988 to provide assistance to the Farm Credit System) undertook its first borrowing in July 1988.
12. The Resolution Funding Corporation, established by the Financial Institu*tions Reform, Recovery, and Enforcement Act of 1989, undertook its first* borrowing in October 1989.
13. Includes FFB purchases of agency assets and guaranteed loans; the latter contain loans guaranteed by numerous agencies with the guarantees of any *particular agency being generally small. The Farmers Home Administration item* consists exclusively of agency assets, while the Rural Electrification Administration entry contains both agency assets and guaranteed loans.
14. 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.

1.45 NEW SECURITY ISSUES Tax-Exempt State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1988	1989	1990r	1990 July	1990 Aug.	1990 Sept.	1990 Oct.r	1990 Nov.	1990 Dec.	1991 Jan.r	1991 Feb.
1 **All issues, new and refunding**[1]	**114,522**	**113,646**	**120,339**	**8,513**	**10,899**	**13,930**	**8,512**	**9,961**	**12,250**	**7,230**	**10,156**
Type of issue											
2 General obligation	30,312	35,774	39,610	2,624	3,400	3,763	3,530	3,024	3,536	2,343	4,838
3 Revenue	84,210	77,873	81,295	5,889	7,499	10,167	4,982	6,937	8,714	4,887	5,318
Type of issuer											
4 State	8,830	11,819	15,149	965	1,568	2,317	1,470	1,337	1,396	713	1,938
5 Special district and statutory authority[2]	74,409	71,022	72,661	5,883	6,962	8,188	4,512	5,879	7,032	4,563	5,306
6 Municipalities, counties, and townships	31,193	30,805	32,510	1,666	2,369	3,425	2,530	2,745	3,822	1,954	2,912
7 **Issues for new capital, total**	**79,665**	**84,062**	**103,235**	**7,123**	**9,061**	**12,713**	**7,936**	**9,058**	**10,707**	**6,977**	**9,753**
Use of proceeds											
8 Education	15,021	15,133	17,042	1,413	1,345	1,472	1,743	1,009	1,418	1,079	1,409
9 Transportation	6,825	6,870	11,650	683	540	920	1,069	727	2,008	711	43
10 Utilities and conservation	8,496	11,427	11,739	694	1,002	687	806	1,301	776	1,196	1,816
11 Social welfare	19,027	16,703	23,099	1,741	2,554	3,995	1,153	1,992	2,001	891	803
12 Industrial aid	5,624	5,036	6,117	509	700	674	497	540	933	607	602
13 Other purposes	24,672	28,894	34,607	2,083	2,919	4,965	2,668	4,392	3,571	2,393	5,080

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

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

1.46 NEW SECURITY ISSUES U.S. Corporations

Millions of dollars

Type of issue or issuer, or use	1988	1989	1990	1990 June	1990 July	1990 Aug.	1990 Sept.	1990 Oct.	1990 Nov.	1990 Dec.	1991 Jan.
1 **All issues**[1]	**410,707**	**376,435r**	**234,853r**	**29,157**	**19,966**	**13,758r**	**14,917**	**20,361**	**24,944r**	**20,879r**	**15,769**
2 **Bonds**[2]	**352,906**	**318,564r**	**234,853**	**26,284**	**17,719**	**12,950r**	**14,491**	**19,399**	**23,709r**	**19,090r**	**14,800**
Type of offering											
3 Public, domestic	202,028	181,084r	188,361r	22,823r	14,414	11,754r	12,582	17,534	22,003	18,414r	14,000
4 Private placement, domestic[3]	127,700	114,629	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5 Sold abroad	23,178	22,851	23,054r	3,461r	3,305	1,196	1,909	1,865	1,706	676r	800
Industry group											
6 Manufacturing	70,569	76,345	38,168r	4,093r	2,015r	854	2,588r	3,521r	6,582r	2,782r	2,700
7 Commercial and miscellaneous	62,089	49,342r	10,704	3,135	1,822	234	138	548	794	980	1,400
8 Transportation	10,075	10,105	4,922r	1,001	270	489r	533	230	453	351r	494
9 Public utility	19,528	17,059	13,788r	2,561	703	818	928	796	2,168	1,958r	700
10 Communication	5,952	8,503	4,860r	411	137	68	268	288	669r	1,393r	44
11 Real estate and financial	184,692	157,213	138,979r	15,084r	12,771r	10,488	10,036r	14,016r	13,042r	11,626r	9,462
12 **Stocks**[2]	**57,802**	**57,870**	n.a.	**2,873**	**2,247**	**808**	**426**	**962**	**1,235**	**1,789**	**969**
Type											
13 Preferred	6,544	6,194	3,998	310	350	145	100	550	265	175	0
14 Common	35,911	26,030	19,443	2,563	1,897	663	327	412	970	1,614	969
15 Private placement[3]	15,346	25,647	n.a.r	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Industry group											
16 Manufacturing	7,608	9,308	n.a.	265	348	125	0	60	154	46	60
17 Commercial and miscellaneous	8,449	7,446	5,026	748	507	251	172	194	42	110	18
18 Transportation	1,535	1,929	126	21	0	71	0	7	0	5	242
19 Public utility	1,898	3,090	4,229	0	173	139	39	297	462	288	218
20 Communication	515	1,904	416	29	0	0	0	0	0	6	0
21 Real estate and financial	37,798	34,028	11,055	1,799	862	218	215	400	574	1,327	432

1. Figures which represent gross proceeds of issues maturing in more than one year, are principal amount or number of units multiplied by offering price. Excludes secondary offerings, employee stock plans, investment companies other than closed-end, intracorporate transactions, equities sold abroad, and Yankee bonds. Stock data include ownership securities issued by limited partnerships.
2. Monthly data include only public offerings.
3. Data are not available on a monthly basis. Before 1987, annual totals include underwritten issues only.

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

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Asset Position

Millions of dollars

Item	1989	1990	1990 June	July	Aug.	Sept.	Oct.	Nov.	Dec.	1991 Jan.
INVESTMENT COMPANIES[1]										
1 **Sales of own shares[2]**	**306,445**	**345,780**	**28,301**	**29,444**	**29,227**	**23,387**	**27,511**	**25,583**	**34,553**	**38,339**
2 Redemptions of own shares[3]	272,165	289,573	23,340	22,933	24,837	21,053	23,112	22,085	29,484	27,653
3 Net sales	34,280	56,207	4,961	6,511	4,390	2,334	4,399	3,498	5,069	10,686
4 **Assets[4]**	**553,871**	**570,744**	**582,190**	**586,526**	**554,722**	**535,787**	**538,306**	**557,676**	**570,744**	**593,096**
5 Cash position[5]	44,780	48,638	49,861	48,944	51,103	51,128	51,847	52,829	48,638	54,825
6 Other	509,091	522,106	532,329	537,582	503,619	484,659	486,459	504,847	522,106	538,271

1. Data on sales and redemptions exclude money market mutual funds but include limited maturity municipal bond funds. Data on asset positions exclude both money market mutual funds and limited maturity municipal bond funds.
2. Includes reinvestment of investment income dividends. Excludes reinvestment of capital gains distributions and share issue of conversions from one fund to another in the same group.
3. Excludes share redemption resulting from conversions from one fund to another in the same group.
4. Market value at end of period, less current liabilities.
5. Also includes all U.S. government securities and other short-term debt securities.

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

1.48 CORPORATE PROFITS AND THEIR DISTRIBUTION

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

Account	1988	1989	1990	1988 Q4	1989 Q1	1989 Q2	1989 Q3	1989 Q4	1990 Q1	1990 Q2	1990 Q3
1 Corporate profits with inventory valuation and capital consumption adjustment	337.6	311.6	298.7	349.6	327.3	321.4	306.7	290.9	296.8	306.6	300.7
2 Profits before tax	316.7	307.7	307.4	331.1	335.1	314.6	291.4	289.8	296.9	299.3	318.5
3 Profits tax liability	136.2	135.1	135.0	142.1	148.3	140.8	127.8	123.5	129.9	133.1	139.1
4 Profits after tax	180.5	172.6	172.4	189.1	186.7	173.8	163.6	166.3	167.1	166.1	179.4
5 Dividends	110.0	123.5	133.9	115.3	119.1	122.1	125.0	127.7	130.3	133.0	135.1
6 Undistributed profits	70.5	49.1	38.6	73.8	67.6	51.7	38.6	38.6	36.8	33.2	44.3
7 Inventory valuation	−27.0	−21.7	−13.6	−22.5	−43.0	−23.1	−6.1	−14.5	−11.4	−.5	−19.8
8 Capital consumption adjustment	47.8	25.5	4.9	40.9	35.2	29.9	21.4	15.6	11.3	7.7	2.0

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

1.50 TOTAL NONFARM BUSINESS EXPENDITURES on New Plant and Equipment ▲

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

Industry	1989	1990	1991	1989 Q2	1989 Q3	1989 Q4	1990 Q1	1990 Q2	1990 Q3	1990 Q4	1991 Q1
1 **Total nonfarm business**	**507.40**	**533.91**	**546.67**	**502.05**	**514.95**	**519.58**	**532.45**	**535.49**	**534.86**	**532.84**	**557.92**
Manufacturing											
2 Durable goods industries	82.56	83.70	83.01	82.44	83.60	83.41	86.35	84.34	82.67	81.42	82.79
3 Nondurable goods industries	101.24	108.60	110.57	98.47	102.40	108.47	105.02	110.82	111.81	106.74	108.28
Nonmanufacturing											
4 Mining	9.21	9.81	9.38	9.24	9.24	9.38	9.58	9.84	9.98	9.84	10.24
Transportation											
5 Railroad	6.26	6.30	6.62	5.81	6.36	6.80	6.45	6.66	5.60	6.48	6.22
6 Air	6.73	9.02	10.82	6.84	8.89	5.75	9.35	9.36	10.05	7.31	11.03
7 Other	5.85	6.14	6.35	5.78	5.78	5.69	6.33	5.84	5.76	6.63	6.51
Public utilities											
8 Electric	44.81	43.99	45.72	46.37	44.44	44.66	43.37	42.62	43.63	46.34	47.33
9 Gas and other	21.47	22.97	22.16	21.72	20.75	21.15	22.34	21.65	23.85	24.05	24.43
10 Commercial and other[2]	229.28	243.39	252.04	225.39	233.50	234.25	243.66	244.37	241.51	244.02	261.08

▲Trade and services are no longer being reported separately. They are included in Commercial and other, line 10.
1. Anticipated by business.
2. "Other" consists of construction; wholesale and retail trade; finance and insurance; personal and business services; and communication.

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

1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities[1]

Billions of dollars, end of period

Account	1985	1986	1987	1989 Q1	1989 Q2	1989 Q3	1989 Q4	1990 Q1	1990 Q2	1990 Q3
ASSETS										
Accounts receivable, gross[2]										
1 Consumer	111.9	134.7	141.1	139.1	143.9	146.3	140.8	137.9	138.6	140.9
2 Business	157.5	173.4	207.4	243.3	250.9	246.8	256.0	262.9	274.8	275.4
3 Real estate	28.0	32.6	39.5	45.1	47.1	48.7	48.9	52.1	55.4	57.7
4 Total	297.4	340.6	388.1	427.5	441.9	441.8	445.8	452.8	468.8	474.0
Less:										
5 Reserves for unearned income	39.2	41.5	45.3	51.0	52.2	52.9	52.0	51.9	54.3	55.1
6 Reserves for losses	4.9	5.8	6.8	7.4	7.5	7.7	7.7	7.9	8.2	8.6
7 Accounts receivable, net	253.3	293.3	336.0	369.2	382.2	381.3	386.1	393.0	406.3	410.3
8 All other	45.3	58.6	58.3	75.1	81.4	85.2	91.6	92.5	95.5	102.8
9 Total assets	**298.6**	**351.9**	**394.2**	**444.3**	**463.6**	**466.4**	**477.6**	**485.5**	**501.9**	**513.1**
LIABILITIES										
10 Bank loans	18.0	18.6	16.4	11.3	12.1	12.2	14.5	13.9	15.8	15.6
11 Commercial paper	99.2	117.8	128.4	147.8	149.0	147.2	149.5	152.9	152.4	148.6
Debt										
12 Other short-term	12.7	17.5	28.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13 Long-term	94.4	117.5	137.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
14 Due to parent	n.a.	n.a.	n.a.	56.9	59.8	60.3	63.8	70.5	72.8	82.0
15 Not elsewhere classified	n.a.	n.a.	n.a.	133.6	140.5	145.1	147.8	145.7	153.0	156.6
16 All other liabilities	41.5	44.1	52.8	58.1	63.5	61.8	62.6	61.7	66.1	68.7
17 Capital, surplus, and undivided profits	32.8	36.4	31.5	36.6	38.8	39.8	39.4	40.7	41.8	41.6
18 Total liabilities and capital	**298.6**	**351.9**	**394.2**	**444.3**	**463.6**	**466.4**	**477.6**	**485.5**	**501.9**	**513.1**

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

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

Millions of dollars, seasonally adjusted

Type	1988	1989	1990r	1990 Aug.	1990 Sept.	1990 Oct.	1990 Nov.	1990 Dec.r	1991 Jan.
1 Total	**234,578**	**258,504**	**292,117**	**283,043**	**285,654**	**287,921**	**287,819**	**292,117**	**294,133**
Retail financing of installment sales									
2 Automotive	36,957	39,139	37,756	38,610	38,470	39,150	38,600	37,756	38,062
3 Equipment	28,199	29,674	31,867	30,707	30,607	30,487	30,729	31,867	31,984
4 Pools of securitized assets[2]	n.a.	698	951	987	946	902	927	951	911
Wholesale									
5 Automotive	32,357	33,074	31,385	34,429	37,082	35,258	33,111	31,385	32,467
6 Equipment	5,954	6,896	11,504	9,812	9,791	10,698	10,847	11,504	11,543
7 All other	9,312	9,918	9,043	9,707	9,597	9,477	9,447	9,043	9,381
8 Pools of securitized assets[2]	n.a.	0	2,950	650	863	679	649	2,950	2,836
Leasing									
9 Automotive	24,875	27,074	39,622	30,942	30,453	31,303	31,601	39,622	39,303
10 Equipment	57,658	68,112	75,240	78,714	79,158	80,833	81,427	75,240	76,576
11 Pools of securitized assets[2]	n.a.	1,247	1,849	1,703	1,655	1,724	1,884	1,849	1,854
12 Loans on commercial accounts receivable and factored commercial accounts receivable	18,103	19,081	23,231	19,974	20,538	20,740	21,652	23,231	22,130
13 All other business credit	21,162	23,590	26,720	26,809	26,495	26,670	26,944	26,720	27,086
	Net change (during period)								
14 Total	**22,434**	**22,580**	**31,396**	**5,427**	**2,611**	**2,267**	**−101**	**4,298**	**2,015**
Retail financing of installment sales									
15 Automotive	819	2,182	−1,383	−321	−141	680	−549	−844	306
16 Equipment	1,386	1,475	2,195	84	−100	−120	243	1,138	118
17 Pools of securitized assets[2]	n.a.	−26	253	187	−41	−44	25	24	−40
Wholesale									
18 Automotive	2,288	716	−1,689	1,271	2,653	−1,823	−2,147	−1,727	1,083
19 Equipment	377	940	2,389	−118	−21	907	149	657	39
20 All other	983	605	−874	−16	−110	−120	−29	−404	338
21 Pools of securitized assets[2]	n.a.	0	2,950	650	213	−184	−30	2,301	−114
Leasing									
22 Automotive	2,777	2,201	12,548	731	−488	850	298	8,021	−319
23 Equipment	9,752	9,187	7,128	2,398	444	1,675	594	−6,188	1,337
24 Pools of securitized assets[2]	n.a.	526	602	−57	−48	69	160	−35	5
25 Loans on commercial accounts receivable and factored commercial accounts receivable	−65	979	4,149	−103	564	202	912	1,579	−1,101
26 All other business credit	4,119	3,796	3,131	721	−314	175	273	−223	366

1. These data also appear in the Board's G.20 (422) release. For address, see inside front cover.
2. Data on pools of securitized assets are not seasonally adjusted.

1.53 MORTGAGE MARKETS

Millions of dollars; exceptions noted.

Item	1988	1989	1990	1990 Aug.	1990 Sept.	1990 Oct.	1990 Nov.	1990 Dec.	1991 Jan.	1991 Feb.
	Terms and yields in primary and secondary markets									
PRIMARY MARKETS										
Conventional mortgages on new homes										
Terms[1]										
1 Purchase price (thousands of dollars)	150.0	159.6	153.2	161.5	156.6	146.1	151.5	156.3	148.3	153.2
2 Amount of loan (thousands of dollars)	110.5	117.0	112.4	118.3	114.8	105.1	111.2	115.4	112.3	113.8
3 Loan/price ratio (percent)	75.5	74.5	74.8	74.5	74.7	73.5	75.0	74.9	77.2	76.3
4 Maturity (years)	28.0	28.1	27.3	27.2	27.2	26.9	27.1	28.6	28.1	28.3
5 Fees and charges (percent of loan amount)[2]	2.19	2.06	1.93	2.07	1.78	1.80	1.68	1.85	1.75	1.73
6 Contract rate (percent per year)	8.81	9.76	9.68	9.75	9.60	9.68	9.61	9.45	9.36	9.28
Yield (percent per year)										
7 OTS series[3]	9.18	10.11	10.01	10.11	9.90	9.98	9.90	9.76	9.65	9.57
8 HUD series[4]	10.30	10.21	10.08	10.12	10.18	10.11	9.86	9.66	9.53	9.49
SECONDARY MARKETS										
Yield (percent per year)										
9 FHA mortgages (HUD series)[5]	10.49	10.24	10.17	10.28	10.24	10.23	9.81	9.66	9.58	9.57
10 GNMA securities[6]	9.83	9.71	9.51	9.59	9.65	9.66	9.46	9.08	8.87	8.66
	Activity in secondary markets									
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
Mortgage holdings (end of period)										
11 Total	101,329	104,974	113,329	113,507	113,718	114,216	115,085	116,628	117,445	118,284
12 FHA/VA-insured	19,762	19,640	21,028	21,101	21,364	21,495	21,530	21,751	21,854	21,947
13 Conventional	81,567	85,335	92,302	92,406	92,354	92,721	93,555	94,877	95,591	96,337
Mortgage transactions (during period)										
14 Purchases	23,110	22,518	23,959	2,134	2,123	2,077	2,078	2,410	1,781	1,792
Mortgage commitments[7]										
15 Issued (during period)[8]	n.a.	n.a.	n.a.	2,302	2,073	1,849	2,426	2,104	1,889	1,779
16 To sell (during period)[9]	n.a.	n.a.	n.a.	761	644	92	0	0	2[r]	0
FEDERAL HOME LOAN MORTGAGE CORPORATION										
Mortgage holdings (end of period)[9]										
17 Total	15,105	20,105	20,419	20,564	20,508	20,790	21,301	21,857	n.a.	n.a.
18 FHA/VA	620	590	547	541	536	530	524	518	n.a.	n.a.
19 Conventional	14,485	19,516	19,871	20,023	19,972	20,260	20,777	21,339	n.a.	n.a.
Mortgage transactions (during period)										
20 Purchases	44,077	78,588	75,517	5,417	5,798	6,118	6,981	10,637	n.a.	n.a.
21 Sales	39,780	73,446	73,817[r]	4,808	5,707	5,734	6,314[r]	9,918[r]	4,507	4,465
Mortgage commitments[10]										
22 Contracted (during period)	66,026	88,519	102,401	5,646	6,643	10,972	10,164	12,938	n.a.	n.a.

1. Weighted averages based on sample surveys of mortgages originated by major institutional lender groups; compiled by the Federal Home Loan Bank Board in cooperation with the Federal Deposit Insurance Corporation.
2. Includes all fees, commissions, discounts, and "points" paid (by the borrower or the seller) to obtain a loan.
3. Average effective interest rates on loans closed, assuming prepayment at the end of 10 years.
4. Average contract rates on new commitments for conventional first mortgages; from Department of Housing and Urban Development.
5. Average gross yields on 30-year, minimum-downpayment, Federal Housing Administration-insured first mortgages for immediate delivery in the private secondary market. Based on transactions on first day of subsequent month. Large monthly movements in average yields may reflect market adjustments to changes in maximum permissable contract rates.
6. Average net yields to investors on Government National Mortgage Association guaranteed, mortgage-backed, fully modified pass-through securities, assuming prepayment in 12 years on pools of 30-year FHA/VA mortgages carrying the prevailing ceiling rate. Monthly figures are averages of Friday figures from the *Wall Street Journal*.
7. Includes some multifamily and nonprofit hospital loan commitments in addition to 1- to 4-family loan commitments accepted in FNMA's free market auction system, and through the FNMA-GNMA tandem plans.
8. Does not include standby commitments issued, but includes standby commitments converted.
9. Includes participation as well as whole loans.
10. Includes conventional and government-underwritten loans. FHLMC's mortgage commitments and mortgage transactions include activity under mortgage/securities swap programs, while the corresponding data for FNMA exclude swap activity.

1.54 MORTGAGE DEBT OUTSTANDING[1]

Millions of dollars, end of period

Type of holder, and type of property	1988	1989	1990	1989 Q4	1990 Q1	1990 Q2	1990 Q3[r]	1990 Q4[p]
1 **All holders**	**3,265,352[r]**	**3,552,716[r]**	**3,858,580**	**3,552,716[r]**	**3,693,622[r]**	**3,757,289[r]**	**3,813,083**	**3,858,580**
2 1- to 4-family	2,184,449[r]	2,408,575[r]	2,690,678	2,408,575[r]	2,530,708[r]	2,593,951[r]	2,643,112	2,690,678
3 Multifamily	290,651[r]	302,537[r]	300,173	302,537[r]	304,758[r]	300,644[r]	301,756	300,173
4 Commercial	704,970[r]	757,538[r]	783,498	757,538[r]	774,253[r]	778,694[r]	783,916	783,498
5 Farm	85,282[r]	84,066[r]	84,231	84,066[r]	83,903[r]	84,000[r]	84,299	84,231
6 Selected financial institutions	1,826,706[r]	1,927,883[r]	1,918,662	1,927,883[r]	1,935,745[r]	1,937,175[r]	1,930,841	1,918,662
7 Commercial banks[2]	669,237	763,415	841,814	763,415	783,542[r]	811,407[r]	828,178	841,814
8 1- to 4-family	317,585	368,518	427,740	368,518	381,221[r]	405,545[r]	418,225	427,740
9 Multifamily	33,158	37,996	36,180	37,996	36,833[r]	37,274[r]	36,737	36,180
10 Commercial	302,989	340,204	360,243	340,204	348,676[r]	351,412[r]	355,843	360,243
11 Farm	15,505	16,697	17,651	16,697	16,812[r]	17,176[r]	17,373	17,651
12 Savings institutions[3]	924,606	910,254	809,829	910,254	891,921	860,903[r]	836,600	809,829
13 1- to 4-family	671,722	669,220	610,809	669,220	658,405	642,110[r]	626,789	610,809
14 Multifamily	110,775	106,014	91,789	106,014	103,841	97,359[r]	94,714	91,789
15 Commercial	141,433	134,370	106,708	134,370	129,056	120,866[r]	114,567	106,708
16 Farm	676	650	524	650	619	568[r]	530	524
17 Life insurance companies	232,863[r]	254,214[r]	267,018	254,214[r]	260,282[r]	264,865[r]	266,063	267,018
18 1- to 4-family	11,164[r]	12,231[r]	12,837	12,231[r]	12,525[r]	12,740[r]	12,773	12,837
19 Multifamily	24,560[r]	26,907[r]	28,171	26,907[r]	27,555[r]	28,027[r]	28,100	28,171
20 Commercial	187,549[r]	205,472[r]	215,121	205,472[r]	210,422[r]	214,024[r]	214,585	215,121
21 Farm	9,590[r]	9,604[r]	10,890	9,604[r]	9,780[r]	10,075[r]	10,605	10,890
22 Finance companies[4]	37,846	45,476	48,777	45,476	45,808	47,104	49,784	48,777
23 Federal and related agencies	200,570	209,498	247,693	209,498	216,146	227,818[r]	242,695	247,693
24 Government National Mortgage Association	26	23	21	23	22	21	21	21
25 1- to 4-family	26	23	21	23	22	21	21	21
26 Multifamily	0	0	0	0	0	0	0	0
27 Farmers Home Administration[5]	42,018	41,176	41,324	41,176	41,125	41,175	41,269	41,324
28 1- to 4-family	18,347	18,422	18,494	18,422	18,419	18,434	18,476	18,494
29 Multifamily	8,513	9,054	9,623	9,054	9,199	9,361	9,477	9,623
30 Commercial	5,343	4,443	4,671	4,443	4,510	4,545	4,608	4,671
31 Farm	9,815	9,257	8,536	9,257	8,997	8,835	8,708	8,536
32 Federal Housing and Veterans Administration	5,973	6,087	8,570	6,087	6,355	6,792	7,938	8,570
33 1- to 4-family	2,672	2,875	3,362	2,875	3,027	3,054	3,248	3,362
34 Multifamily	3,301	3,212	5,208	3,212	3,328	3,738	4,690	5,208
35 Federal National Mortgage Association	103,013	110,721	115,508	110,721	112,353	112,855	113,718	115,508
36 1- to 4-family	95,833	102,295	104,900	102,295	103,300	103,431	103,722	104,900
37 Multifamily	7,180	8,426	10,608	8,426	9,053	9,424	9,996	10,608
38 Federal Land Banks	32,115	29,640	29,145	29,640	29,325	29,595	29,441	29,145
39 1- to 4-family	1,890	1,210	1,820	1,210	1,197	1,741	1,766	1,820
40 Farm	30,225	28,430	27,325	28,430	28,128	27,854	27,675	27,325
41 Federal Home Loan Mortgage Corporation	17,425	21,851	20,525	21,851	19,823	19,979	20,508	20,525
42 1- to 4-family	15,077	18,248	17,870	18,248	16,772	17,316	17,810	17,870
43 Multifamily	2,348	3,603	2,655	3,603	3,051	2,663	2,697	2,655
44 Mortgage pools or trusts[6]	811,847[r]	946,766[r]	1,101,589	946,766[r]	984,811[r]	1,024,893[r]	1,060,640	1,101,589
45 Government National Mortgage Association	340,527	368,367	404,076	368,367	376,962	385,456	394,859	404,076
46 1- to 4-family	331,257	358,142	393,656	358,142	366,300	374,960	384,474	393,656
47 Multifamily	9,270	10,225	10,419	10,225	10,662	10,496	10,385	10,419
48 Federal Home Loan Mortgage Corporation	226,406	272,870	309,486	272,870	281,736	295,340	301,797	309,486
49 1- to 4-family	219,988	266,060	301,450	266,060	274,084	287,232	293,721	301,450
50 Multifamily	6,418	6,810	8,036	6,810	7,652	8,108	8,077	8,036
51 Federal National Mortgage Association	178,250	228,232	303,880	228,232	246,391	263,330	281,806	303,880
52 1- to 4-family	172,331	219,577	295,438	219,577	237,916	254,811	273,335	295,438
53 Multifamily	5,919	8,655	8,442	8,655	8,475	8,519	8,471	8,442
54 Farmers Home Administration[5]	104	80	68	80	76	72	70	68
55 1- to 4-family	26	21	17	21	20	19	18	17
56 Multifamily	0	0	0	0	0	0	0	0
57 Commercial	38	26	24	26	25	24	24	24
58 Farm	40	33	27	33	31	30	29	27
59 Individuals and others[7]	426,229[r]	468,569[r]	590,637	468,569[r]	556,920[r]	567,403[r]	578,908	590,637
60 1- to 4-family	259,971[r]	294,517[r]	402,385	294,517[r]	374,143[r]	382,343[r]	393,027	402,385
61 Multifamily	79,209[r]	81,634[r]	80,978	81,634[r]	83,666[r]	82,040[r]	80,636	80,978
62 Commercial	67,618[r]	73,023[r]	87,995	73,023[r]	79,576[r]	83,557[r]	85,865	87,995
63 Farm	19,431[r]	19,395[r]	19,278	19,395[r]	19,536[r]	19,463[r]	19,379	19,278

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

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

Millions of dollars, amounts outstanding, end of period

Holder, and type of credit	1989	1990[r]	1990								1991
			May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.[r]	Jan.
	Seasonally adjusted										
1 **Total**	**716,624**	**739,014**	**724,485**	**724,601**	**729,329**	**732,385**	**735,222**	**736,595**	**739,357**	**739,014**	**736,572**
2 Automobile	290,770	285,336	288,931	287,168	286,791	285,283	285,261	284,402	284,483	285,336	283,383
3 Revolving	197,110	218,235	207,153	208,362	212,138	214,492	216,804	218,381	219,757	218,235	219,502
4 Mobile home	22,343	21,816	22,815	22,733	22,795	22,976	22,672	22,491	22,518	21,816	22,684
5 Other	206,401	213,628	205,585	206,338	207,605	209,635	210,484	211,320	212,599	213,628	211,002
	Not seasonally adjusted										
6 **Total**	**727,561**	**750,941**	**720,045**	**722,953**	**727,196**	**734,511**	**737,260**	**737,252**	**740,346**	**750,941**	**740,420**
By major holder											
7 Commercial banks	343,865	351,695	339,328	335,998	339,124	342,987	344,941	344,875	346,128	351,695	345,070
8 Finance companies	140,832	136,154	138,384	138,642	138,796	139,496	140,890	141,329	139,195	136,154	134,739
9 Credit unions	90,875	91,203	89,913	90,137	90,631	91,306	91,311	91,406	91,174	91,203	90,287
10 Retailers[2]	42,638	42,111	37,347	37,382	36,804	37,231	36,682	36,047	37,470	42,111	39,828
11 Savings institutions	57,228	49,594	53,301	52,902	52,503	52,399	51,358	50,787	50,310	49,594	49,117
12 Gasoline companies	3,935	4,747	4,024	4,192	4,396	4,722	4,723	4,718	4,701	4,747	4,748
13 Pools of securitized assets[2]	48,188	75,437	57,748	63,700	64,942	66,370	67,355	68,090	71,368	75,437	76,631
By major type of credit[3]											
14 Automobile	290,421	284,908	287,140	287,254	287,479	288,221	289,255	287,730	285,877	284,908	281,541
15 Commercial banks	126,613	126,117	127,056	126,988	126,986	128,079	128,937	128,133	127,039	126,117	124,486
16 Finance companies	82,721	74,397	78,927	78,273	77,716	77,205	78,116	78,033	75,224	74,397	72,015
17 Pools of securitized assets[2]	18,191	24,198	20,151	21,043	21,692	21,562	21,239	20,786	23,159	24,198	25,513
18 Revolving	208,188	230,456	204,854	206,820	209,582	213,119	214,853	216,285	219,713	230,456	224,046
19 Commercial banks	130,956	133,295	125,433	122,116	124,569	125,967	126,995	127,950	129,111	133,295	128,817
20 Retailers	37,967	37,535	32,857	32,884	32,325	32,735	32,212	31,601	32,993	37,535	35,330
21 Gasoline companies	3,935	4,747	4,024	4,192	4,396	4,722	4,723	4,718	4,701	4,747	4,748
22 Pools of securitized assets[2]	22,977	43,887	30,913	36,076	36,786	38,194	39,606	40,798	41,797	43,887	44,302
23 Mobile home	22,283	21,757	22,610	22,644	22,873	23,033	22,815	22,720	22,646	21,757	22,818
24 Commercial banks	9,155	9,934	9,295	9,296	9,443	9,541	9,396	9,363	9,351	9,934	9,838
25 Finance companies	4,716	3,956	5,224	5,266	5,328	5,358	5,423	5,400	5,364	3,956	5,141
26 Other	206,669	213,820	205,441	206,235	207,252	210,138	210,337	210,517	212,110	213,820	212,015
27 Commercial banks	77,141	82,349	77,544	77,598	78,126	79,400	79,613	79,429	80,627	82,349	81,929
28 Finance companies	53,395	57,801	54,233	55,103	55,752	56,933	57,351	57,896	58,607	57,801	57,583
29 Retailers	4,671	4,576	4,490	4,498	4,479	4,496	4,470	4,446	4,477	4,576	4,498
30 Pools of securitized assets[2]	7,020	7,352	6,684	6,581	6,464	6,614	6,510	6,506	6,412	7,352	6,816

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

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

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

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

1.56 TERMS OF CONSUMER INSTALLMENT CREDIT[1]

Percent unless noted otherwise

Item	1988	1989	1990	1990 July	1990 Aug.	1990 Sept.	1990 Oct.	1990 Nov.	1990 Dec.	1991 Jan.
INTEREST RATES										
Commercial banks[2]										
1 48-month new car[3]	10.85	12.07	11.78	n.a.	11.89	n.a.	n.a.	11.62	n.a.	n.a.
2 24-month personal	14.68	15.44	15.46	n.a.	15.46	n.a.	n.a.	15.69	n.a.	n.a.
3 120-month mobile home[3]	13.54	14.11	14.02	n.a.	14.09	n.a.	n.a.	13.99	n.a.	n.a.
4 Credit card	17.78	18.02	18.17	n.a.	18.18	n.a.	n.a.	18.23	n.a.	n.a.
Auto finance companies										
5 New car	12.60	12.62	12.54	12.68	12.62	12.34	12.57	12.74	12.86	12.99
6 Used car	15.11	16.18	15.99	15.96	15.98	16.03	16.12	16.07	16.04	15.70
OTHER TERMS[4]										
Maturity (months)										
7 New car	56.2	54.2	54.6	54.9	54.8	54.3	54.6	54.6	54.7	54.9
8 Used car	46.7	46.6	46.1	46.2	46.2	46.1	46.1	46.0	45.8	47.4
Loan-to-value ratio										
9 New car	94	91	87	86	86	85	85	85	85	88
10 Used car	98	97	95	96	96	95	95	95	94	96
Amount financed (dollars)										
11 New car	11,663	12,001	12,071	12,125	11,939	11,837	11,917	11,986	12,140	12,229
12 Used car	7,824	7,954	8,289	8,401	8,415	8,403	8,423	8,494	8,530	8,600

1. These data also appear in the Board's G.19 (421) release. For address, see inside front cover.
2. Data for midmonth of quarter only.
3. Before 1983 the maturity for new car loans was 36 months, and for mobile home loans was 84 months.
4. At auto finance companies.

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS

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

Transaction category, sector	1986	1987	1988	1989	1990	1989 Q2	1989 Q3	1989 Q4	1990 Q1[r]	1990 Q2[r]	1990 Q3[r]	1990 Q4
	Nonfinancial sectors											
1 **Total net borrowing by domestic nonfinancial sectors**	**836.9**	**687.0**	**760.8**	**678.2**	**662.1**	**666.8**	**678.8**	**620.2**	**788.6**	**611.8**	**687.2**	**561.0**
By sector and instrument												
2 U.S. government	215.0	144.9	157.5	151.6	272.5	100.1	173.9	185.0	247.3	228.2	286.1	328.4
3 Treasury securities	214.7	143.4	140.0	150.0	264.4	95.0	166.8	189.6	217.8	222.9	287.5	329.4
4 Agency issues and mortgages	.4	1.5	17.4	1.6	8.2	5.1	7.1	−4.6	29.6	5.4	−1.3	−1.0
5 Private domestic nonfinancial sectors	621.9	542.1	603.3	526.6	389.6	566.7	504.9	435.2	541.3	383.6	401.0	232.6
6 Debt capital instruments	465.8	453.2	459.2	379.8	309.6	390.1	369.2	347.0	393.7	318.9	282.8	243.0
7 Tax-exempt obligations	22.7	49.3	49.8	30.4	19.4	28.7	34.1	19.1	13.0	24.7	29.8	10.1
8 Corporate bonds	126.8	79.4	102.9	73.7	61.5	86.5	62.7	87.4	45.2	75.2	46.0	79.6
9 Mortgages	316.3	324.5	306.5	275.7	228.7	275.0	272.4	240.5	335.6	218.9	207.0	153.3
10 Home mortgages	218.7	234.9	231.0	218.0	214.4	211.3	221.0	214.3	272.8	228.2	179.3	177.4
11 Multifamily residential	33.5	24.4	16.7	16.4	−.7	21.4	11.8	9.5	22.1	−18.2	3.1	−9.7
12 Commercial	73.6	71.6	60.8	42.7	14.8	41.5	40.9	19.9	40.1	10.9	22.7	−14.6
13 Farm	−9.5	−6.4	−2.1	−1.5	.2	.9	−1.3	−3.2	.5	−1.9	1.9	.2
14 Other debt instruments	156.1	88.9	144.1	146.8	80.0	176.5	135.6	88.2	147.6	64.7	118.2	−10.4
15 Consumer credit	58.0	33.5	50.2	39.1	18.4	36.9	37.1	44.1	14.9	10.5	26.6	21.6
16 Bank loans n.e.c.	66.9	10.0	39.8	39.9	−3.0	45.1	50.8	7.7	18.7	6.5	5.6	−43.0
17 Open market paper	−9.3	2.3	11.9	20.4	9.7	39.5	16.9	−6.9	69.6	−6.2	17.3	−41.7
18 Other	40.5	43.2	42.2	47.4	54.9	55.0	30.9	43.3	44.3	53.9	68.7	52.6
19 By borrowing sector	621.9	542.1	603.3	526.6	389.6	566.7	504.9	435.2	541.3	383.6	401.0	232.6
20 State and local governments	36.2	48.8	45.6	29.6	14.6	33.3	28.6	16.5	8.9	17.7	28.7	3.1
21 Households	293.0	302.2	314.9	285.0	260.1	264.0	290.8	291.8	335.0	269.7	246.8	189.0
22 Nonfinancial business	292.7	191.0	242.8	211.9	114.9	269.4	185.4	126.9	197.4	96.2	125.6	40.4
23 Farm	−16.3	−10.6	−7.5	1.6	3.0	−5.0	−2.1	8.9	6.3	−4.8	5.2	5.1
24 Nonfarm noncorporate	99.2	77.9	65.7	50.8	14.3	56.9	40.2	35.0	44.4	5.2	22.3	−14.5
25 Corporate	209.7	123.7	184.6	159.5	97.6	217.4	147.3	83.1	146.8	95.8	98.1	49.8
26 Foreign net borrowing in United States	9.7	4.5	6.3	10.9	23.3	−6.9	30.4	16.9	−3.5	42.5	32.9	21.2
27 Bonds	3.1	7.4	6.9	5.3	21.1	11.5	8.1	−1.0	28.1	27.4	3.2	25.7
28 Bank loans n.e.c.	−1.0	−3.6	−1.8	−.1	−2.8	−3.2	3.7	−4.3	−6.7	−2.0	1.9	−4.3
29 Open market paper	11.5	2.1	8.7	13.3	12.3	−6.6	20.7	22.2	−16.4	23.1	27.3	15.3
30 U.S. government loans	−3.9	−1.4	−7.5	−7.5	−7.4	−8.7	−2.1	.1	−8.5	−6.1	.5	−15.5
31 **Total domestic plus foreign**	**846.6**	**691.5**	**767.1**	**689.1**	**685.4**	**659.9**	**709.2**	**637.1**	**785.1**	**654.3**	**720.1**	**582.2**
	Financial sectors											
32 **Total net borrowing by financial sectors**	**285.1**	**300.2**	**247.6**	**205.5**	**199.4**	**154.1**	**123.9**	**187.3**	**198.6**	**172.6**	**170.9**	**255.4**
By instrument												
33 U.S. government related	154.1	171.8	119.8	151.0	170.6	128.8	124.8	156.4	176.2	183.8	137.5	184.8
34 Sponsored credit agency securities	15.2	30.2	44.9	25.2	22.6	22.5	13.2	−4.7	14.3	17.0	20.6	38.8
35 Mortgage pool securities	139.2	142.3	74.9	125.8	148.0	106.3	111.6	161.1	162.0	166.8	116.9	146.1
36 Loans from U.S. government	−.4	−.8	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
37 Private financial sectors	131.0	128.4	127.8	54.5	28.8	25.3	−.9	30.9	22.3	−11.3	33.5	70.5
38 Corporate bonds	82.9	78.9	51.7	36.8	44.1	28.5	26.7	39.6	37.7	64.0	22.3	52.4
39 Mortgages	.1	.4	.3	.0	.7	.0	.3	−.4	−.7	.8	2.6	.0
40 Bank loans n.e.c.	4.0	−3.2	1.4	1.8	.7	−.1	2.0	4.2	−2.2	−.6	1.9	3.8
41 Open market paper	24.2	27.9	54.8	26.9	8.0	10.1	11.0	36.3	9.5	−44.6	37.2	29.8
42 Loans from Federal Home Loan Banks	19.8	24.4	19.7	−11.0	−24.7	−13.1	−41.0	−48.8	−22.0	−30.9	−30.5	−15.5
By sector												
43 **Total**	**285.1**	**300.2**	**247.6**	**205.5**	**199.4**	**154.1**	**123.9**	**187.3**	**198.6**	**172.6**	**170.9**	**255.4**
44 Sponsored credit agencies	14.9	29.5	44.9	25.2	22.6	22.5	13.2	−4.7	14.3	17.0	20.6	38.8
45 Mortgage pools	139.2	142.3	74.9	125.8	148.0	106.3	111.6	161.1	162.0	166.8	116.9	146.1
46 Private financial sectors	131.0	128.4	127.8	54.5	28.8	25.3	−.9	30.9	22.3	−11.3	33.5	70.5
47 Commercial banks	−3.6	6.2	−3.0	−1.4	−1.1	2.5	3.5	−.7	−4.9	−7.9	−12.5	21.0
48 Bank affiliates	15.2	14.3	5.2	6.2	−27.7	2.9	16.5	−3.9	−10.0	−32.2	−40.2	−28.5
49 Savings and loan associations	20.9	19.6	19.9	−14.1	−32.4	−16.3	−44.7	−56.2	−15.8	−53.5	−36.5	−24.0
50 Mutual savings banks	4.2	8.1	1.9	−1.4	−.1	.0	−2.3	.7	−8.3	6.5	.3	1.1
51 Finance companies	54.7	40.8	67.7	46.3	50.9	40.4	23.5	52.6	27.1	27.5	91.3	57.8
52 REITs	.8	.3	3.5	−1.9	−.3	−2.8	−3.1	.1	−.5	−2.0	1.3	−.1
53 SCO Issuers	39.0	39.1	32.5	20.8	39.5	−1.4	5.7	38.2	34.7	50.3	29.7	43.3

1.57—Continued

Transaction category, sector	1986	1987	1988	1989	1990	1989 Q2	1989 Q3	1989 Q4	1990 Q1[r]	1990 Q2[r]	1990 Q3[r]	1990 Q4
	All sectors											
54 **Total net borrowing**	**1,131.7**	**991.7**	**1,014.7**	**894.5**	**884.8**	**814.0**	**833.0**	**824.4**	**983.7**	**826.8**	**891.0**	**837.5**
55 U.S. government securities	369.5	317.5	277.2	302.6	443.1	228.9	298.7	341.4	423.6	412.1	423.6	513.3
56 State and local obligations	22.7	49.3	49.8	30.4	19.4	28.7	34.1	19.1	13.0	24.7	29.8	10.1
57 Corporate and foreign bonds	212.8	165.7	161.5	115.8	126.7	126.5	97.6	125.9	111.0	166.6	71.4	157.7
58 Mortgages	316.4	324.9	306.7	275.7	229.4	275.0	272.7	240.1	334.9	219.7	209.5	153.4
59 Consumer credit	58.0	33.5	50.2	39.1	18.4	36.9	37.1	44.1	14.9	10.5	26.6	21.6
60 Bank loans n.e.c.	69.9	3.2	39.4	41.5	−5.1	41.9	56.5	7.5	9.8	4.0	9.4	−43.5
61 Open market paper	26.4	32.3	75.4	60.6	30.0	42.9	48.5	51.6	62.6	−27.7	81.9	3.3
62 Other loans	56.1	65.5	54.4	28.9	22.8	33.2	−12.2	−5.4	13.9	17.0	38.8	21.6
63 MEMO: U.S. government, cash balance	.0	−7.9	10.4	−5.9	8.6	20.7	−22.7	−7.3	22.9	−38.1	21.1	28.3
Totals net of changes in U.S. government cash balances												
64 Net borrowing by domestic nonfinancial	836.9	694.9	750.4	684.1	653.6	646.1	701.6	627.6	765.7	649.9	666.1	532.6
65 Net borrowing by U.S. government	215.0	152.8	147.1	157.5	264.0	79.4	196.7	192.4	224.4	266.3	265.1	300.1
	External corporate equity funds raised in United States											
66 **Total net share issues**	**86.8**	**10.9**	**−124.2**	**−63.7**	**17.2**	**−43.0**	**−61.0**	**14.9**	**−4.7**	**51.3**	**−9.6**	**31.7**
67 Mutual funds	159.0	73.9	1.1	41.3	66.9	34.0	57.9	72.4	53.1	76.5	51.7	86.2
68 All other	−72.2	−63.0	−125.3	−105.1	−49.7	−77.0	−118.9	−57.6	−57.8	−25.2	−61.3	−54.4
69 Nonfinancial corporations	−85.0	−75.5	−129.5	−124.2	−63.0	−98.7	−146.3	−79.3	−69.0	−48.0	−74.0	−61.0
70 Financial corporations	11.6	14.6	3.3	2.4	6.1	4.3	−.1	4.5	10.0	.3	12.6	1.5
71 Foreign shares purchased in United States	1.2	−2.1	.9	16.7	7.2	17.4	27.5	17.2	1.3	22.5	.1	5.1

1.58 DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

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

Transaction category, or sector	1986	1987	1988	1989	1990	1989			1990			
						Q2	Q3	Q4	Q1r	Q2r	Q3r	Q4
1 **Total funds advanced in credit markets to domestic nonfinancial sectors**	**836.9**	**687.0**	**760.8**	**678.2**	**662.1**	**666.8**	**678.8**	**620.2**	**788.6**	**611.8**	**687.2**	**561.0**
By public agencies and foreign												
2 Total net advances	280.2	248.8	210.7	187.6	278.7	15.5	218.3	203.8	234.4	314.3	316.1	249.9
3 U.S. government securities	69.4	70.1	85.2	30.7	79.9	−103.3	115.7	27.1	17.3	97.1	134.9	70.2
4 Residential mortgages	136.3	139.1	86.3	137.9	179.0	119.7	127.7	178.3	182.2	206.7	160.8	166.3
5 FHLB advances to thrifts	19.8	24.4	19.7	−11.0	−24.7	−13.1	−41.0	−48.8	−22.0	−30.9	−30.5	−15.5
6 Other loans and securities	54.7	15.1	19.4	30.0	44.5	12.1	15.8	47.1	56.8	41.3	50.9	28.9
Total advanced, by sector												
7 U.S. government	9.7	−7.9	−9.4	−2.4	34.0	−6.0	−9.3	5.7	33.5	41.3	59.1	2.0
8 Sponsored credit agencies	153.3	169.3	112.0	125.3	170.1	28.0	126.4	158.4	184.2	166.3	155.6	174.4
9 Monetary authorities	19.4	24.7	10.5	−7.3	8.1	−1.6	−31.2	−4.6	−6.3	40.4	24.4	−25.9
10 Foreign	97.8	62.7	97.6	72.1	66.4	−4.9	132.4	44.2	22.9	66.4	77.0	99.4
Agency and foreign borrowing not in line 1												
11 Sponsored credit agencies and mortgage pools	154.1	171.8	119.8	151.0	170.6	128.8	124.8	156.4	176.2	183.8	137.5	184.8
12 Foreign	9.7	4.5	6.3	10.9	23.3	−6.9	30.4	16.9	−3.5	42.5	32.9	21.2
Private domestic funds advanced												
13 Total net advances	720.5	614.5	676.2	652.5	577.3	773.3	615.7	589.7	727.0	523.8	541.5	517.1
14 U.S. government securities	300.1	247.4	192.1	271.9	363.2	332.2	183.0	314.3	406.2	314.9	288.8	443.0
15 State and local obligations	22.7	49.3	49.8	30.4	19.4	28.7	34.1	19.1	13.0	24.7	29.8	10.1
16 Corporate and foreign bonds	89.7	66.9	91.3	66.1	67.7	91.1	65.6	70.6	57.0	81.7	47.2	84.8
17 Residential mortgages	115.9	120.2	161.3	96.5	34.8	113.0	105.1	45.5	112.7	3.3	21.6	1.5
18 Other mortgages and loans	212.0	155.2	201.4	176.6	67.6	195.2	186.9	91.5	116.1	68.3	123.6	−37.7
19 Less: Federal Home Loan Bank advances	19.8	24.4	19.7	−11.0	−24.7	−13.1	−41.0	−48.8	−22.0	−30.9	−30.5	−15.5
Private financial intermediation												
20 Credit market funds advanced by private financial institutions	730.0	528.4	562.3	511.1	394.1	600.9	345.9	623.4	379.9	275.8	404.8	515.8
21 Commercial banking	198.1	135.4	156.3	177.3	119.9	160.9	183.7	184.3	188.1	126.1	104.6	60.7
22 Savings institutions	107.6	136.8	120.4	−90.9	−141.0	−42.3	−135.8	−201.9	−56.6	−210.3	−167.4	−129.6
23 Insurance and pension funds	160.1	179.7	198.7	177.9	226.1	188.1	136.1	205.1	168.8	238.9	231.0	265.5
24 Other finance	264.2	76.6	86.9	246.8	189.1	294.2	161.9	436.0	79.5	121.1	236.6	319.2
25 Sources of funds	730.0	528.4	562.3	511.1	394.1	600.9	345.9	623.4	379.9	275.8	404.8	515.8
26 Private domestic deposits and RPs	277.1	162.8	229.2	225.2	72.8	267.4	284.4	208.0	113.0	36.7	91.8	49.6
27 Credit market borrowing	131.0	128.4	127.8	54.5	28.8	25.3	−.9	30.9	22.3	−11.3	33.5	70.5
28 Other sources	321.8	237.1	205.3	231.4	292.5	308.2	62.3	384.6	244.6	250.3	279.6	395.6
29 Foreign funds	12.9	43.7	9.3	−9.9	46.5	−35.4	30.4	−20.6	46.4	13.4	122.2	4.2
30 Treasury balances	1.7	−5.8	7.3	−3.4	5.3	13.9	−19.9	5.0	13.1	−13.4	18.2	3.4
31 Insurance and pension reserves	119.9	135.4	177.6	140.5	209.2	123.2	82.6	193.9	144.8	219.2	219.8	252.8
32 Other, net	187.3	63.9	11.0	104.2	31.5	206.4	−30.8	206.3	40.3	31.1	−80.7	135.2
Private domestic nonfinancial investors												
33 Direct lending in credit markets	121.5	214.6	241.7	195.9	212.0	197.7	268.9	−2.8	369.3	236.8	170.1	71.9
34 U.S. government securities	27.0	86.0	129.0	134.3	198.4	136.2	196.8	4.3	250.7	186.2	178.1	178.5
35 State and local obligations	−19.9	61.8	53.5	28.4	−1.3	5.1	39.0	12.8	.4	13.0	16.0	−34.3
36 Corporate and foreign bonds	52.9	23.3	−9.4	.7	−26.6	9.4	−4.7	14.6	38.0	−27.2	−82.4	−34.8
37 Open market paper	9.9	15.8	36.4	5.4	15.9	17.8	21.4	−64.6	45.3	39.8	13.7	−35.3
38 Other	51.7	27.6	32.2	27.1	25.6	29.2	16.4	30.1	34.9	24.9	44.8	−2.1
39 Deposits and currency	297.5	179.3	232.8	241.3	100.1	290.6	261.8	230.6	138.0	60.3	137.8	64.3
40 Currency	14.4	19.0	14.7	11.7	22.6	12.8	6.0	10.1	26.1	23.1	32.2	9.1
41 Checkable deposits	96.4	−.9	12.9	1.5	−1.0	−41.7	14.7	65.8	−11.0	−4.2	16.9	−5.6
42 Small time and savings accounts	120.6	76.0	122.4	100.5	67.5	99.0	163.1	109.1	111.3	29.3	63.0	66.6
43 Money market fund shares	43.2	28.9	20.2	85.2	62.4	119.2	116.7	65.6	72.2	4.7	110.9	62.0
44 Large time deposits	−3.2	37.2	40.8	23.1	−45.8	61.1	−23.8	−13.4	−24.6	−15.4	−78.8	−64.2
45 Security RPs	20.2	21.6	32.9	14.9	−10.5	29.8	13.7	−19.2	−34.9	22.3	−20.2	−9.1
46 Deposits in foreign countries	5.9	−2.5	−11.2	4.4	4.7	10.4	−28.6	12.4	−1.1	.6	13.9	5.6
47 **Total of credit market instruments, deposits, and currency**	**419.0**	**393.9**	**474.5**	**437.2**	**312.1**	**488.3**	**530.7**	**227.7**	**507.3**	**297.1**	**307.9**	**136.2**
48 Public holdings as percent of total	33.1	36.0	27.5	27.2	40.7	2.3	30.8	32.0	29.9	48.0	43.9	42.9
49 Private financial intermediation (in percent)	101.3	86.0	83.2	78.3	68.3	77.7	56.2	105.7	52.3	52.7	74.8	99.7
50 Total foreign funds	110.7	106.4	106.9	62.2	113.0	−40.3	162.8	23.6	69.3	79.8	199.2	103.6
Memo: Corporate equities not included above												
51 **Total net issues**	**86.8**	**10.9**	**−124.2**	**−63.7**	**17.2**	**−43.0**	**−61.0**	**14.9**	**−4.7**	**51.3**	**−9.6**	**31.7**
52 Mutual fund shares	159.0	73.9	1.1	41.3	66.9	34.0	57.9	72.4	53.1	76.5	51.7	86.2
53 Other equities	−72.2	−63.0	−125.3	−105.1	−49.7	−77.0	−118.9	−57.6	−57.8	−25.2	−61.3	−54.4
54 Acquisitions by financial institutions	50.9	32.0	−2.9	17.2	30.1	−14.1	6.1	76.9	42.1	72.1	−36.5	42.8
55 Other net purchases	35.9	−21.2	−121.4	−80.9	−12.9	−28.9	−67.1	−62.1	−46.8	−20.8	26.9	−11.0

Notes by line number.
1. Line 1 of table 1.57.
2. Sum of lines 3–6 or 7–10.
6. Includes farm and commercial mortgages.
11. Credit market funds raised by federally sponsored credit agencies, and net issues of federally related mortgage pool securities.
13. Line 1 less line 2 plus line 11 and 12. Also line 20 less line 27 plus line 33. Also sum of lines 28 and 47 less lines 40 and 46.
18. Includes farm and commercial mortgages.
26. Line 39 less lines 40 and 46.
27. Excludes equity issues and investment company shares. Includes line 19.
29. Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates, less claims on foreign affiliates and deposits by banking in foreign banks.
30. Demand deposits and note balances at commercial banks.
31. Excludes net investment of these reserves in corporate equities.
32. Mainly retained earnings and net miscellaneous liabilities.
33. Line 13 less line 20 plus line 27.
34–38. Lines 14–18 less amounts acquired by private finance plus amounts borrowed by private finance. Line 38 includes mortgages.
40. Mainly an offset to line 9.
47. Lines 33 plus 39, or line 13 less line 28 plus 40 and 46.
48. Line 2/line 1.
49. Line 20/line 13.
50. Sum of lines 10 and 29.
51, 53. Includes issues by financial institutions.

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

1.59 SUMMARY OF CREDIT MARKET DEBT OUTSTANDING

Billions of dollars; period-end levels.

Transaction category, sector	1986	1987	1988	1989	1989 Q2	1989 Q3	1989 Q4	1990 Q1	1990 Q2[r]	1990 Q3[r]	1990 Q4
					Nonfinancial sectors						
1 **Total credit market debt owed by domestic nonfinancial sectors**	**7,646.3**	**8,343.9**	**9,096.0**	**9,805.2**	**9,438.7**	**9,605.1**	**9,805.2**	**10,069.4[r]**	**10,226.6**	**10,394.1**	**10,579.9**
By sector and instrument											
2 U.S. government	1,815.4	1,960.3	2,117.8	2,269.4	2,165.7	2,206.1	2,269.4	2,360.9	2,401.7	2,470.2	2,568.9
3 Treasury securities	1,811.7	1,955.2	2,095.2	2,245.2	2,142.1	2,180.7	2,245.2	2,329.3	2,368.8	2,437.6	2,536.5
4 Agency issues and mortgages	3.6	5.2	22.6	24.2	23.6	25.4	24.2	31.6	32.9	32.6	32.4
5 Private domestic nonfinancial sectors	5,831.0	6,383.6	6,978.2	7,535.8	7,273.0	7,399.0	7,535.8	7,708.6[r]	7,824.9	7,923.9	8,011.0
6 Debt capital instruments	3,962.7	4,427.9	4,886.4	5,283.3	5,091.4	5,189.9	5,283.3	5,449.4[r]	5,533.8	5,610.6	5,678.2
7 Tax-exempt obligations	679.1	728.4	790.8	821.2	804.9	816.4	821.2	822.4	827.4	838.0	840.6
8 Corporate bonds	669.4	748.8	851.7	925.4	887.9	903.5	925.4	936.7[r]	955.5	967.0	986.9
9 Mortgages	2,614.2	2,950.7	3,243.8	3,536.6	3,398.6	3,470.0	3,536.6	3,690.4[r]	3,750.9	3,805.6	3,850.7
10 Home mortgages	1,720.8	1,943.1	2,173.9	2,404.3	2,287.6	2,347.6	2,404.3	2,530.7[r]	2,594.0	2,643.1	2,690.7
11 Multifamily residential	246.2	270.0	286.7	304.4	298.3	301.2	304.4	303.7[r]	298.9	299.8	298.1
12 Commercial	551.4	648.7	696.4	742.6	725.9	734.9	742.6	772.1[r]	773.9	778.4	777.7
13 Farm	95.8	88.9	86.8	85.3	86.8	86.3	85.3	83.9[r]	84.0	84.3	84.2
14 Other debt instruments	1,868.2	1,955.7	2,091.9	2,252.6	2,181.6	2,209.1	2,252.6	2,259.1[r]	2,291.2	2,313.3	2,332.8
15 Consumer credit	659.8	693.2	743.5	790.6	756.7	771.0	790.6	774.3	783.3	793.9	809.0
16 Bank loans n.e.c.	666.0	673.3	713.1	763.0	740.3	750.7	763.0	756.2[r]	761.6	761.1	760.2
17 Open market paper	62.9	73.8	85.7	107.1	110.1	113.3	107.1	126.0	128.7	131.8	116.9
18 Other	479.6	515.3	549.6	591.9	574.5	574.1	591.9	602.6	617.6	626.5	646.8
19 By borrowing sector	5,831.0	6,383.6	6,978.2	7,535.8	7,273.0	7,399.0	7,535.8	7,708.6[r]	7,824.9	7,923.9	8,011.0
20 State and local governments	510.1	558.9	604.5	634.1	619.9	629.9	634.1	634.3	637.6	647.9	648.8
21 Households	2,596.1	2,879.1	3,191.5	3,501.8	3,330.7	3,411.4	3,501.8	3,625.0[r]	3,699.7	3,768.4	3,834.1
22 Nonfinancial business	2,724.8	2,945.6	3,182.2	3,400.0	3,322.5	3,357.6	3,400.0	3,449.3[r]	3,487.6	3,507.6	3,528.2
23 Farm	156.6	145.5	137.6	139.2	139.5	139.2	139.2	137.4[r]	140.2	141.5	140.9
24 Nonfarm noncorporate	997.6	1,075.4	1,145.1	1,195.9	1,177.6	1,183.0	1,195.9	1,208.0[r]	1,208.9	1,209.8	1,210.2
25 Corporate	1,570.6	1,724.6	1,899.5	2,064.8	2,005.3	2,035.5	2,064.8	2,103.9[r]	2,138.6	2,156.3	2,177.1
26 Foreign credit market debt held in United States	238.3	244.6	253.9	261.5	252.2	257.7	261.5	260.4	272.0	279.3	284.8
27 Bonds	74.9	82.3	89.2	94.5	92.1	94.2	94.5	102.1	107.7	108.6	115.6
28 Bank loans n.e.c.	26.9	23.3	21.5	21.4	21.5	22.6	21.4	19.0	19.3	19.8	18.6
29 Open market paper	37.4	41.2	49.9	63.0	52.7	57.5	63.0	59.3	65.1	71.5	75.3
30 U.S. government loans	99.1	97.7	93.2	82.6	85.8	83.4	82.6	80.0	80.0	79.4	75.3
31 **Total domestic plus foreign**	**7,884.7**	**8,588.5**	**9,349.9**	**10,066.8**	**9,690.8**	**9,862.8**	**10,066.8**	**10,329.8[r]**	**10,498.7**	**10,673.3**	**10,864.7**
					Financial sectors						
32 **Total credit market debt owed by financial sectors**	**1,529.8**	**1,836.8**	**2,084.4**	**2,322.4**	**2,234.1**	**2,263.8**	**2,322.4**	**2,356.3**	**2,403.3**	**2,444.4**	**2,520.2**
By instrument											
33 U.S. government related	810.3	978.6	1,098.4	1,249.3	1,169.5	1,203.6	1,249.3	1,286.1	1,328.0	1,365.4	1,418.5
34 Sponsored credit agency securities	273.0	303.2	348.1	373.3	369.0	370.4	373.3	376.0	378.9	381.9	396.0
35 Mortgage pool securities	531.6	670.4	745.3	871.0	795.6	828.2	871.0	905.2	944.2	978.5	1,017.5
36 Loans from U.S. government	5.7	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
37 Private financial sectors	719.5	858.2	986.1	1,073.0	1,064.6	1,060.2	1,073.0	1,070.2	1,075.3	1,079.0	1,101.8
38 Corporate bonds	287.4	366.3	418.0	482.7	466.1	472.7	482.7	491.7	508.2	513.6	526.8
39 Mortgages	2.7	3.1	3.4	3.4	3.5	3.5	3.4	3.2	3.5	4.1	4.1
40 Bank loans n.e.c.	36.1	32.8	34.2	36.0	33.8	34.1	36.0	33.2	34.8	34.9	36.7
41 Open market paper	284.6	322.9	377.7	409.1	399.4	398.8	409.1	409.1	402.5	408.4	417.1
42 Loans from Federal Home Loan Banks	108.6	133.1	152.8	141.8	161.9	151.1	141.8	132.9	126.3	117.9	117.1
43 **Total, by sector**	**1,529.8**	**1,836.8**	**2,084.4**	**2,322.4**	**2,234.1**	**2,263.8**	**2,322.4**	**2,356.3**	**2,403.3**	**2,444.4**	**2,520.2**
44 Sponsored credit agencies	278.7	308.2	353.1	378.3	374.0	375.4	378.3	381.0	383.8	386.8	400.9
45 Mortgage pools	531.6	670.4	745.3	871.0	795.6	828.2	871.0	905.2	944.2	978.5	1,017.5
46 Private financial sectors	719.5	858.2	986.1	1,073.0	1,064.6	1,060.2	1,073.0	1,070.2	1,075.3	1,079.0	1,101.8
47 Commercial banks	75.6	81.8	78.8	77.4	75.7	77.0	77.4	73.4	73.3	70.7	76.3
48 Bank affiliates	116.8	131.1	136.2	142.5	141.2	144.0	142.5	141.5[r]	133.8	122.5	114.7
49 Savings and loan associations	119.8	139.4	159.3	145.2	167.9	155.7	145.2	137.1	125.6	115.1	112.7
50 Mutual savings banks	8.6	16.7	18.6	17.2	17.7	17.5	17.2	15.4	16.7	17.3	17.1
51 Finance companies	328.1	378.8	446.1	496.2	478.0	481.2	496.2	499.6[r]	510.3	530.1	546.6
52 REITs	6.5	7.3	11.4	10.1	10.6	10.0	10.1	10.1	9.8	10.2	10.3
53 SCO issuers	64.0	103.1	135.7	184.4	173.5	174.9	184.4	193.1	205.7	213.1	224.0
					All sectors						
54 **Total credit market debt**	**9,414.4**	**10,425.3**	**11,434.3**	**12,389.1**	**11,925.0**	**12,126.6**	**12,389.1**	**12,686.1[r]**	**12,902.0**	**13,117.7**	**13,384.9**
55 U.S. government securities	2,620.0	2,933.9	3,211.1	3,513.7	3,330.3	3,404.7	3,513.7	3,642.0	3,724.8	3,830.6	3,982.4
56 State and local obligations	679.1	728.4	790.8	821.2	804.9	816.4	821.2	822.4	827.4	838.0	840.6
57 Corporate and foreign bonds	1,031.7	1,197.4	1,358.9	1,502.6	1,446.1	1,470.5	1,502.6	1,530.5[r]	1,571.4	1,589.3	1,629.3
58 Mortgages	2,617.0	2,953.8	3,247.2	3,540.1	3,402.1	3,473.6	3,540.1	3,693.6[r]	3,754.3	3,809.7	3,854.8
59 Consumer credit	659.8	693.2	743.5	790.6	756.7	771.0	790.6	774.3	783.3	793.9	809.0
60 Bank loans n.e.c.	729.0	729.5	768.9	820.3	795.6	807.4	820.3	808.4[r]	815.7	815.8	815.5
61 Open market paper	384.9	437.9	513.4	579.2	562.2	569.6	579.2	594.5	596.3	611.7	609.2
62 Other loans	693.1	751.1	800.5	821.4	827.1	813.5	821.4	820.5	828.9	828.8	844.2

1.60 SUMMARY OF CREDIT MARKET CLAIMS, BY HOLDER

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

Transaction category, or sector	1986	1987	1988	1989	1989 Q2	1989 Q3	1989 Q4	1990 Q1r	1990 Q2r	1990 Q3r	1990 Q4
1 **Total funds advanced in credit markets to domestic nonfinancial sectors**	**7,646.3**	**8,343.9**	**9,096.0**	**9,805.2**	**9,438.7**	**9,605.1**	**9,805.2**	**10,069.4**	**10,226.6**	**10,394.1**	**10,579.9**
By public agencies and foreign											
2 Total held	1,779.4	2,006.6	2,199.7	2,379.3	2,263.5	2,317.4	2,379.3	2,419.9	2,503.0	2,582.0	2,656.5
3 U.S. government securities	509.8	570.9	651.5	682.1	642.7	668.6	682.1	679.2	706.9	737.4	762.0
4 Residential mortgages	678.5	814.1	900.4	1,038.4	954.4	991.1	1,038.4	1,077.7	1,126.5	1,171.8	1,215.9
5 FHLB advances to thrifts	108.6	133.1	152.8	141.8	161.9	151.1	141.8	132.9	126.3	117.9	117.1
6 Other loans and securities	482.4	488.6	495.1	517.0	504.5	506.6	517.0	530.2	543.3	555.0	561.4
7 Total held, by type of lender	1,779.4	2,006.6	2,199.7	2,379.3	2,263.5	2,317.4	2,379.3	2,419.9	2,503.0	2,582.0	2,656.5
8 U.S. government	255.3	240.0	217.6	207.1	211.5	207.8	207.1	216.2	227.8	242.0	241.2
9 Sponsored credit agencies and mortgage pools	835.9	1,001.0	1,113.0	1,238.2	1,157.8	1,193.5	1,238.2	1,274.0	1,315.0	1,358.0	1,406.8
10 Monetary authority	205.5	230.1	240.6	233.3	238.4	227.6	233.3	224.4	237.8	240.8	241.4
11 Foreign	482.8	535.5	628.5	700.6	655.7	688.5	700.6	705.2	722.4	741.3	767.1
Agency and foreign debt not in line 1											
12 Sponsored credit agencies and mortgage pools	810.3	978.6	1,098.4	1,249.3	1,169.5	1,203.6	1,249.3	1,286.1	1,328.0	1,365.4	1,418.5
13 Foreign	238.3	244.6	253.9	261.5	252.2	257.7	261.5	260.4	272.0	279.3	284.8
Private domestic holdings											
14 Total private holdings	6,915.6	7,560.4	8,248.5	8,936.8	8,596.9	8,749.0	8,936.8	9,196.0	9,323.7	9,456.7	9,626.7
15 U.S. government securities	2,110.1	2,363.0	2,559.7	2,831.6	2,687.6	2,736.1	2,831.6	2,962.8	3,017.9	3,093.2	3,220.3
16 State and local obligations	679.1	728.4	790.8	821.2	804.9	816.4	821.2	822.4	827.4	838.0	840.6
17 Corporate and foreign bonds	606.6	674.3	765.6	831.6	797.7	814.5	831.6	847.6	866.2	878.5	899.3
18 Residential mortgages	1,288.5	1,399.0	1,560.2	1,670.4	1,631.5	1,657.7	1,670.4	1,756.7	1,766.4	1,771.1	1,772.9
19 Other mortgages and loans	2,339.8	2,528.7	2,724.9	2,923.8	2,837.0	2,875.3	2,923.8	2,939.4	2,972.1	2,993.8	3,010.6
20 LESS: Federal Home Loan Bank advances	108.6	133.1	152.8	141.8	161.9	151.1	141.8	132.9	126.3	117.9	117.1
Private financial intermediation											
21 Credit market claims held by private financial institutions	6,018.0	6,564.5	7,128.6	7,662.7	7,424.6	7,507.8	7,662.7	7,850.5	7,915.0	8,000.6	8,123.5
22 Commercial banking	2,187.6	2,323.0	2,479.3	2,656.6	2,549.0	2,599.6	2,656.6	2,680.4	2,720.7	2,751.1	2,776.5
23 Savings institutions	1,297.9	1,445.5	1,567.7	1,480.7	1,561.0	1,530.3	1,480.7	1,461.3	1,409.5	1,371.5	1,339.7
24 Insurance and pension funds	1,525.4	1,705.1	1,903.8	2,081.6	1,999.0	2,031.6	2,081.6	2,152.5	2,198.4	2,242.5	2,307.6
25 Other finance	1,007.1	1,091.0	1,177.9	1,443.8	1,315.6	1,346.2	1,443.8	1,556.4	1,586.4	1,635.5	1,699.6
26 Sources of funds	6,018.0	6,564.5	7,128.6	7,662.7	7,424.6	7,507.8	7,662.7	7,850.5	7,915.0	8,000.6	8,123.5
27 Private domestic deposits and RPs	3,199.0	3,354.2	3,599.1	3,824.3	3,679.1	3,742.5	3,824.3	3,846.6	3,837.6	3,852.9	3,897.0
28 Credit market debt	719.5	858.2	986.1	1,073.0	1,064.6	1,060.2	1,073.0	1,070.2	1,075.3	1,079.0	1,101.8
29 Other sources	2,099.5	2,352.1	2,543.5	2,765.5	2,680.9	2,705.1	2,765.5	2,933.7	3,002.1	3,068.8	3,124.7
30 Foreign funds	18.6	62.3	71.5	61.6	49.4	55.0	61.6	63.4	66.3	94.1	108.2
31 Treasury balances	27.5	21.6	29.0	25.6	34.4	30.3	25.6	16.7	32.1	36.6	30.9
32 Insurance and pension reserves	1,398.5	1,527.8	1,692.5	1,826.0	1,770.0	1,785.7	1,826.0	1,861.5	1,907.7	1,940.6	1,996.7
33 Other, net	655.0	740.3	750.5	852.3	827.2	834.0	852.3	992.1	996.0	997.5	988.8
Private domestic nonfinancial investors											
34 Credit market claims	1,617.0	1,854.1	2,106.0	2,347.1	2,236.9	2,301.5	2,347.1	2,415.6	2,484.1	2,535.0	2,605.0
35 U.S. government securities	848.7	936.7	1,072.2	1,206.4	1,122.9	1,171.3	1,206.4	1,256.2	1,288.7	1,332.3	1,414.4
36 Tax-exempt obligations	212.6	274.4	340.9	369.3	353.8	363.1	369.3	362.5	368.5	372.4	368.1
37 Corporate and foreign bonds	90.5	114.0	100.4	130.5	128.2	131.1	130.5	152.1	156.2	151.8	138.4
38 Open market paper	145.1	178.5	218.0	228.7	236.7	239.3	228.7	230.1	247.2	247.9	244.6
39 Other	320.1	350.4	374.4	412.1	395.3	396.8	412.1	414.8	423.3	430.6	439.5
40 Deposits and currency	3,410.1	3,583.9	3,832.3	4,073.6	3,926.2	3,979.0	4,073.6	4,094.9	4,096.7	4,118.3	4,173.7
41 Currency	186.3	205.4	220.1	231.8	226.4	224.4	231.8	234.4	242.7	247.2	254.4
42 Checkable deposits	516.6	515.4	527.2	528.7	495.0	486.1	528.7	501.2	510.7	501.2	527.7
43 Small time and savings accounts	1,948.3	2,017.1	2,156.2	2,256.7	2,189.3	2,224.4	2,256.7	2,289.4	2,292.3	2,302.4	2,324.2
44 Money market fund shares	268.9	297.8	318.0	403.3	362.1	391.0	403.3	436.7	426.3	454.5	465.7
45 Large time deposits	336.7	373.9	414.7	437.8	435.7	440.0	437.8	431.1	415.8	407.1	392.0
46 Security RPs	128.5	150.1	182.9	197.9	196.9	200.9	197.9	188.3	192.5	187.9	187.4
47 Deposits in foreign countries	24.8	24.3	13.1	17.6	20.7	12.1	17.6	13.9	16.4	18.3	22.3
48 **Total of credit market instruments, deposits, and currency**	**5,027.2**	**5,438.0**	**5,938.2**	**6,420.7**	**6,163.0**	**6,280.5**	**6,420.7**	**6,510.6**	**6,580.7**	**6,653.3**	**6,778.7**
49 Public holdings as percent of total	22.6	23.4	23.5	23.6	23.4	23.5	23.6	23.4	23.8	24.2	24.5
50 Private financial intermediation (in percent)	87.0	86.8	86.4	85.7	86.4	85.8	85.7	85.4	84.9	84.6	84.4
51 Total foreign funds	501.3	597.8	700.1	762.3	705.1	743.5	762.3	768.6	788.7	835.4	875.2
MEMO: Corporate equities not included above											
52 **Total market value**	**3,360.6**	**3,325.0**	**3,619.8**	**4,378.9**	**4,069.7**	**4,395.4**	**4,378.9**	**4,170.3**	**4,336.4**	**3,846.4**	**3,995.8**
53 Mutual fund shares	413.5	460.1	478.3	555.1	514.8	543.9	555.1	550.3	587.9	547.3	579.9
54 Other equities	2,947.1	2,864.9	3,141.6	3,823.8	3,555.0	3,851.5	3,823.8	3,620.0	3,748.5	3,299.1	3,415.9
55 Holdings by financial institutions	974.6	1,039.5	1,176.1	1,492.3	1,343.0	1,478.5	1,492.3	1,435.6	1,543.0	1,312.1	1,408.3
56 Other holdings	2,385.9	2,285.5	2,443.7	2,886.6	2,726.8	2,917.0	2,886.6	2,734.6	2,793.4	2,534.3	2,587.4

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

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

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

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

Measure	1988	1989	1990	1990							1991	
				June	July	Aug.	Sept.	Oct.	Nov.	Dec.^r	Jan.	Feb.
1 **Industrial production (1987 = 100)**[1]	**105.4**	**108.1**	**109.2**	**110.1**	**110.4**	**110.5**	**110.6**	**109.9**	**108.3^r**	**107.2**	**106.6^r**	**105.7**
Market groupings												
2 Products, total (1987 = 100)	105.3	108.6	110.1	110.9	110.9	110.9	111.4	111.0	109.3^r	108.4	107.9	107.2
3 Final, total (1987 = 100)	105.6	109.1	110.9^r	111.7	111.7	111.9	112.6	112.3	110.2^r	109.2	108.8^r	108.2
4 Consumer goods (1987 = 100)	104.0	106.7	107.3	107.8	107.5	107.8	108.7	108.6	106.5	105.5	105.4^r	104.6
5 Equipment (1987 = 100)	107.6	112.3	115.5^r	116.8	117.2	117.2	117.8	117.0	115.1^r	113.9	113.3^r	112.7
6 Intermediate (1987 = 100)	104.4	106.8	107.7	108.3	108.4	107.9	107.4	107.0	106.2^r	106.1	104.9^r	104.1
7 Materials (1987 = 100)	105.6	107.4	107.8^r	108.8	109.6	109.7	109.4	108.3	106.8^r	105.2	104.5^r	103.4
Industry groupings												
8 Manufacturing (1987 = 100)	105.8	108.9	109.9	110.8	111.1	111.1	111.2	110.7	108.9	107.4	106.9	106.0
Capacity utilization (percent)[2]												
9 Manufacturing	83.9	83.9	82.3	83.1	83.1	82.9	82.8	82.2	80.7	79.4	78.8	78.0
10 Construction contracts (1982 = 100)[3]	166.7	172.9	153.3^r	164.0	153.0	149.0	146.0	147.0	146.0	130.0	132.0	133.0
11 Nonagricultural employment, total[4]	128.0	131.5^r	133.8	134.4	134.3	134.1	134.1	133.9	133.6	133.4	133.1	132.9
12 Goods-producing, total	103.4^r	104.0^r	102.7	103.4	103.1	102.8	102.4	101.8	100.7	100.3	99.3^r	98.9
13 Manufacturing, total	98.3^r	98.7^r	96.8	97.3	97.2	96.9	96.6	96.3	95.2	95.0	94.6	93.9
14 *Manufacturing, production- worker*	93.5^r	93.8^r	91.5	92.0	92.0	91.7	91.2	90.9	89.6	89.3	88.9^r	88.2
15 Service-producing	138.3^r	142.9^r	146.8	147.4	147.3	147.3	147.4	147.4	147.4	147.2	147.2	147.1
16 Personal income, total	253.2	272.7	289.0	288.7	290.1	290.8	292.2	292.1	293.3	294.9	293.6	n.a.
17 Wages and salary disbursements	244.6	258.9	272.2	272.8	274.4	274.5	276.4	274.8	274.8	277.1	275.7	n.a.
18 Manufacturing	196.5	203.1	205.0	206.8	206.9	206.7	207.0	206.0	202.9	205.5	202.5	n.a.
19 Disposable personal income[5]	252.2	270.1	286.1	285.8	286.9	287.6	288.7	288.6	289.9	291.4	289.9	n.a.
20 Retail sales[6]	228.0	240.7	249.7^r	248.9	250.1	250.2	252.4	252.7	252.7	248.2	244.8^r	246.7
Prices[7]												
21 Consumer (1982–84 = 100)	118.3	124.0	130.7	129.9	130.4	131.6	132.7	133.5	133.8	133.8	134.6	134.8
22 Producer finished goods (1982 = 100)	108.0	113.6	119.2	117.8	118.2	119.3	120.4	122.3	122.9	121.9	121.9	121.2

1. A major revision of the industrial production index and the capacity utilization rates was released in April 1990. See "Industrial Production: 1989 Developments and Historical Revision" in the *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187–204.
2. Ratios of indexes of production to indexes of capacity. Based on data from Federal Reserve, McGraw-Hill Economics Department, Department of Commerce, and other sources.
3. Index of dollar value of total construction contracts, including residential, nonresidential and heavy engineering, from McGraw-Hill Information Systems Company, F. W. Dodge Division.
4. Based on data in *Employment and Earnings* (U.S. Department of Labor). Series covers employees only, excluding personnel in the Armed Forces.
5. Based on data in *Survey of Current Business* (U.S. Department of Commerce).
6. Based on Bureau of Census data published in *Survey of Current Business*.
7. Data without seasonal adjustment, as published in *Monthly Labor Review*. Seasonally adjusted data for changes in the price indexes may be obtained from the Bureau of Labor Statistics, U.S. Department of Labor.

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

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

2.11 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

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

Category	1988[r]	1989[r]	1990	1990 July	1990 Aug.	1990 Sept.	1990 Oct.	1990 Nov.	1990 Dec.	1991 Jan.[r]	1991 Feb.
HOUSEHOLD SURVEY DATA											
1 **Noninstitutional population**[1]	**186,837**	**188,601**	**190,216**	**190,275**	**190,411**	**190,568**	**190,717**	**190,854**	**190,999**	**191,116**	**191,248**
2 Labor force (including Armed Forces)[1]	123,893	126,077	126,954	126,848	126,855	127,137	127,067	126,880	127,307	126,777	127,209
3 Civilian labor force	121,669	123,869	124,787	124,709	124,705	124,970	124,875	124,723	125,174	124,638	125,076
Employment											
4 Nonagricultural industries[2]	111,800	114,142	114,728	114,774	114,538	114,689	114,558	114,201	114,321	113,759	113,696
5 Agriculture	3,169	3,199	3,186	3,108	3,152	3,194	3,175	3,185	3,253	3,163	3,222
Unemployment											
6 Number	6,701	6,528	6,874	6,827	7,015	7,087	7,142	7,337	7,600	7,715	8,158
7 Rate (percent of civilian labor force)	5.5	5.3	5.5	5.5	5.6	5.7	5.7	5.9	6.1	6.2	6.5
8 Not in labor force	62,944	62,524	63,262	63,427	63,556	63,431	63,650	63,974	63,692	64,339	64,039
ESTABLISHMENT SURVEY DATA											
9 **Nonagricultural payroll employment**[3]	**105,536**	**108,413**	**110,330**	**110,740**	**110,613**	**110,612**	**110,432**	**110,165**	**110,004[r]**	**109,771**	**109,587**
10 Manufacturing	19,350	19,426	19,064	19,131	19,084	19,019	18,951	18,744	18,693[r]	18,614	18,487
11 Mining	713	700	735	745	735	736	733	738	740	737	739
12 Contract construction	5,110	5,200	5,205	5,229	5,194	5,176	5,093	5,029	4,983[r]	4,833	4,860
13 Transportation and public utilities	5,527	5,648	5,838	5,841	5,846	5,870	5,870	5,866	5,882[r]	5,884	5,848
14 Trade	25,132	25,851	26,151	26,225	26,222	26,214	26,147	26,082	26,001[r]	25,984	25,892
15 Finance	6,649	6,724	6,833	6,842	6,852	6,851	6,843	6,833	6,829[r]	6,820	6,810
16 Service	25,669	27,096	28,209	28,287	28,387	28,440	28,475	28,548	28,573[r]	28,619	28,647
17 Government	17,386	17,769	18,295[r]	18,440	18,293	18,306	18,320	18,325	18,303[r]	18,280	18,304

1. Persons 16 years of age and over. Monthly figures, which are based on sample data, relate to the calendar week that contains the 12th day; annual data are averages of monthly figures. By definition, seasonality does not exist in population figures. Based on data from *Employment and Earnings* (U.S. Department of Labor).
2. Includes self-employed, unpaid family, and domestic service workers.
3. Data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th day of the month, and exclude proprietors, self-employed persons, domestic servants, unpaid family workers, and members of the Armed Forces. Data are adjusted to the March 1984 benchmark and only seasonally adjusted data are available at this time. Based on data from *Employment and Earnings* (U.S. Department of Labor).

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION[1]

Seasonally adjusted

Series	1990											
	Q1	Q2	Q3	Q4[r]	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4[r]
	Output (1987 = 100)				Capacity (percent of 1987 output)				Utilization rate (percent)			
1 **Total industry**	**108.3**	**109.4**	**110.5**	**108.5**	**130.3**	**131.1**	**131.9**	**132.8**	**83.1**	**83.5**	**83.7**	**81.7**
2 Manufacturing	109.2	110.2	111.1	109.0	132.1	133.0	134.0	135.0	82.7	82.8	82.9	80.8
3 Primary processing	106.4	106.3	107.6	104.6	124.1	124.8	125.5	126.1	85.7	85.2	85.8	82.9
4 Advanced processing	110.5	112.1	112.8	111.0	135.8	136.9	138.0	139.1	81.4	81.9	81.7	79.8
5 Durable	110.4	112.4	113.6	110.0	136.1	137.1	138.0	139.0	81.1	82.0	82.3	79.2
6 Lumber and products	105.1	102.3	101.5	95.7	123.0	123.5	124.0	124.6	85.5	82.8	81.8	76.8
7 Primary metals	106.1	107.4	112.2	107.2	127.2	127.4	127.7	127.9	83.4	84.2	87.9	83.8
8 Iron and steel	107.1	107.5	114.3	110.0	132.0	132.2	132.5	132.7	81.1	81.3	86.3	82.9
9 Nonferrous	104.6	107.1	109.2	103.4	120.4	120.6	120.9	121.1	86.9	88.8	90.3	85.3
10 Nonelectrical machinery	124.4	126.7	128.5	126.5	151.5	153.1	154.7	156.3	82.1	82.8	83.1	80.9
11 Electrical machinery	111.1	112.2	112.4	109.9	137.3	138.7	140.0	141.4	80.9	80.9	80.3	77.8
12 Motor vehicles and parts	91.5	102.6	103.7	89.4	132.2	132.4	132.7	132.9	69.2	77.5	78.2	67.2
13 Aerospace and miscellaneous transportation equipment	111.6	113.6	114.5	113.4	133.4	134.3	135.2	136.1	83.6	84.6	84.7	83.3
14 Nondurable	107.7	107.5	108.1	107.8	126.9	127.9	128.9	129.9	84.8	84.0	83.8	82.9
15 Textile mill products	101.1	102.4	101.3	98.1	115.9	116.3	116.6	117.0	87.2	88.1	86.9	83.9
16 Paper and products	103.9	104.5	107.2	105.8	113.9	114.5	115.1	115.7	91.2	91.3	93.2	91.4
17 Chemicals and products	109.9	109.9	110.8	109.9	133.4	134.6	135.9	137.1	82.4	81.6	81.5	80.1
18 Plastics materials	111.7	116.3	117.2	118.2	126.1	128.4	130.6	132.9	88.6	90.6	89.7	88.9
19 Petroleum products	109.9	106.0	110.0	107.4	121.1	121.2	121.3	121.4	90.7	87.4	90.7	88.5
20 Mining	101.3	102.5	103.4	103.0	115.6	115.0	114.5	114.0	87.6	89.1	90.3	90.4
21 Utilities	105.7	107.8	110.5	108.2	126.1	126.6	127.1	127.6	83.8	85.2	86.9	84.8
22 Electric	108.4	111.0	112.9	111.0	121.2	121.9	122.6	123.2	89.4	91.1	92.1	90.1

Series	Previous cycle[2]		Latest cycle[3]		1990							1991	
	High	Low	High	Low	Feb.	July	Aug.	Sept.	Oct.	Nov.[r]	Dec.[r]	Jan.[r]	Feb.[p]
	Capacity utilization rate (percent)												
23 **Total industry**	**89.2**	**72.6**	**87.3**	**71.8**	**83.3**	**83.8**	**83.7**	**83.6**	**83.0**	**81.6**	**80.5**	**79.9**	**79.1**
24 Manufacturing	88.9	70.8	87.3	70.0	83.0	83.1	82.9	82.8	82.2	80.7	79.4	78.8	78.0
25 Primary processing	92.2	68.9	89.7	66.8	86.1	86.1	86.1	85.1	84.3	83.2	81.3	80.4	79.2
26 Advanced processing	87.5	72.0	86.3	71.4	81.7	81.8	81.6	81.8	81.3	79.6	78.6	78.1	77.5
27 Durable	88.8	68.5	86.9	65.0	81.3	82.3	82.3	82.2	81.2	79.1	77.3	76.7	75.5
28 Lumber and products	90.1	62.2	87.6	60.9	84.8	83.6	81.0	80.7	78.9	76.6	74.8	75.9	73.1
29 Primary metals	100.6	66.2	102.4	46.8	84.8	86.4	89.8	87.4	85.0	85.3	81.3	77.3	73.7
30 Iron and steel	105.8	66.6	110.4	38.3	83.8	83.5	89.3	86.0	83.2	84.8	80.6	74.3	68.8
31 Nonferrous	92.9	61.3	90.5	62.2	86.4	90.9	90.5	89.6	87.7	85.9	82.3	81.9	81.3
32 Nonelectrical machinery	96.4	74.5	92.1	64.9	82.0	83.2	83.2	82.8	82.2	80.8	79.7	78.9	78.3
33 Electrical machinery	87.8	63.8	89.4	71.1	80.8	80.4	80.4	80.1	78.6	78.1	76.6	75.7	74.7
34 Motor vehicles and parts	93.4	51.1	93.0	44.5	71.2	77.4	76.1	81.0	78.1	64.5	59.0	62.3	59.9
35 Aerospace and miscellaneous transportation equipment	77.0	66.6	81.1	66.9	83.9	85.4	84.4	84.3	84.0	83.1	82.8	81.6	80.5
36 Nondurable	87.9	71.8	87.0	76.9	85.3	84.1	83.8	83.6	83.6	82.9	82.3	81.8	81.4
37 Textile mill products	92.0	60.4	91.7	73.8	88.9	88.3	86.1	86.3	86.6	83.3	81.7	81.9	80.2
38 Paper and products	96.9	69.0	94.2	82.0	92.3	93.8	92.5	93.3	92.5	90.9	91.0	89.6	89.4
39 Chemicals and products	87.9	69.9	85.1	70.1	82.8	81.5	81.8	81.4	81.0	80.2	79.2	78.8	78.5
40 Plastics materials	102.0	50.6	90.9	63.4	88.9	90.5	89.7	88.9	90.0	90.2	86.6	......	......
41 Petroleum products	96.7	81.1	89.5	68.2	92.4	91.1	90.8	90.1	89.5	88.9	87.0	86.9	89.8
42 Mining	94.4	88.4	96.6	80.6	87.4	90.7	89.4	90.9	89.9	90.6	90.7	90.1	90.9
43 Utilities	95.6	82.5	88.3	76.2	82.5	86.4	87.6	86.7	85.6	83.8	84.9	84.1	81.2
44 Electric	99.0	82.7	88.3	78.7	88.4	91.6	92.7	91.9	91.2	88.9	90.2	89.4	86.2

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

2. Monthly high 1973; monthly low 1975.
3. Monthly highs 1978 through 1980; monthly lows 1982.

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value[1]

Monthly data are seasonally adjusted

Groups	1987 proportion	1990 avg.	1990 Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.[r]	Dec.[r]	1991 Jan.[r]	Feb.[p]
			Index (1987 = 100)												
MAJOR MARKET															
1 **Total index**	**100.0**	**109.2**	**108.5**	**108.9**	**108.8**	**109.4**	**110.1**	**110.4**	**110.5**	**110.6**	**109.9**	**108.3**	**107.2**	**106.6**	**105.7**
2 Products	60.8	110.1	109.4	110.1	109.8	110.5	110.9	110.9	110.9	111.4	111.0	109.3	108.4	107.9	107.2
3 Final products	46.0	110.9	109.7	110.7	110.4	111.2	111.7	111.7	111.9	112.6	112.3	110.2	109.2	108.8	108.2
4 Consumer goods	26.0	107.3	107.0	107.5	107.2	107.4	107.8	107.5	107.8	108.7	108.6	106.5	105.5	105.4	104.6
5 Durable consumer goods	5.6	106.2	106.2	110.8	107.3	109.3	112.1	108.3	107.4	110.4	106.9	99.4	96.0	96.9	94.8
6 Automotive products	2.5	102.3	99.3	109.3	102.4	107.0	112.2	106.7	104.6	111.8	107.1	93.5	86.7	89.8	86.1
7 Autos and trucks	1.5	97.4	92.7	107.7	95.8	105.6	112.9	104.8	101.5	113.0	107.5	84.2	74.6	79.6	75.2
8 Autos, consumer	.9	92.2	86.9	100.5	87.7	96.8	103.8	98.0	97.2	111.5	104.6	80.7	77.2	83.2	79.1
9 Trucks, consumer	.6	106.1	102.3	120.0	109.3	120.4	128.3	116.1	108.8	115.4	112.2	90.2	70.2	73.7	68.6
10 Auto parts and allied goods	1.0	109.6	109.4	111.6	112.2	108.9	111.2	109.5	109.3	110.0	106.4	107.3	104.9	105.2	102.5
11 Other	3.1	109.4	111.6	112.0	111.2	111.1	112.0	109.5	109.6	109.3	106.8	104.1	103.4	102.5	101.6
12 Appliances, A/C, and TV	.8	102.0	107.8	108.1	104.4	103.6	107.5	100.2	101.9	101.0	94.6	90.8	89.9	92.5	91.2
13 Carpeting and furniture	.9	104.9	104.7	105.9	107.5	107.6	107.8	106.0	104.9	106.0	103.8	99.2	101.0	99.0	97.1
14 Miscellaneous home goods	1.4	116.4	118.2	118.0	117.3	117.5	117.2	116.9	116.8	116.1	115.5	114.6	112.4	110.3	110.3
15 Nondurable consumer goods	20.4	107.6	107.2	106.6	107.1	106.9	106.6	107.3	107.9	108.2	109.1	108.5	108.1	107.7	107.3
16 Foods and tobacco	9.1	105.9	106.2	105.8	105.6	105.2	104.4	105.1	105.7	105.3	106.7	107.8	107.4	106.7	106.4
17 Clothing	2.6	95.7	99.6	97.0	96.0	96.4	95.7	95.6	94.6	95.3	94.2	91.7	91.8	90.6	91.1
18 Chemical products	3.5	113.2	112.0	111.0	113.5	113.0	112.8	112.4	114.3	115.1	115.9	113.5	112.6	114.3	114.4
19 Paper products	2.5	119.7	117.6	116.4	118.1	118.6	118.3	120.3	119.3	121.9	123.4	122.8	122.7	120.7	119.9
20 Energy	2.7	105.9	101.5	103.1	104.1	104.1	105.3	106.7	109.0	108.0	108.8	106.4	106.4	106.3	104.6
21 Fuels	.7	102.9	106.6	101.8	101.6	98.2	102.6	104.6	106.0	105.6	104.0	101.1	98.1	99.2	103.0
22 Residential utilities	2.0	107.0	99.6	103.6	105.0	106.3	106.3	107.5	110.0	108.9	110.6	108.4	109.4	108.9	105.2
23 Equipment, total	20.0	115.5	113.3	114.9	114.7	116.2	116.8	117.2	117.2	117.8	117.0	115.1	113.9	113.3	112.7
24 Business equipment	13.9	123.1	120.1	122.2	121.6	123.5	124.4	125.0	125.4	126.4	125.4	122.9	121.6	121.2	120.4
25 Information processing and related	5.6	127.3	124.7	126.0	126.4	126.6	126.3	128.0	128.5	129.5	130.1	128.8	128.0	128.5	129.3
26 Office and computing	1.9	149.8	144.3	147.2	149.3	148.9	150.6	152.7	152.2	153.6	155.3	149.8	148.9	150.1	152.1
27 Industrial	4.0	115.3	113.4	113.9	114.2	115.8	116.0	117.2	117.9	117.4	115.4	115.3	112.7	111.4	110.2
28 Transit	2.5	129.9	122.7	130.6	126.2	132.5	137.4	135.5	135.4	140.5	137.5	126.3	123.5	125.5	122.7
29 Autos and trucks	1.2	96.8	91.7	104.5	95.2	105.7	112.2	103.1	101.5	111.0	106.5	83.9	75.3	79.8	75.5
30 Other	1.9	118.5	117.4	117.8	117.6	119.4	119.9	119.2	119.8	118.5	117.0	117.6	119.0	115.3	112.9
31 Defense and space equipment	5.4	97.3	97.6	97.5	97.3	97.6	97.6	97.8	97.7	97.3	97.3	96.2	95.8	94.5	94.4
32 Oil and gas well drilling	.6	109.0	100.1	106.0	114.3	118.6	119.5	116.2	106.9	107.4	107.1	109.7	107.3	106.4	108.2
33 Manufactured homes	.2	90.8	94.3	92.9	89.7	91.3	92.8	90.0	93.4	91.8	89.0	87.3	83.4	83.1	77.3
34 Intermediate products, total	14.7	107.7	108.4	108.2	108.0	108.3	108.3	108.4	107.9	107.4	107.0	106.2	106.1	104.9	104.1
35 Construction supplies	6.0	105.2	108.2	107.3	106.4	105.5	106.0	106.7	105.3	103.8	103.1	101.8	100.8	98.6	97.5
36 Business supplies	8.7	109.4	108.5	108.9	109.1	110.2	109.8	109.5	109.7	109.9	109.7	109.2	109.9	109.3	108.7
37 Materials, total	39.2	107.8	107.1	107.1	107.3	107.7	108.8	109.6	109.7	109.4	108.3	106.8	105.2	104.5	103.4
38 Durable goods materials	19.4	111.8	110.8	110.9	110.9	112.5	113.8	114.0	114.9	114.1	112.5	110.4	107.5	106.9	105.0
39 Durable consumer parts	4.2	104.0	102.8	104.5	103.2	108.5	108.5	108.1	110.4	109.0	106.0	98.5	91.4	93.9	91.7
40 Equipment parts	7.3	118.1	117.6	117.6	117.4	118.1	119.1	119.2	119.4	119.8	118.6	117.4	116.9	115.4	114.2
41 Other	7.9	110.2	108.7	108.1	108.9	109.6	111.8	112.4	113.1	111.6	110.4	110.2	107.4	105.8	103.6
42 Basic metal materials	2.8	111.9	109.9	107.5	110.2	109.2	113.6	115.5	116.3	115.8	112.0	112.7	109.3	105.5	102.2
43 Nondurable goods materials	9.0	106.0	105.8	105.2	106.1	105.2	106.1	107.8	106.8	106.9	106.5	105.6	104.4	104.0	103.9
44 Textile materials	1.2	96.7	96.2	94.9	95.6	97.4	99.4	100.2	97.8	98.1	97.9	95.1	90.8	92.1	90.9
45 Pulp and paper materials	1.9	106.4	105.3	103.0	106.0	104.5	104.8	109.0	106.9	109.4	108.6	107.2	108.5	105.6	106.1
46 Chemical materials	3.8	106.7	107.3	107.5	107.4	105.4	107.3	108.5	108.0	106.6	105.6	105.8	104.5	104.2	103.8
47 Other	2.1	109.5	108.8	108.7	109.8	109.8	108.8	109.9	109.3	110.1	110.8	109.4	107.9	108.8	109.2
48 Energy materials	10.9	102.1	101.7	102.0	101.8	101.1	102.1	103.3	103.0	103.0	102.3	101.6	101.6	100.8	100.2
49 Primary energy	7.2	101.3	102.1	101.2	100.3	100.1	101.2	103.3	102.1	101.0	100.7	101.4	101.5	101.1	101.4
50 Converted fuel materials	3.7	103.5	100.9	103.4	104.6	102.9	103.9	103.4	104.9	107.0	105.3	102.0	101.9	100.2	97.9
SPECIAL AGGREGATES															
51 Total excluding autos and trucks	97.3	109.5	108.9	109.0	109.2	109.5	110.0	110.6	110.7	110.6	110.0	109.0	108.1	107.3	106.6
52 Total excluding motor vehicles and parts	95.3	109.8	109.2	109.2	109.5	109.7	110.2	110.8	110.9	110.7	110.2	109.4	108.6	107.7	107.0
53 Total excluding office and computing machines	97.5	108.2	107.6	108.0	107.8	108.4	109.1	109.3	109.4	109.5	108.8	107.3	106.1	105.5	104.5
54 Consumer goods excluding autos and trucks	24.5	107.9	107.8	107.5	107.9	107.6	107.5	107.6	108.2	108.4	108.7	107.9	107.4	106.9	106.4
55 Consumer goods excluding energy	23.3	107.5	107.6	108.0	107.5	107.8	108.1	107.6	107.7	108.7	108.6	106.5	105.4	105.3	104.6
56 Business equipment excluding autos and trucks	12.7	125.7	122.9	124.0	124.2	125.3	125.6	127.2	127.8	128.0	127.2	126.8	126.1	125.3	124.8
57 Business equipment excluding office and computing equipment	12.0	118.8	116.2	118.2	117.2	119.4	120.2	120.5	121.1	122.0	120.6	118.6	117.1	116.6	115.3
58 Materials excluding energy	28.4	110.0	109.2	109.1	109.4	110.2	111.4	112.1	112.3	111.8	110.6	108.9	106.5	105.9	104.6

2.13—Continued

Groups	SIC code	1987 proportion	1990 avg.	1990 Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.r	Dec.r	1991 Jan.r	Feb.p
				Index (1987 = 100)												
MAJOR INDUSTRY																
1 **Total index**	....	***100.0***	***109.2***	***108.5***	***108.9***	***108.8***	***109.4***	***110.1***	***110.4***	***110.5***	***110.6***	***109.9***	***108.3***	***107.2***	***106.6***	***105.7***
2 Manufacturing	....	84.4	109.9	109.6	109.8	109.5	110.3	110.8	111.1	111.1	111.2	110.7	108.9	107.4	106.9	106.0
3 Primary processing	....	26.7	106.3	106.9	106.0	105.9	106.1	107.0	107.9	108.0	106.9	106.2	104.9	102.7	101.8	100.5
4 Advanced processing	....	57.7	111.6	110.9	111.7	111.3	112.4	112.6	112.5	112.5	113.2	112.8	110.8	109.6	109.2	108.7
5 Durable	....	47.3	111.6	110.7	111.9	111.1	112.6	113.4	113.4	113.5	113.8	112.5	109.9	107.6	107.0	105.7
6 Lumber and products	24	2.0	101.6	104.3	105.0	103.3	101.7	102.0	103.6	100.5	100.3	98.2	95.5	93.3	94.7	91.4
7 Furniture and fixtures	25	1.4	105.9	104.8	105.9	107.6	108.0	108.7	108.0	106.7	106.9	104.4	102.3	102.1	99.1	98.4
8 Clay, glass, and stone products	32	2.5	105.7	108.0	107.7	105.1	106.4	106.1	106.0	106.6	104.5	104.4	103.8	100.8	99.1	98.5
9 Primary metals	33	3.3	108.4	107.9	105.4	106.4	106.2	109.5	110.3	114.6	111.6	108.6	109.1	104.0	98.9	94.4
10 Iron and steel	331,2	1.9	109.9	110.6	106.1	106.7	105.5	110.3	110.6	118.3	113.9	110.3	112.6	107.0	98.7	91.5
11 Raw steel	....	.1	109.6	109.0	105.9	104.9	107.6	111.8	113.9	118.5	111.6	112.8	109.5	100.6	104.7	95.0
12 Nonferrous	333–6,9	1.4	106.2	104.0	104.3	105.9	107.1	108.3	109.8	109.4	108.4	106.2	104.1	99.8	99.3	98.6
13 Fabricated metal products	34	5.4	105.9	105.6	105.5	105.0	107.1	106.7	107.7	107.9	106.8	106.4	104.3	101.8	101.6	100.3
14 Nonelectrical machinery	35	8.6	126.6	124.2	125.2	125.7	126.9	127.5	128.3	128.8	128.5	128.1	126.3	125.0	124.2	123.7
15 Office and computing machines	357	2.5	149.8	144.3	147.3	149.3	149.0	150.6	152.7	152.2	153.6	155.3	149.8	148.9	150.1	152.1
16 Electrical machinery	36	8.6	111.4	111.0	112.3	111.3	112.4	112.8	112.2	112.5	112.5	110.8	110.4	108.7	107.7	106.7
17 Transportation equipment	37	9.8	105.5	103.5	107.9	105.1	109.0	111.0	109.3	107.9	111.1	109.2	100.1	96.6	98.0	95.9
18 Motor vehicles and parts	371	4.7	96.8	94.1	103.5	95.8	104.0	108.0	102.7	101.0	107.5	103.8	85.8	78.5	83.0	79.9
19 Autos and light trucks	....	2.3	96.6	91.8	106.7	94.6	104.3	111.6	103.8	100.9	112.8	107.1	83.7	74.9	80.1	75.8
20 Aerospace and miscellaneous transportation equipment	372–6,9	5.1	113.3	111.9	111.9	113.4	113.5	113.8	115.2	114.1	114.2	114.0	113.1	113.0	111.6	110.3
21 Instruments	38	3.3	116.9	116.2	115.7	115.8	116.5	115.0	116.9	117.5	118.4	118.1	118.1	118.2	118.9	119.3
22 Miscellaneous manufacturers	39	1.2	120.0	118.1	118.6	118.6	119.1	119.6	120.4	121.8	121.3	121.5	122.5	118.8	115.3	115.3
23 Nondurable	....	37.2	107.8	108.3	107.2	107.5	107.4	107.6	108.1	108.1	108.0	108.4	107.7	107.2	106.8	106.5
24 Foods	20	8.8	107.6	107.4	107.1	107.0	106.8	106.1	107.1	107.7	107.6	108.8	109.6	109.1	108.5	108.6
25 Tobacco products	21	1.0	98.6	102.3	100.0	98.8	97.2	95.6	98.5	96.3	96.4	97.8	99.0	100.8	100.5	99.5
26 Textile mill products	22	1.8	100.8	103.0	99.8	100.9	102.7	103.6	102.9	100.4	100.7	101.2	97.4	95.6	96.0	94.1
27 Apparel products	23	2.4	98.8	102.1	99.8	98.7	99.2	99.3	99.2	98.8	98.4	97.2	95.5	94.7	93.1	93.6
28 Paper and products	26	3.6	105.3	105.0	102.8	105.3	104.0	104.2	107.8	106.5	107.5	106.8	105.1	105.4	104.0	104.0
29 Printing and publishing	27	6.4	112.0	112.1	111.4	112.0	112.8	112.0	111.4	110.9	111.6	112.9	112.4	113.3	112.9	112.4
30 Chemicals and products	28	8.6	110.2	110.5	109.5	110.3	109.2	110.3	110.4	111.1	110.9	110.7	110.0	108.9	108.8	108.6
31 Petroleum products	29	1.3	108.2	112.0	109.1	106.8	104.6	106.5	110.5	110.2	109.3	108.6	107.8	105.6	105.5	109.0
32 Rubber and plastic products	30	3.0	110.2	109.1	109.8	109.0	110.9	112.8	110.9	112.0	110.3	110.6	109.6	106.7	107.9	105.8
33 Leather and products	31	.3	100.0	102.9	103.3	102.6	103.5	102.0	102.5	99.6	100.3	95.3	89.9	92.6	89.8	88.2
34 Mining	....	7.9	102.5	101.0	101.1	102.9	102.2	102.2	104.0	102.4	103.9	102.6	103.3	103.2	102.5	103.3
35 Metal	10	.3	153.2	143.4	141.4	152.7	148.7	156.7	164.8	155.7	163.6	146.8	153.4	162.1	156.2	155.8
36 Coal	11,12	1.2	113.2	111.9	112.9	114.2	110.0	113.5	118.5	110.2	116.8	114.7	112.9	110.6	108.4	112.9
37 Oil and gas extraction	13	5.7	95.5	94.1	94.6	95.7	96.0	94.6	95.5	95.8	95.8	95.8	97.3	96.7	96.5	96.9
38 Stone and earth minerals	14	.7	119.4	120.0	116.5	120.2	119.9	121.1	121.8	120.1	121.7	118.0	113.5	118.1	117.0	116.0
39 Utilities	....	7.6	108.0	104.0	106.2	106.7	107.1	109.7	109.7	111.4	110.3	109.2	106.9	108.5	107.6	104.1
40 Electric	491,3PT	6.0	110.8	107.1	109.7	109.7	110.3	113.1	112.1	113.6	112.9	112.1	109.6	111.4	110.5	106.7
41 Gas	492,3PT	1.6	97.3	92.3	93.3	95.5	95.2	97.4	100.7	103.3	100.9	98.1	97.0	97.7	96.8	94.3
SPECIAL AGGREGATES																
42 Manufacturing excluding motor vehicles and parts	....	79.8	110.7	110.5	110.2	110.3	110.7	111.0	111.6	111.7	111.4	111.1	110.3	109.1	108.3	107.6
43 Manufacturing excluding office and computing machines	....	82.0	108.7	108.6	108.7	108.3	109.2	109.6	109.8	109.9	110.0	109.4	107.7	106.2	105.6	104.7
		Gross value (billions of 1982 dollars, annual rates)														
MAJOR MARKET																
44 **Products, total**	....	**1734.8**	**1,910.6**	**1,903.3**	**1,922.6**	**1,906.2**	**1,922.2**	**1,937.0**	**1,923.5**	**1,929.5**	**1,941.6**	**1,939.6**	**1,887.5**	**1,858.1**	**1,856.7**	**1,845.2**
45 Final	....	1350.9	1,496.7	1,488.3	1,507.5	1,493.9	1,506.0	1,523.4	1,508.7	1,516.3	1,529.1	1,523.7	1,475.8	1,449.1	1,453.0	1,445.2
46 Consumer goods	....	833.4	882.2	888.6	893.4	883.9	885.9	893.8	886.0	885.9	895.2	892.7	868.2	854.8	856.0	851.5
47 Equipment	....	517.5	614.4	599.8	614.1	610.0	620.1	629.6	622.7	630.4	633.9	631.0	607.6	594.3	597.0	593.7
48 Intermediate	....	384.0	414.0	415.0	415.1	412.3	416.2	413.6	414.9	413.1	412.5	415.9	411.7	409.0	403.7	400.1

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

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

2.14 HOUSING AND CONSTRUCTION

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

Item	1988	1989	1990[r]	1990 Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.[r]	Dec.[r]	1991 Jan.
	Private residential real estate activity (thousands of units)												
NEW UNITS													
1 Permits authorized	1,456	1,339	1,096	1,108	1,065	1,108	1,082	1,050	992	920	906	844	797
2 1-family	994	932	792	813	802	796	780	762	737	708	671	645	609
3 2-or-more-family	462	407	304	295	263	312	302	288	255	212	235	199	188
4 Started	1,488	1,376	1,193	1,217	1,208	1,187	1,155	1,131	1,106	1,026	1,130	971	850
5 1-family	1,081	1,003	895	901	897	890	876	835	858	839	769	751	652
6 2-or-more-family	407	373	298	316	311	297	279	296	248	187	361	220	198
7 Under construction, end of period[1]	919	850	715	875[r]	857	847[r]	831[r]	815	790[r]	766	756	747	726
8 1-family	570	535	451	558[r]	546	538[r]	528[r]	517	503[r]	497[r]	486	479	467
9 2-or-more-family	350	315	264	317	311	309	303[r]	298	287	269[r]	270	268	259
10 Completed	1,530	1,423	1,308	1,310[r]	1,351[r]	1,294[r]	1,312[r]	1,307[r]	1,314[r]	1,275[r]	1,246	1,151	1,096
11 1-family	1,085	1,026	965	943[r]	1,001[r]	950[r]	988[r]	950[r]	963[r]	930[r]	922	873	816
12 2-or-more-family	445	396	342	367[r]	350[r]	344[r]	324[r]	357[r]	351[r]	345[r]	324	278	280
13 Mobile homes shipped	218	198	188	190	190	190	187	193	184	186	181	167	168
Merchant builder activity in 1-family units													
14 Number sold	675	650	536	534[r]	535[r]	549[r]	541	525[r]	504[r]	465[r]	486	465	408
15 Number for sale, end of period[1]	368[r]	363[r]	319	363	359[r]	354	350[r]	345	338	334	327	319	316
Price (thousands of dollars)[2]													
Median													
16 Units sold	113.3	120.4	122.3	130.0	125.0	125.0	118.7	118.4	113.0	120.0	118.9	126.9	121.8
Average													
17 Units sold	139.0	148.3	148.9	153.4	150.6	150.4	149.8	144.7	142.1	153.0[r]	143.6	152.2	156.2
EXISTING UNITS (1-family)													
18 Number sold	3,594	3,439	3,316	3,370[r]	3,350[r]	3,370[r]	3,320[r]	3,410[r]	3,160[r]	3,070[r]	3,150	3,130	2,900
Price of units sold (thousands of dollars)[2]													
19 Median	89.2	92.9[r]	95.2	95.7[r]	95.2[r]	98.9[r]	98.1[r]	97.2[r]	94.4	92.9	92.0	91.7	95.6
20 Average	112.5	118.0	118.3	117.9[r]	118.5[r]	122.5[r]	121.1[r]	120.7[r]	116.8[r]	115.9	115.6	114.1	123.0
	Value of new construction[3] (millions of dollars)												
CONSTRUCTION													
21 **Total put in place**	**422,076**	**432,068**	**434,285**	**444,737**	**443,805**	**441,088**	**437,010**	**436,338**	**423,941**	**423,320**	**415,451**	**407,097**	**396,627**
22 Private	327,102	333,514	324,599	338,780	333,992	329,556	331,269	323,518	317,516	311,397	301,629	295,805	291,934
23 Residential	198,101	196,551	187,130	200,234	196,055	189,462	187,083	184,409	179,713	176,824	169,531	165,531	161,303
24 Nonresidential, total	129,001	136,963	137,469	138,546	137,937	140,094	144,186	139,109	137,803	134,573	132,098	130,274	130,631
Buildings													
25 Industrial	14,931	18,506	20,563	21,039	20,847	20,405	23,609	20,239	19,862	19,616	19,548	20,788	21,037
26 Commercial	58,104	59,389	54,630	55,765	54,698	56,581	56,951	55,347	53,648	51,996	49,656	49,346	47,892
27 Other	17,278	17,848	18,824	18,227	18,379	19,272	19,792	19,801	20,267	19,634	19,444	18,499	19,148
28 Public utilities and other	38,688	41,220	43,452	43,515	44,013	43,836	43,834	43,722	44,026	43,327	43,450	41,641	42,554
29 Public	94,971	98,551	109,685	105,957	109,813	111,532	105,741	112,820	106,425	111,923	113,822	111,292	104,693
30 Military	3,579	3,520	3,792	5,057	5,459	5,868	3,308	2,888	2,543	2,401	2,821	2,328	2,275
31 Highway	30,140	29,502	31,987	29,714	30,658	30,311	28,775	31,865	31,322	33,398	35,460	33,759	27,309
32 Conservation and development	4,726	4,969	4,736	4,979	5,504	3,958	4,460	4,776	3,482	4,944	5,067	5,516	5,592
33 Other	56,526	60,560	69,170	66,207	68,192	71,395	69,198	73,291	69,078	71,180	70,474	69,689	69,517

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

NOTE. Census Bureau estimates for all series except (1) mobile homes, which are private, domestic shipments as reported by the Manufactured Housing Institute and seasonally adjusted by the Census Bureau, and (2) sales and prices of existing units, which are published by the National Association of Realtors. All back and current figures are available from the originating agency. Permit authorizations are those reported to the Census Bureau from 16,000 jurisdictions beginning with 1978.

2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data, except as noted

Item	Change from 12 months earlier		Change from 3 months earlier (at annual rate)				Change from 1 month earlier					Index level Feb. 1991
	1990 Feb.	1991 Feb.	1990 Mar.	1990 June	1990 Sept.	1990 Dec.	1990 Oct.	1990 Nov.	1990 Dec.	1991 Jan.	1991 Feb.	
CONSUMER PRICES[2] (1982–84=100)												
1 **All items**	**5.3**	**5.3**	**7.5**	**4.1**	**8.2**	**4.9**	**.6**	**.3**	**.3**	**.4**	**.2**	**134.8**
2 Food	6.8	3.2	10.4	2.5	4.6	3.9	.4	.4	.1	.6	−.2	135.5
3 Energy items	8.0	6.6	12.0	1.2	44.2	18.0	4.2	.5	−.4	−2.4	−4.0	102.8
4 All items less food and energy	4.6	5.6	6.5	4.6	6.0	3.8	.3	.3	.4	.8	.7	140.3
5 Commodities	3.5	4.2	5.7	2.0	3.3	2.3	.2	.2	.2	1.0	1.0	127.3
6 Services	5.2	6.5	6.9	5.5	7.2	4.8	.3	.4	.4	.7	.6	147.9
PRODUCER PRICES (1982=100)												
7 Finished goods	5.1	3.2	6.4	1.0	11.3	4.4	1.2	.4	−.6	−.1	−.6	121.2
8 Consumer foods	6.3	−.2	8.8	−1.6	2.3	1.3	.6	.2	−.5	−.3	.2	124.4
9 Consumer energy	12.0	12.6	16.9	−4.6	118.7	17.7	9.1	.2	−4.7	−2.5	−5.1	77.9
10 Other consumer goods	3.9	4.2	3.9	3.8	3.5	3.1	.1	.7	.0	.8	.5	132.7
11 Capital equipment	3.5	3.4	4.4	2.7	3.6	3.3	.2	.2	.3	.3	.2	125.7
12 Intermediate materials[3]	1.5	2.8	1.4	.4	13.4	3.8	1.6[r]	.2[r]	−.8	−.4	−.9	115.7
13 Excluding energy	.1	1.8	1.0	.7	4.0	2.0	.3	.2	−.1	.1	−.1	122.2
Crude materials												
14 Foods	2.6	−5.6	4.7	−3.8	−7.8	−5.3	.3[r]	−.9[r]	−.7	−1.5	.0	107.5
15 Energy	14.7	.8	.5	−39.2	305.8	−20.2	18.8[r]	−10.9[r]	−10.7	6.3	−15.9	83.3
16 Other	−6.4	1.8	3.7	13.5	5.9	−18.5	−1.4	−2.2	−1.6	.3	.2	133.6

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

SOURCE. Bureau of Labor Statistics.

2.16 GROSS NATIONAL PRODUCT AND INCOME

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

Account	1988	1989	1990	1989	1990			
				Q4	Q1	Q2	Q3	Q4
GROSS NATIONAL PRODUCT								
1 **Total**	**4,873.7**	**5,200.8**	**5,463.6**	**5,289.3**	**5,375.4**	**5,443.3**	**5,514.6**	**5,521.3**
By source								
2 Personal consumption expenditures	3,238.2	3,450.1	3,658.6	3,518.5	3,588.1	3,622.7	3,693.4	3,730.0
3 Durable goods	457.5	474.6	480.9	471.2	492.1	478.4	482.3	470.8
4 Nondurable goods	1,060.0	1,130.0	1,194.1	1,148.8	1,174.7	1,179.0	1,205.0	1,217.9
5 Services	1,720.7	1,845.5	1,983.5	1,898.5	1,921.3	1,965.3	2,006.2	2,041.3
6 Gross private domestic investment	747.1	771.2	741.9	762.7	747.2	759.0	759.7	701.8
7 Fixed investment	720.8	742.9	746.1	737.7	758.9	745.6	750.7	729.3
8 Nonresidential	488.4	511.9	523.7	511.8	523.1	516.5	532.8	522.6
9 Structures	139.9	146.2	147.1	147.1	148.8	147.2	149.8	142.5
10 Producers' durable equipment	348.4	365.7	376.6	364.7	374.3	369.3	383.0	380.1
11 Residential structures	232.5	231.0	222.4	225.9	235.9	229.1	217.9	206.7
12 Change in business inventories	26.2	28.3	−4.2	25.0	−11.8	13.4	9.0	−27.6
13 Nonfarm	29.8	23.3	−6.2	24.1	−17.0	13.0	6.8	−27.6
14 Net exports of goods and services	−74.1	−46.1	−34.6	−35.3	−30.0	−24.9	−41.3	−42.3
15 Exports	552.0	626.2	670.8	642.8	661.3	659.7	672.7	689.4
16 Imports	626.1	672.3	705.4	678.1	691.3	684.6	714.1	731.7
17 Government purchases of goods and services	962.5	1,025.6	1,097.8	1,043.3	1,070.1	1,086.4	1,102.8	1,131.8
18 Federal	380.3	400.0	423.5	399.9	410.6	421.9	425.8	435.8
19 State and local	582.3	625.6	674.3	643.4	659.6	664.6	677.0	695.9
By major type of product								
20 Final sales, total	4,847.5	5,172.5	5,467.8	5,264.3	5,387.2	5,429.9	5,505.6	5,548.8
21 Goods	1,908.9	2,044.4	2,147.7	2,060.9	2,122.8	2,133.1	2,161.4	2,173.4
22 Durable	840.3	894.7	937.6	894.2	941.4	930.1	943.4	935.5
23 Nondurable	1,068.6	1,149.7	1,210.1	1,166.7	1,181.4	1,203.0	1,218.0	1,237.9
24 Services	2,488.6	2,671.2	2,862.1	2,747.5	2,791.3	2,834.2	2,889.6	2,933.4
25 Structures	450.0	456.9	458.0	455.9	473.0	462.5	454.6	442.0
26 Change in business inventories	26.2	28.3	−4.2	25.0	−11.8	13.4	9.0	−27.6
27 Durable goods	19.9	11.9	−10.6	13.2	−21.6	.0	9.8	−30.5
28 Nondurable goods	6.4	16.4	6.3	11.9	9.8	13.4	−.8	2.9
MEMO								
29 **Total GNP in 1982 dollars**	**4,016.9**	**4,117.7**	**4,156.3**	**4,133.2**	**4,150.6**	**4,155.1**	**4,170.0**	**4,149.5**
NATIONAL INCOME								
30 **Total**	**3,984.9**	**4,223.3**	**4,418.2**	**4,267.1**	**4,350.3**	**4,411.3**	**4,452.4**	n.a.
31 Compensation of employees	2,905.1	3,079.0	3,244.2	3,128.6	3,180.4	3,232.5	3,276.9	3,287.1
32 Wages and salaries	2,431.1	2,573.2	2,705.3	2,612.7	2,651.6	2,696.3	2,734.2	2,739.2
33 Government and government enterprises	446.6	476.6	508.0	486.7	497.1	505.7	511.3	518.1
34 Other	1,984.5	2,096.6	2,197.3	2,126.0	2,154.5	2,190.6	2,222.9	2,221.1
35 Supplement to wages and salaries	474.0	505.8	538.9	515.9	528.8	536.1	542.7	548.0
36 Employer contributions for social insurance	248.5	263.9	280.8	268.4	276.0	279.7	282.7	284.8
37 Other labor income	225.5	241.9	258.1	247.5	252.8	256.4	260.0	263.2
38 Proprietors' income[1]	354.2	379.3	402.2	381.7	404.0	401.7	397.9	405.0
39 Business and professional[1]	310.5	330.7	352.4	336.0	346.6	350.8	355.6	356.8
40 Farm[1]	43.7	48.6	49.7	45.7	57.4	51.0	42.4	48.3
41 Rental income of persons[2]	16.3	8.2	6.5	4.1	5.5	4.3	8.4	7.8
42 Corporate profits[1]	337.6	311.6	298.7	290.9	296.8	306.6	300.7	n.a.
43 Profits before tax[3]	316.7	307.7	307.4	289.8	296.9	299.3	318.5	n.a.
44 Inventory valuation adjustment	−27.0	−21.7	−13.6	−14.5	−11.4	−.5	−19.8	−22.8
45 Capital consumption adjustment	47.8	25.5	4.9	15.6	11.3	7.7	2.0	−1.5
46 Net interest	371.8	445.1	466.6	461.7	463.6	466.2	468.3	468.2

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

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

2.17 PERSONAL INCOME AND SAVING

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

Account	1988	1989	1990[r]	1989	1990			
				Q4	Q1	Q2	Q3	Q4[r]
PERSONAL INCOME AND SAVING								
1 **Total personal income**	**4,070.8**	**4,384.3**	**4,645.1**	**4,469.2**	**4,562.8**	**4,622.2**	**4,678.5**	**4,716.7**
2 Wage and salary disbursements	2,431.1	2,573.2	2,705.3	2,612.7	2,651.6	2,696.3	2,734.2	2,739.2
3 Commodity-producing industries	696.4	720.6	729.3	721.4	724.6	731.1	735.3	726.2
4 Manufacturing	524.0	541.8	546.8	540.9	541.2	548.1	551.8	546.2
5 Distributive industries	572.0	604.7	637.2	614.6	627.0	637.3	642.7	641.9
6 Service industries	716.2	771.4	830.8	790.0	802.9	822.2	844.9	853.0
7 Government and government enterprises	446.6	476.6	508.0	486.7	497.1	505.7	511.3	518.1
8 Other labor income	225.5	241.9	258.1	247.5	252.8	256.4	260.0	263.2
9 Proprietors' income[1]	354.2	379.3	402.2	381.7	404.0	401.7	397.9	405.0
10 Business and professional[1]	310.5	330.7	352.4	336.0	346.6	350.8	355.6	356.8
11 Farm[1]	43.7	48.6	49.7	45.7	57.4	51.0	42.4	48.3
12 Rental income of persons[2]	16.3	8.2	6.5	4.1	5.5	4.3	8.4	7.8
13 Dividends	102.2	114.4	123.8	118.2	120.5	122.9	124.9	126.7
14 Personal interest income	547.9	643.2	680.7	664.9	670.5	678.0	685.3	689.1
15 Transfer payments	587.7	636.9	694.7	655.9	680.9	686.7	696.4	714.7
16 Old-age survivors, disability, and health insurance benefits	300.5	325.3	350.7	334.1	347.2	347.6	351.1	356.8
17 LESS: Personal contributions for social insurance	194.1	212.8	226.2	215.8	222.9	224.1	228.6	228.9
18 EQUALS: Personal income	4,070.8	4,384.3	4,645.1	4,469.2	4,562.8	4,622.2	4,678.5	4,716.7
19 LESS: Personal tax and nontax payments	591.6	658.8	699.4	669.6	675.1	696.5	709.5	716.6
20 EQUALS: Disposable personal income	3,479.2	3,725.5	3,945.6	3,799.6	3,887.7	3,925.7	3,969.1	4,000.1
21 LESS: Personal outlays	3,333.6	3,553.7	3,767.3	3,625.5	3,696.4	3,730.6	3,802.6	3,839.5
22 EQUALS: Personal saving	145.6	171.8	178.4	174.1	191.3	195.1	166.5	160.6
MEMO								
Per capita (1982 dollars)								
23 Gross national product	16,302.4	16,550.2	16,532.6	16,546.0	16,575.9	16,554.2	16,560.8	16,433.7
24 Personal consumption expenditures	10,578.3	10,678.5	10,669.8	10,688.2	10,692.1	10,672.5	10,710.1	10,601.6
25 Disposable personal income	11,368.0	11,531.0	11,507.0	11,541.0	11,586.0	11,564.0	11,511.0	11,370.0
26 Saving rate (percent)	4.2	4.6	4.5	4.6	4.9	5.0	4.2	4.0
GROSS SAVING								
27 **Gross saving**	**656.1**	**691.5**	**656.2**	**674.8**	**664.8**	**679.3**	**665.9**	n.a.
28 Gross private saving	751.3	779.3	783.8	786.4	795.0	806.7	772.2	n.a.
29 Personal saving	145.6	171.8	178.4	174.1	191.3	195.1	166.5	160.6
30 Undistributed corporate profits[1]	91.4	53.0	29.8	39.8	36.7	40.5	26.5	n.a.
31 Corporate inventory valuation adjustment	−27.0	−21.7	−13.6	−14.5	−11.4	−.5	−19.8	−22.8
Capital consumption allowances								
32 Corporate	322.1	346.4	363.1	356.5	356.7	359.7	365.5	370.3
33 Noncorporate	192.2	208.0	212.6	216.0	210.3	211.4	213.8	214.8
34 Government surplus, or deficit (−), national income and product accounts	−95.3	−87.8	−127.6	−111.6	−130.2	−127.3	−106.4	n.a.
35 Federal	−141.7	−134.3	−163.9	−150.1	−168.3	−166.0	−145.7	n.a.
36 State and local	46.5	46.4	36.2	38.5	38.1	38.6	39.3	n.a.
37 **Gross investment**	**627.8**	**674.4**	**653.1**	**671.8**	**665.6**	**676.1**	**661.0**	**609.9**
38 Gross private domestic	747.1	771.2	741.9	762.7	747.2	759.0	759.7	701.8
39 Net foreign	−119.2	−96.8	−88.8	−90.9	−81.6	−82.9	−98.7	−91.8
40 **Statistical discrepancy**	**−28.2**	**−17.0**	**−3.1**	**−3.0**	**.7**	**−3.2**	**−4.9**	n.a.

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

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

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

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

	Item credits or debits	1988	1989	1990	1989	1990			
					Q4	Q1	Q2	Q3[r]	Q4[p]
1	Balance on current account	−128,862	−110,035	−99,297	−26,692	−22,320[r]	−22,733[r]	−26,481	−27,762
2	Not seasonally adjusted	....	....	....	−27,926	−18,327[r]	−20,987	−30,672	−29,311
3	Merchandise trade balance[2]	−126,986	−114,864	−108,680	−28,746	−26,809[r]	−23,225[r]	−29,785	−28,861
4	Merchandise exports	320,337	360,465	389,286	91,738	96,093[r]	96,585[r]	96,152	100,456
5	Merchandise imports	−447,323	−475,329	−497,966	−120,484	−122,902[r]	−119,810[r]	−125,937	−129,317
6	Military transactions, net	−5,452	−6,319	−6,414	−1,776	−1,287	−1,382	−1,705	−2,042
7	Investment income, net	1,610	−913	7,534	561	2,004[r]	−990[r]	2,256	4,265
8	Other service transactions, net	16,971	26,783	29,337	7,900	7,212[r]	7,286[r]	6,852	7,988
9	Remittances, pensions, and other transfers	−4,261	−3,758	−4,101	−889	−1,038[r]	−921[r]	−1,106	−1,037
10	U.S. government grants	−10,744	−10,963	−16,972	−3,742	−2,402	−3,501	−2,993	−8,075
11	Change in U.S. government assets, other than official reserve assets, net (increase, −)	2,969	1,185	2,971	−47	−659	−808	−360	4,797
12	Change in U.S. official reserve assets (increase, −)	−3,912	−25,293	−2,158	−3,202	−3,177	371	1,739	−1,092
13	Gold	0	0	0	0	0	0	0	0
14	Special drawing rights (SDRs)	127	−535	−192	−204	−247	−216	363	−93
15	Reserve position in International Monetary Fund	1,025	471	731	−23	234	493	8	−4
16	Foreign currencies	−5,064	−25,229	−2,697	−2,975	−3,164	94	1,368	−995
17	Change in U.S. private assets abroad (increase, −)	−83,232	−102,953	−62,062	−45,496	36,741[r]	−31,257[r]	−33,273	−34,273
18	Bank-reported claims[3]	−56,322	−50,684	816	−32,658	52,353	−13,639	−13,489	−24,409
19	Nonbank-reported claims	−2,847	1,391	....	47	1,202	−1,550	625	....
20	U.S. purchase of foreign securities, net	−7,846	−21,938	−26,785	−4,109	−7,496	−11,247	−1,223	−6,819
21	U.S. direct investments abroad, net	−16,217	−31,722	−36,370	−8,776	−9,318[r]	−4,821[r]	−19,186	−3,045
22	Change in foreign official assets in United States (increase, +)	39,515	8,823	30,778	−7,016	−8,203	5,541	13,588	19,851
23	U.S. Treasury securities	41,741	333	28,704	−7,342	−5,897	2,442	12,058	20,101
24	Other U.S. government obligations	1,309	1,383	667	569	−521	346	134	708
25	Other U.S. government liabilities[4]	−710	332	1,486	412	−381	1,089	−202	979
26	Other U.S. liabilities reported by U.S. banks[3]	−319	4,940	1,495	−820	−1,278	1,918	1,871	−1,016
27	Other foreign official assets[5]	−2,506	1,835	−1,574	165	−126	−254	−273	−921
28	Change in foreign private assets in United States (increase, +)	181,926	205,829	56,766	76,336	−24,786	19,954	42,543	19,055
29	U.S. bank-reported liabilities[3]	70,235	61,199	19,786	36,674	−32,264	4,897	27,591	19,562
30	U.S. nonbank-reported liabilities	6,664	2,867	....	1,732	290	1,317	4,425	....
31	Foreign private purchases of U.S. Treasury securities, net	20,239	29,951	1,144	5,671	−835	3,614	312	−1,947
32	Foreign purchases of other U.S. securities, net	26,353	39,568	4,096	10,793	2,486	2,890	−1,670	390
33	Foreign direct investments in United States, net	58,435	72,244	25,708	21,466	5,537	7,236	11,885	1,050
34	Allocation of SDRs	0	0	0	0	0	0	0	0
35	Discrepancy	−8,404	22,443	73,002	6,117	22,404[r]	28,932[r]	2,244	19,424
36	Owing to seasonal adjustments	....	....	....	3,560	3,023[r]	−767[r]	−4,980	2,726
37	Statistical discrepancy in recorded data before seasonal adjustment	−8,404	22,443	73,002	2,558	19,381[r]	29,699	7,224	16,698
	MEMO								
	Changes in official assets								
38	U.S. official reserve assets (increase, −)	−3,912	−25,293	−2,158	−3,202	−3,177	371	1,739	−1,092
39	Foreign official assets in United States (increase, +) excluding line 25	40,225	8,491	29,292	−7,428	−7,822	4,452	13,790	18,872
40	Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22 above)	−2,996	10,713	1,902	−1,379	2,953	208	−1,600	341

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

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

3.11 U.S. FOREIGN TRADE[1]

Millions of dollars; monthly data are seasonally adjusted.

Item	1988	1989	1990[r]	1990 July	Aug.	Sept.	Oct.	Nov.	Dec.[r]	1991 Jan.[p]
1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments, f.a.s. value	322,427	363,812	393,894	32,125	32,549	32,010	35,006	34,194	33,305	34,493
GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses										
2 Customs value	440,952	473,211	494,903	41,244	42,283	41,337	45,994	43,106	39,582	41,489
Trade balance										
3 **Customs value**	**−118,526**	**−109,399**	**−101,010**	**−9,119**	**−9,734**	**−9,326**	**−10,988**	**−8,912**	**−6,277**	**−6,996**

1. The Census basis data differ from merchandise trade data shown in table 3.10, U.S. International Transactions Summary, for reasons of coverage and timing. On the *export side*, the largest adjustment is the exclusion of military sales (which are combined with other military transactions and reported separately in the "service account" in table 3.10, line 6). On the *import side*, additions are made for gold, ship purchases, imports of electricity from Canada, and other transactions; military payments are excluded and shown separately as indicated above. As of Jan. 1, 1987 census data are released 45 days after the end of the month; the previous month is revised to reflect late documents. Total exports and the trade balance reflect adjustments for undocumented exports to Canada.

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

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Type	1987	1988	1989	1990 Aug.	Sept.	Oct.	Nov.	Dec.	1991 Jan.	Feb.[p]
1 **Total**	**45,798**	**47,802**	**74,609**	**78,909**	**80,024**	**82,852**	**83,059**	**83,340**	**85,006**	**82,797**
2 Gold stock, including Exchange Stabilization Fund[1]	11,078	11,057	11,059	11,065	11,063	11,060	11,059	11,058	11,058	11,058
3 Special drawing rights[2,3]	10,283	9,637	9,951	10,780	10,666	10,876	11,059	10,989	10,922	10,958
4 Reserve position in International Monetary Fund[2]	11,349	9,745	9,048	8,890	8,881	9,066	8,871	9,076	9,468	9,556
5 Foreign currencies[4]	13,088	17,363	44,551	48,174	49,414	51,850	52,070	52,217	53,558	51,225

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

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

Millions of dollars, end of period

Assets	1987	1988	1989	1990 Aug.	Sept.	Oct.	Nov.	Dec.	1991 Jan.	Feb.[p]
1 Deposits	244	347	589	337	360	297	264	369	271	329
Assets held in custody										
2 U.S. Treasury securities[2]	195,126	232,547	224,911	261,051	261,321	266,749	272,399	278,499	286,722	286,471
3 Earmarked gold[3]	13,919	13,636	13,456	13,412	13,419	13,415	13,389	13,387	13,377	13,382

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

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

Millions of dollars, end of period

Asset account	1987	1988	1989[r]	1990 July	1990 Aug.	1990 Sept.	1990 Oct.	1990 Nov.	1990 Dec.	1991 Jan.
					All foreign countries					
1 **Total, all currencies**	**518,618**	**505,595**	**545,366**	**531,418**	**551,346**	**546,140**	**552,510**	**558,391[r]**	**556,586[r]**	**563,244**
2 Claims on United States	138,034	169,111	198,835	174,583	178,236	182,561[r]	177,539	180,761[r]	188,159[r]	183,245
3 Parent bank	105,845	129,856	157,092	133,682	137,558	140,865	135,536	140,135[r]	148,500[r]	140,752
4 Other banks in United States	16,416	14,918	17,042	15,239	14,500	14,272[r]	13,261	12,927	13,296	14,541
5 Nonbanks	15,773	24,337	24,701	25,662	26,178	27,424	28,742	27,699[r]	26,363	27,952
6 Claims on foreigners	342,520	299,728	300,575	304,674	313,831	311,248[r]	319,318	322,962[r]	312,347	321,352
7 Other branches of parent bank	122,155	107,179	113,810	115,353	121,705	123,359	128,747	135,177[r]	134,567	132,466
8 Banks	108,859	96,932	90,703	85,911	88,768	83,305[r]	82,706	81,385[r]	72,985	80,442
9 Public borrowers	21,832	17,163	16,456	16,264	16,157	16,379	16,335	16,588	17,501	18,407
10 Nonbank foreigners	89,674	78,454	79,606	87,146	87,201	88,205	91,530	89,812[r]	87,294	90,037
11 Other assets	38,064	36,756	45,956	52,161	59,279	52,331	55,653	54,668	56,080[r]	58,647
12 **Total payable in U.S. dollars**	**350,107**	**357,573**	**382,498**	**346,428[r]**	**358,007[r]**	**360,178[r]**	**362,505[r]**	**371,518[r]**	**378,823[r]**	**379,043**
13 Claims on United States	132,023	163,456	191,184	166,294	169,714	173,984[r]	168,956	172,159[r]	179,837[r]	175,163
14 Parent bank	103,251	126,929	152,294	128,066	131,994	135,068	129,850	134,269[r]	142,625[r]	135,047
15 Other banks in United States	14,657	14,167	16,386	14,375	13,513	13,422[r]	12,441	12,078	12,513	13,739
16 Nonbanks	14,115	22,360	22,504	23,853	24,207	25,494	26,665	25,812	24,699	26,377
17 Claims on foreigners	202,428	177,685	169,690	158,247[r]	163,490[r]	163,994[r]	168,722[r]	174,774[r]	174,090[r]	179,402
18 Other branches of parent bank	88,284	80,736	82,949	79,241	82,564	84,378	90,198	95,599	94,939	93,488
19 Banks	63,707	54,884	48,396	38,815	40,733	39,413[r]	37,531	37,740	36,439	40,708
20 Public borrowers	14,730	12,131	10,961	10,652	10,939	11,166	11,201	11,199	12,297	13,135
21 Nonbank foreigners	35,707	29,934	27,384	29,539[r]	29,254[r]	29,037[r]	29,792[r]	30,236[r]	30,415[r]	32,071
22 Other assets	15,656	16,432	21,624	21,887	24,803	22,200	24,827	24,585[r]	24,896[r]	24,478
					United Kingdom					
23 **Total, all currencies**	**158,695**	**156,835**	**161,947**	**175,254**	**184,933**	**178,484**	**184,660**	**188,182**	**184,818[r]**	**184,817**
24 Claims on United States	32,518	40,089	39,212	40,418	40,092	42,574[r]	39,862	42,301	45,560	40,197
25 Parent bank	27,350	34,243	35,847	36,564	36,140	39,042	35,904	38,453	42,413	36,533
26 Other banks in United States	1,259	1,123	1,058	894	1,037	723[r]	694	1,088	792	1,095
27 Nonbanks	3,909	4,723	2,307	2,960	2,915	2,809	3,264	2,760	2,355	2,569
28 Claims on foreigners	115,700	106,388	107,657	114,254	118,423	114,863[r]	122,203	124,077	115,536	121,077
29 Other branches of parent bank	39,903	35,625	37,728	41,181	43,581	44,408	47,390	49,499[r]	46,367	47,857
30 Banks	36,735	36,765	36,159	35,085	37,623	34,088[r]	35,480	36,135[r]	31,604	33,624
31 Public borrowers	4,752	4,019	3,293	3,619	3,757	3,639	3,521	3,675	3,860	3,953
32 Nonbank foreigners	34,310	29,979	30,477	34,369	33,462	32,728	35,812	34,768	33,705	35,643
33 Other assets	10,477	10,358	15,078	20,582	26,418	21,047	22,595	21,804	23,722[r]	23,543
34 **Total payable in U.S. dollars**	**100,574**	**103,503**	**103,208**	**102,803**	**106,891**	**106,899**	**109,950**	**115,182[r]**	**116,762[r]**	**114,413**
35 Claims on United States	30,439	38,012	36,404	36,230	35,979	37,997[r]	35,429	37,668	41,259	36,120
36 Parent bank	26,304	33,252	34,329	33,716	33,585	36,024	33,145	35,614	39,609	33,754
37 Other banks in United States	1,044	964	843	681	721	466[r]	419	611	334	771
38 Nonbanks	3,091	3,796	1,232	1,833	1,673	1,507	1,865	1,443	1,316	1,595
39 Claims on foreigners	64,560	60,472	59,062	58,278	60,390	59,811[r]	63,720	66,876	63,701	67,996
40 Other branches of parent bank	28,635	28,474	29,872	31,220	32,976	33,990	37,069	39,630	37,142	38,120
41 Banks	19,188	18,494	16,579	13,621	14,570	13,206[r]	13,571	13,915	13,135	14,479
42 Public borrowers	3,313	2,840	2,371	2,839	2,896	2,866	2,790	2,862	3,143	3,242
43 Nonbank foreigners	13,424	10,664	10,240	10,598	9,948	9,749	10,290	10,469	10,281	12,155
44 Other assets	5,575	5,019	7,742	8,295	10,522	9,091	10,801	10,638[r]	11,802[r]	10,297
					Bahamas and Caymans					
45 **Total, all currencies**	**160,321**	**170,639**	**176,006**	**145,813**	**150,695**	**153,234**	**153,497**	**153,615**	**161,977[r]**	**166,553**
46 Claims on United States	85,318	105,320	124,205	99,918	103,521	106,574	106,977	106,517	112,652[r]	115,060
47 Parent bank	60,048	73,409	87,882	64,748	68,507	70,145	70,845	71,249	77,536[r]	77,604
48 Other banks in United States	14,277	13,145	15,071	13,412	12,625	12,539	11,605	11,007	11,869	12,877
49 Nonbanks	10,993	18,766	21,252	21,758	22,389	23,890	24,527	24,261	23,247	24,579
50 Claims on foreigners	70,162	58,393	44,168	38,393	39,595	39,573	38,062	38,611	41,354	42,800
51 Other branches of parent bank	21,277	17,954	11,309	11,785	12,031	11,638	12,152	12,697	13,416	12,292
52 Banks	33,751	28,268	22,611	16,761	17,543	18,076	15,994	16,244	16,309	18,343
53 Public borrowers	7,428	5,830	5,217	4,307	4,554	4,818	4,876	4,772	5,806	6,527
54 Nonbank foreigners	7,706	6,341	5,031	5,540	5,467	5,041	5,040	4,898	5,823	5,638
55 Other assets	4,841	6,926	7,633	7,502	7,579	7,087	8,458	8,487	7,971	8,693
56 **Total payable in U.S. dollars**	**151,434**	**163,518**	**170,780**	**141,303[r]**	**146,441[r]**	**149,583[r]**	**149,239[r]**	**149,519[r]**	**158,051[r]**	**161,705**

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

3.14—Continued

Liability account	1987	1988	1989	1990 July	1990 Aug.	1990 Sept.	1990 Oct.	1990 Nov.	1990 Dec.	1991 Jan.
	All foreign countries									
57 **Total, all currencies**	**518,618**	**505,595**	**545,366**	**531,418**	**551,346**	**546,140**	**552,510**	**558,391r**	**556,586r**	**563,244**
58 Negotiable CDs	30,929	28,511	23,500	21,805	22,917	21,977	22,089	21,521	18,060	19,106
59 To United States	161,390	185,577	197,239	163,275	167,410	172,884r	167,543	171,358r	189,074r	185,528
60 Parent bank	87,606	114,720	138,412	105,401	109,818	117,352	113,066	115,396r	138,684r	133,708
61 Other banks in United States	20,355	14,737	11,704	9,454	10,264	8,976	7,984	9,140	7,463r	9,341
62 Nonbanks	53,429	56,120	47,123	48,420	47,328	46,556r	46,493	46,822	42,927	42,479
63 To foreigners	304,803	270,923	296,850	314,503	321,365	317,202r	327,139	328,534	311,663	319,811
64 Other branches of parent bank	124,601	111,267	119,591	119,476	124,393	125,382	131,045	137,849	138,799	131,899
65 Banks	87,274	72,842	76,452	78,190	79,485	75,351r	75,815	72,352	58,981	70,208
66 Official institutions	19,564	15,183	16,750	19,468	17,801	17,475	18,436	17,996	14,776	17,343
67 Nonbank foreigners	73,364	71,631	84,057	97,369	99,686	98,994	101,843	100,337	99,107	100,361
68 Other liabilities	21,496	20,584	27,777	31,835	39,654	34,077	35,739	36,978	37,789r	38,799
69 **Total payable in U.S. dollars**	**361,438**	**367,483**	**396,613**	**355,782**	**365,928**	**364,940**	**363,931**	**372,124**	**382,952r**	**383,364**
70 Negotiable CDs	26,768	24,045	19,619	16,519	17,588	17,219	17,022	16,845	14,094	15,141
71 To United States	148,442	173,190	187,286	150,943	155,171	159,027	153,318	156,779	175,375r	171,438
72 Parent bank	81,783	107,150	132,563	98,928	103,355	109,458	104,619	106,828	130,505r	125,657
73 Other banks in United States	18,951	13,468	10,519	7,884	8,791	7,501	6,486	7,686	6,052r	7,627
74 Nonbanks	47,708	52,572	44,204	44,131	43,025	42,068	42,213	42,265	38,818	38,154
75 To foreigners	177,711	160,766	176,460	174,616	177,484	175,725	178,969	183,461	178,707	181,824
76 Other branches of parent bank	90,469	84,021	87,636	81,332	84,157	85,303	89,658	95,556	97,833	94,464
77 Banks	35,065	28,493	30,537	28,045	28,945	26,576	23,669	25,022	20,266	23,667
78 Official institutions	12,409	8,224	9,873	10,613	9,710	9,346	9,689	9,091	7,906	10,585
79 Nonbank foreigners	39,768	40,028	48,414	54,626	54,672	54,500	55,953	53,792	52,702	53,108
80 Other liabilities	8,517	9,482	13,248	13,704	15,685	12,969	14,622	15,039	14,776r	14,961
	United Kingdom									
81 **Total, all currencies**	**158,695**	**156,835**	**161,947**	**175,254**	**184,933**	**178,484**	**184,660**	**188,182**	**184,818r**	**184,817**
82 Negotiable CDs	26,988	24,528	20,056	17,795	18,703	17,542	17,557	17,144	14,256	14,872
83 To United States	23,470	36,784	36,036	32,320	33,365	35,485r	32,143	36,500	39,928	34,389
84 Parent bank	13,223	27,849	29,726	21,952	23,399	25,461	22,013	26,165	31,806	25,548
85 Other banks in United States	1,536	2,037	1,256	1,626	1,535	1,765	1,430	1,671	1,505	1,861
86 Nonbanks	8,711	6,898	5,054	8,742	8,431	8,259r	8,700	8,664	6,617	6,980
87 To foreigners	98,689	86,026	92,307	107,533	109,372	106,494r	114,959	113,958	108,531	113,754
88 Other branches of parent bank	33,078	26,812	27,397	28,944	28,967	30,487	32,357	34,406	36,709	34,547
89 Banks	34,290	30,609	29,780	32,420	34,647	30,111r	33,870	32,844	25,141	31,765
90 Official institutions	11,015	7,873	8,551	11,314	9,902	9,578	10,788	9,534	8,346	10,368
91 Nonbank foreigners	20,306	20,732	26,579	34,855	35,856	36,318	37,944	37,174	38,335	37,074
92 Other liabilities	9,548	9,497	13,548	17,606	23,493	18,963	20,001	20,580	22,103r	21,802
93 **Total payable in U.S. dollars**	**102,550**	**105,907**	**108,178**	**104,372**	**108,532**	**107,216**	**108,064**	**114,090**	**116,153r**	**114,367**
94 Negotiable CDs	24,926	22,063	18,143	14,831	15,758	15,502	15,237	15,100	12,710	13,387
95 To United States	17,752	32,588	33,056	27,967	28,779	30,368	26,867	31,117	34,756	29,114
96 Parent bank	12,026	26,404	28,812	21,208	22,423	23,963	20,334	24,381	30,014	23,945
97 Other banks in United States	1,308	1,752	1,065	1,175	1,228	1,471	1,035	1,318	1,156	1,324
98 Nonbanks	4,418	4,432	3,179	5,584	5,128	4,934	5,498	5,418	3,586	3,845
99 To foreigners	55,919	47,083	50,517	54,591	55,252	54,679	57,639	59,787	60,014	63,702
100 Other branches of parent bank	22,334	18,561	18,384	17,408	17,347	18,560	20,797	23,288	25,957	24,954
101 Banks	15,580	13,407	12,244	11,251	13,042	11,116	10,465	11,911	9,503	11,539
102 Official institutions	7,530	4,348	5,454	6,515	5,463	5,324	5,751	5,000	4,677	7,158
103 Nonbank foreigners	10,475	10,767	14,435	19,417	19,400	19,679	20,626	19,588	19,877	20,051
104 Other liabilities	3,953	4,173	6,462	6,983	8,743	6,667	8,321	8,086	8,673r	8,164
	Bahamas and Caymans									
105 **Total, all currencies**	**160,321**	**170,639**	**176,006**	**145,813**	**150,695**	**153,234**	**153,497**	**153,615**	**161,977r**	**166,553**
106 Negotiable CDs	885	953	678	548	553	553	560	561	646	654
107 To United States	113,950	122,332	124,859	95,904	100,622	104,211	103,545	103,852	114,400r	119,907
108 Parent bank	53,239	62,894	75,188	51,415	56,092	62,276	62,474	61,227	74,877r	80,157
109 Other banks in United States	17,224	11,494	8,883	6,228	7,039	5,398	4,959	5,798	4,526r	5,655
110 Nonbanks	43,487	47,944	40,788	38,261	37,491	36,537	36,112	36,827	34,997	34,095
111 To foreigners	43,815	45,161	47,382	47,010	46,922	46,237	46,867	46,299	44,444	42,883
112 Other branches of parent bank	19,185	23,686	23,414	24,560	24,965	24,781	25,864	25,579	24,715	23,099
113 Banks	10,769	8,336	8,823	8,120	7,469	7,519	6,794	6,569	5,588	6,069
114 Official institutions	1,504	1,074	1,097	999	943	731	703	763	622	811
115 Nonbank foreigners	12,357	12,065	14,048	13,331	13,545	13,206	13,506	13,388	13,519	12,904
116 Other liabilities	1,671	2,193	3,087	2,351	2,598	2,233	2,525	2,903	2,487	3,109
117 **Total payable in U.S. dollars**	**152,927**	**162,950**	**171,250**	**140,377**	**145,670**	**148,589**	**147,749**	**147,962**	**156,793r**	**161,365**

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1988	1989	1990						1991
			July	Aug.	Sept.	Oct.	Nov.[r]	Dec.[r]	Jan.[p]
1 **Total**[1]	**304,132**	**312,472**	**312,691**	**321,418**	**323,834**	**329,623**	**340,625**	**343,920**	**350,757**
By type									
2 Liabilities reported by banks in the United States[2]	31,519	36,496	38,986	40,501	39,842	44,146	43,059	39,312	40,222
3 U.S. Treasury bills and certificates[3]	103,722	76,985	72,690	72,803	72,472	72,457	80,220	78,493	82,520
U.S. Treasury bonds and notes									
4 Marketable	152,429	179,264	178,740	185,534	189,334	190,716	195,487	203,367	205,615
5 Nonmarketable[4]	523	568	3,668	3,692	3,717	3,741	3,765	4,491	4,521
6 U.S. securities other than U.S. Treasury securities[5]	15,939	19,159	18,607	18,888	18,469	18,563	18,094	18,257	17,879
By area									
7 Western Europe[1]	123,752	133,417	149,845	152,777	156,432	163,383	169,472	171,311	172,098
8 Canada	9,513	9,482	8,415	11,083	10,171	8,903	8,639	8,598	8,116
9 Latin America and Caribbean	10,030	8,740	9,973	11,190	11,406	11,244	14,080	15,639	16,138
10 Asia	151,887	153,338	135,695	137,008	136,383	137,082	139,381	138,208	143,523
11 Africa	1,403	1,030	917	1,697	1,383	1,305	1,404	1,433	1,607
12 Other countries[6]	7,548	6,469	7,848	7,665	8,058	7,707	7,650	8,029	8,570

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

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

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

Millions of dollars, end of period

Item	1987	1988	1989	1990			
				Mar.	June	Sept.	Dec.
1 Banks' own liabilities	55,438	74,980	67,822	63,244	68,547	69,683	69,102
2 Banks' own claims	51,271	68,983	65,127	61,100	66,655	67,965	66,071
3 Deposits	18,861	25,100	20,491	21,590	20,256	23,734	25,488
4 Other claims	32,410	43,884	44,636	39,510	46,399	44,231	40,582
5 Claims of banks' domestic customers[2]	551	364	3,507	1,649	1,501	2,843	6,563

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[r]	1990						1991
				July	Aug.	Sept.	Oct.	Nov.[r]	Dec.[r]	Jan.[p]
1 **All foreigners**	**685,339**	**736,663**	**757,863**	**719,860**	**737,890**	**741,998**	**750,222**	**747,506**	**757,863**	**756,612**
2 Banks' own liabilities	514,532	577,283	579,764	554,516	570,277	572,174	576,823	564,319	579,764	571,313
3 Demand deposits	21,863	22,030	21,734	19,723	20,505	22,086	20,320	19,679	21,734	19,684
4 Time deposits[2]	152,164	168,735	167,801	153,533	156,254	158,638	158,345	162,176	167,801	159,769
5 Other[3]	51,366	67,700	67,307	67,214	74,923	66,373	74,426	72,287	67,307	76,671
6 Own foreign offices[4]	289,138	318,818	322,922	314,046	318,594	325,077	323,731	310,177	322,922	315,190
7 Banks' custody liabilities[5]	170,807	159,380	178,100	165,344	167,614	169,823	173,400	183,187	178,100	185,299
8 U.S. Treasury bills and certificates[6]	115,056	91,100	98,383	91,884	93,038	91,464	94,971	101,430	98,383	106,018
9 Other negotiable and readily transferable instruments[7]	16,426	19,526	17,273	17,596	16,983	17,198	17,681	18,294	17,273	17,836
10 Other	39,325	48,754	62,444	55,864	57,593	61,162	60,747	63,464	62,444	61,445
11 **Nonmonetary international and regional organizations**[8]	**3,224**	**4,772**	**5,608**	**4,112**	**4,290**	**5,206**	**4,507**	**5,273**	**5,608**	**7,501**
12 Banks' own liabilities	2,527	3,156	4,230	2,790	2,330	3,894	3,472	3,128	4,230	6,024
13 Demand deposits	71	96	36	46	39	101	57	33	36	67
14 Time deposits[2]	1,183	927	1,023	938	1,303	1,245	885	773	1,023	1,574
15 Other[3]	1,272	2,133	3,172	1,807	987	2,548	2,529	2,322	3,172	4,382
16 Banks' custody liabilities[5]	698	1,616	1,378	1,322	1,959	1,311	1,034	2,145	1,378	1,478
17 U.S. Treasury bills and certificates[6]	57	197	364	148	1,095	479	248	1,077	364	423
18 Other negotiable and readily transferable instruments[7]	641	1,417	1,014	1,159	819	817	782	1,022	1,014	1,005
19 Other	0	2	0	15	45	15	5	46	0	50
20 **Official institutions**[9]	**135,241**	**113,481**	**117,806**	**111,676**	**113,304**	**112,313**	**116,602**	**123,278**	**117,806**	**122,743**
21 Banks' own liabilities	27,109	31,108	34,516	35,239	36,465	35,877	39,358	37,953	34,516	36,330
22 Demand deposits	1,917	2,196	1,940	1,516	1,914	2,498	2,121	1,784	1,940	1,686
23 Time deposits[2]	9,767	10,495	13,783	11,290	11,039	11,187	11,100	12,800	13,783	11,323
24 Other[3]	15,425	18,417	18,793	22,433	23,512	22,192	26,137	23,370	18,793	23,321
25 Banks' custody liabilities[5]	108,132	82,373	83,290	76,437	76,839	76,436	77,244	85,325	83,290	86,413
26 U.S. Treasury bills and certificates[6]	103,722	76,985	78,493	72,690	72,803	72,472	72,457	80,220	78,493	82,520
27 Other negotiable and readily transferable instruments[7]	4,130	5,028	4,594	3,596	3,685	3,676	4,361	4,725	4,594	3,712
28 Other	280	361	203	150	351	289	427	380	203	180
29 **Banks**[10]	**459,523**	**515,229**	**539,920**	**507,243**	**524,512**	**529,813**	**528,751**	**522,381**	**539,920**	**526,123**
30 Banks' own liabilities	409,501	454,227	460,890	433,379	449,097	451,339	450,961	441,321	460,890	447,658
31 Unaffiliated foreign banks	120,362	135,409	137,968	119,334	130,502	126,262	127,230	131,144	137,968	132,469
32 Demand deposits	9,948	10,279	10,048	9,224	9,797	10,405	8,989	8,995	10,048	8,985
33 Time deposits[2]	80,189	90,557	88,948	74,103	77,585	80,214	80,350	83,654	88,948	81,814
34 Other[3]	30,226	34,573	38,972	36,007	43,120	35,643	37,892	38,495	38,972	41,670
35 Own foreign offices[4]	289,138	318,818	322,922	314,046	318,594	325,077	323,731	310,177	322,922	315,190
36 Banks' custody liabilities[5]	50,022	61,002	79,030	73,864	75,416	78,474	77,790	81,060	79,030	78,465
37 U.S. Treasury bills and certificates[6]	7,602	9,367	12,965	13,964	13,855	13,009	13,646	13,517	12,965	12,840
38 Other negotiable and readily transferable instruments[7]	5,725	5,124	5,356	5,759	5,366	6,187	5,842	5,841	5,356	6,076
39 Other	36,694	46,510	60,710	54,141	56,195	59,278	58,302	61,701	60,710	59,549
40 **Other foreigners**	**87,351**	**103,182**	**94,530**	**96,828**	**95,784**	**94,666**	**100,362**	**96,574**	**94,530**	**100,245**
41 Banks' own liabilities	75,396	88,793	80,128	83,107	82,385	81,063	83,031	81,916	80,128	81,301
42 Demand deposits	9,928	9,459	9,710	8,937	8,755	9,082	9,153	8,868	9,710	8,945
43 Time deposits[2]	61,025	66,757	64,048	67,202	66,326	65,992	66,010	64,948	64,048	65,058
44 Other[3]	4,443	12,577	6,370	6,968	7,304	5,990	7,868	8,100	6,370	7,298
45 Banks' custody liabilities[5]	11,956	14,389	14,402	13,721	13,400	13,602	17,331	14,658	14,402	18,944
46 U.S. Treasury bills and certificates[6]	3,675	4,551	6,561	5,082	5,285	5,504	8,621	6,616	6,561	10,235
47 Other negotiable and readily transferable instruments[7]	5,929	7,958	6,310	7,082	7,113	6,518	6,697	6,705	6,310	7,043
48 Other	2,351	1,880	1,531	1,558	1,001	1,580	2,013	1,336	1,531	1,667
49 MEMO: Negotiable time certificates of deposit in custody for foreigners	6,425	7,203	7,022	5,909	5,713	6,346	6,199	6,466	7,022	6,963

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

3.17—Continued

Area and country	1988	1989	1990[r]	1990 July	1990 Aug.	1990 Sept.	1990 Oct.	1990 Nov.	1990 Dec.[r]	1991 Jan.[p]
1 **Total**	**685,339**	**736,663**	**757,863**	**719,860**	**737,890**	**741,998**	**750,222**	**747,506[r]**	**757,863**	**756,612**
2 **Foreign countries**	**682,115**	**731,892**	**752,255**	**715,747**	**733,601**	**736,792**	**745,716**	**742,233[r]**	**752,255**	**749,111**
3 Europe	231,912	237,489	255,072	236,010	245,188	244,157	245,830	247,403[r]	255,072	248,228
4 Austria	1,155	1,233	1,229	1,498	1,544	1,436	1,401	1,385	1,229	1,616
5 Belgium-Luxembourg	10,022	10,648	12,407	10,598	11,537	12,126	12,207	11,509[r]	12,407	12,392
6 Denmark	2,200	1,415	1,412	2,581	2,238	2,055	1,984	1,781	1,412	1,128
7 Finland	285	570	602	485	463	392	660	422	602	507
8 France	24,777	26,903	30,927	23,110	24,201	29,116	29,128	29,196[r]	30,927	29,248
9 Germany	6,772	7,578	7,386	7,671	7,605	7,845	8,439	8,196[r]	7,386	8,352
10 Greece	672	1,028	934	877	923	1,435	993	949	934	895
11 Italy	14,599	16,169	17,918	17,114	17,117	16,361	16,984	16,225[r]	17,918	16,334
12 Netherlands	5,316	6,613	5,375	5,972	6,209	5,385	6,082	6,056	5,375	5,683
13 Norway	1,559	2,401	2,358	1,793	2,192	1,951	1,875	2,330	2,358	2,181
14 Portugal	903	2,407	2,958	3,073	2,934	2,992	2,970	2,959[r]	2,958	2,877
15 Spain	5,494	4,364	7,694	4,922	4,447	4,343	5,312	7,347	7,694	8,964
16 Sweden	1,284	1,491	1,837	1,586	1,495	833	1,706	2,304	1,837	1,257
17 Switzerland	34,199	34,496	36,944	33,557	34,545	34,637	34,463	34,034[r]	36,944	36,790
18 Turkey	1,012	1,818	1,133	1,654	1,897	1,634	1,451	1,358	1,133	1,127
19 United Kingdom	111,811	102,362	109,525	100,934	108,181	104,676	100,961	103,032[r]	109,525	102,572
20 Yugoslavia	529	1,474	928	2,436	2,272	2,043	1,753	1,571	928	1,030
21 Other Western Europe[1]	8,598	13,563	11,839	14,619	14,057	13,145	15,934	15,141[r]	11,839	13,008
22 U.S.S.R.	138	350	119	194	56	240	234	220	119	196
23 Other Eastern Europe[2]	591	608	1,546	1,335	1,275	1,515	1,294	1,388	1,546	2,072
24 Canada	21,062	18,865	20,332	20,056	21,122	20,796	19,654	20,679	20,332	19,868
25 Latin America and Caribbean	271,146	310,948	329,737	316,656	320,056	325,927	333,603	321,498[r]	329,737	334,182
26 Argentina	7,804	7,304	7,366	8,163	7,844	7,981	7,717	7,664[r]	7,366	7,659
27 Bahamas	86,863	99,341	107,313	98,292	101,635	108,280	110,155	97,696[r]	107,313	104,312
28 Bermuda	2,621	2,884	2,809	2,824	2,656	2,739	2,482	2,518	2,809	3,139
29 Brazil	5,314	6,334	5,853	6,083	6,329	6,058	5,892	6,470[r]	5,853	5,915
30 British West Indies	113,840	138,263	143,438	142,722	142,050	140,947	146,477	144,489[r]	143,438	150,257
31 Chile	2,936	3,212	3,145	3,540	3,491	3,135	3,170	3,422	3,145	3,193
32 Colombia	4,374	4,653	4,492	4,474	4,344	3,926	4,284	4,251	4,492	4,479
33 Cuba	10	10	11	15	11	10	49	9	11	18
34 Ecuador	1,379	1,391	1,379	1,349	1,348	1,348	1,314	1,310	1,379	1,359
35 Guatemala	1,195	1,312	1,541	1,523	1,496	1,517	1,485	1,478	1,541	1,564
36 Jamaica	269	209	257	209	213	217	219	228	257	237
37 Mexico	15,185	15,423	16,793	16,070	16,325	16,486	16,465	16,501	16,793	17,046
38 Netherlands Antilles	6,420	6,310	7,381	6,409	6,429	6,558	7,126	7,350[r]	7,381	7,100
39 Panama	4,353	4,361	4,574	4,388	4,648	4,632	4,592	4,644	4,574	4,337
40 Peru	1,671	1,984	1,295	1,405	1,369	1,362	1,360	1,327	1,295	1,347
41 Uruguay	1,898	2,284	2,520	2,560	2,531	2,512	2,512	2,446	2,520	2,595
42 Venezuela	9,147	9,468	12,793	9,830	10,435	11,107	11,351	13,001[r]	12,793	12,551
43 Other	5,868	6,206	6,779	6,803	6,901	7,113	6,951	6,693	6,779	7,073
44 Asia	147,838	156,201	138,037	134,134	137,793	136,902	137,236	143,653[r]	138,037	136,767
China										
45 Mainland	1,895	1,773	2,421	1,890	2,324	2,115	2,173	2,493	2,421	2,866
46 Taiwan	26,058	19,588	11,263	12,611	12,639	12,468	12,237	11,418[r]	11,263	11,047
47 Hong Kong	12,248	12,416	12,669	13,316	13,833	13,836	13,767	13,843	12,669	14,853
48 India	699	780	1,225	909	806	1,035	953	1,116	1,225	1,459
49 Indonesia	1,180	1,281	1,238	1,377	1,130	1,398	1,261	1,261	1,238	1,166
50 Israel	1,461	1,243	2,767	1,122	1,125	939	921	3,075	2,767	2,823
51 Japan	74,015	81,184	68,287	66,299	68,676	68,926	67,923	69,135[r]	68,287	64,160
52 Korea	2,541	3,215	2,260	2,157	2,316	2,564	2,442	2,732	2,260	2,400
53 Philippines	1,163	1,766	1,510	1,314	1,350	1,340	1,274	1,549	1,510	1,455
54 Thailand	1,236	2,093	1,441	2,745	2,233	1,626	1,448	1,681	1,441	2,228
55 Middle-East oil-exporting countries[3]	12,083	13,370	15,844	14,027	14,928	14,047	16,412	17,403	15,844	14,776
56 Other	13,260	17,491	17,113	16,367	16,433	16,609	16,426	17,949[r]	17,113	17,534
57 Africa	3,991	3,823	4,630	3,412	4,638	4,152	4,223	4,390[r]	4,630	5,177
58 Egypt	911	686	1,425	583	1,505	970	1,099	996	1,425	1,476
59 Morocco	68	78	104	95	77	93	87	90	104	107
60 South Africa	437	205	228	239	332	393	234	283[r]	228	212
61 Zaire	85	86	53	38	43	44	45	55	53	56
62 Oil-exporting countries[4]	1,017	1,121	1,110	873	1,072	966	1,050	1,288	1,110	1,508
63 Other	1,474	1,648	1,710	1,584	1,609	1,687	1,708	1,678	1,710	1,818
64 Other countries	6,165	4,564	4,447	5,480	4,803	4,858	5,169	4,610	4,447	4,888
65 Australia	5,293	3,867	3,672	4,892	4,122	4,127	4,371	3,804	3,672	3,882
66 All other	872	697	775	588	681	732	797	807	775	1,007
67 Nonmonetary international and regional organizations	3,224	4,772	5,608	4,112	4,290	5,206	4,507	5,273[r]	5,608	7,501
68 International[5]	2,503	3,825	4,080	2,981	3,150	3,982	3,392	4,153[r]	4,080	6,034
69 Latin American regional	589	684	1,048	812	569	668	627	809	1,048	962
70 Other regional[6]	133	263	479	319	571	556	487	312	479	506

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

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

Millions of dollars, end of period

Area and country	1988	1989	1990r	1990						1991
				July	Aug.	Sept.	Oct.	Nov.	Dec.r	Jan.p
1 **Total**	**491,165**	**534,022**	**512,462**	**488,235**	**494,987**	**493,239**	**494,833**	**505,266r**	**512,462**	**499,382**
2 **Foreign countries**	**489,094**	**530,583**	**507,656**	**483,961**	**491,343**	**488,044**	**490,803**	**500,136r**	**507,656**	**496,775**
3 Europe	116,928	119,024	113,695	102,368	106,463	105,418	103,631	107,189r	113,695	108,958
4 Austria	483	415	385	399	287	373	247	268	385	458
5 Belgium-Luxembourg	8,515	6,478	5,435	6,754	6,682	5,627	5,147	6,441	5,435	6,034
6 Denmark	483	582	497	503	676	669	489	842r	497	627
7 Finland	1,065	1,027	1,047	1,112	1,177	962	814	861r	1,047	1,103
8 France	13,243	16,146	14,531	13,746	14,288	14,398	13,750	13,386r	14,531	15,354
9 Germany	2,329	2,865	3,448	2,595	2,939	3,403	3,242	3,634	3,448	3,562
10 Greece	433	788	729	529	610	686	729	720	729	653
11 Italy	7,936	6,662	6,066	4,615	4,498	4,634	5,070	5,171	6,066	6,171
12 Netherlands	2,541	1,904	1,735	1,744	1,636	2,219	1,711	1,849	1,735	1,938
13 Norway	455	609	777	692	716	744	732	661	777	701
14 Portugal	261	376	304	543	427	412	444	368	304	339
15 Spain	1,823	1,930	2,758	2,125	2,100	2,312	2,373	2,584	2,758	2,958
16 Sweden	1,977	1,773	2,073	3,362	3,407	2,447	2,577	2,251	2,073	2,136
17 Switzerland	3,895	6,141	4,472	4,297	3,712	3,928	3,475	3,995	4,472	2,229
18 Turkey	1,233	1,071	1,377	1,186	1,434	1,377	1,371	1,346	1,377	1,365
19 United Kingdom	65,706	65,527	65,302	54,804	58,630	57,830	58,267	59,919	65,302	60,290
20 Yugoslavia	1,390	1,329	1,142	1,070	1,029	1,120	1,226	1,160	1,142	1,084
21 Other Western Europe[2]	1,152	1,302	587	960	694	697	667	619	587	940
22 U.S.S.R.	1,255	1,179	530	565	624	940	825	653	530	505
23 Other Eastern Europe[3]	754	921	499	765	897	640	474	459	499	511
24 Canada	18,889	15,450	16,091	16,391	15,431	15,445	16,185	14,295	16,091	17,537
25 Latin America and Caribbean	214,264	230,392	230,236	199,729	204,012	211,783	216,741	228,549r	230,236	229,867
26 Argentina	11,826	9,270	6,884	7,166	7,111	7,549	7,028	7,024	6,884	6,727
27 Bahamas	66,954	77,921	77,212	66,977	67,870	71,534	71,934	71,026	77,212	78,451
28 Bermuda	483	1,315	3,414	1,988	2,443	3,736	3,662	4,291	3,414	1,771
29 Brazil	25,735	23,749	17,994	20,180	18,906	18,651	18,626	18,393	17,994	17,948
30 British West Indies	55,888	68,709	87,005	66,437	70,980	73,530	77,539	86,288r	87,005	93,816
31 Chile	5,217	4,353	3,271	3,489	3,430	3,264	3,372	3,373	3,271	3,237
32 Colombia	2,944	2,784	2,585	2,542	2,700	2,563	2,544	2,532	2,585	2,556
33 Cuba	1	1	0	1	2	0	0	1	0	0
34 Ecuador	2,075	1,688	1,387	1,515	1,507	1,498	1,487	1,498	1,387	1,360
35 Guatemala[4]	198	197	191	196	207	215	211	152	191	193
36 Jamaica[4]	212	297	238	262	243	254	262	265	238	240
37 Mexico	24,637	23,376	15,093	14,689	14,953	15,366	15,359	15,380	15,093	14,860
38 Netherlands Antilles	1,306	1,921	7,974	1,873	1,632	1,818	3,310	7,386	7,974	2,199
39 Panama	2,521	1,740	1,471	1,491	1,491	1,556	1,463	1,449	1,471	1,532
40 Peru	1,013	771	663	661	644	649	667	730	663	661
41 Uruguay	910	928	786	843	834	804	794	787r	786	767
42 Venezuela	10,733	9,647	2,733	8,064	7,642	7,274	7,102	6,585r	2,733	2,198
43 Other Latin America and Caribbean	1,612	1,726	1,335	1,355	1,417	1,523	1,383	1,391	1,335	1,349
44 Asia	130,881	157,474	140,191	158,028	157,933	147,568	146,800	142,555	140,191	132,701
China										
Mainland	762	634	620	554	586	542	639	689	620	565
46 Taiwan	4,184	2,776	1,924	1,583	2,026	1,681	1,061	1,576	1,924	1,767
47 Hong Kong	10,143	11,128	10,644	9,434	9,473	9,026	8,478	8,506	10,644	8,250
48 India	560	621	655	852	628	867	506	540	655	624
49 Indonesia	674	651	933	814	836	826	896	923	933	927
50 Israel	1,136	813	774	738	785	698	688	758	774	976
51 Japan	90,149	111,300	92,011	114,663	114,973	106,543	106,369	100,071	92,011	91,885
52 Korea	5,213	5,323	5,734	5,515	5,614	5,679	5,533	5,533	5,734	5,876
53 Philippines	1,876	1,344	1,247	1,342	1,369	1,333	1,206	1,175	1,247	1,229
54 Thailand	848	1,140	1,573	1,242	1,245	1,279	1,444	1,523	1,573	1,587
55 Middle East oil-exporting countries[5]	6,213	10,149	10,984	12,318	10,657	10,430	11,098	10,947	10,984	8,997
56 Other Asia	9,122	11,594	13,092	8,971	9,741	8,663	8,883	10,314	13,092	10,016
57 Africa	5,718	5,890	5,445	5,567	5,567	5,544	5,601	5,705	5,445	5,437
58 Egypt	507	502	380	421	449	430	411	383	380	379
59 Morocco	511	559	513	544	539	542	534	519	513	513
60 South Africa	1,681	1,628	1,525	1,560	1,571	1,594	1,576	1,726	1,525	1,522
61 Zaire	17	16	16	20	19	20	19	19	16	17
62 Oil-exporting countries[6]	1,523	1,648	1,486	1,604	1,586	1,536	1,510	1,492	1,486	1,462
63 Other	1,479	1,537	1,525	1,418	1,403	1,422	1,551	1,566	1,525	1,544
64 Other countries	2,413	2,354	1,998	1,878	1,938	2,287	1,845	1,843r	1,998	2,275
65 Australia	1,520	1,781	1,518	1,422	1,304	1,863	1,416	1,483	1,518	1,706
66 All other	894	573	479	456	634	424	429	360r	479	569
67 Nonmonetary international and regional organizations[7]	2,071	3,439	4,806	4,275	3,644	5,195	4,030	5,131r	4,806	2,608

1. Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.
2. Includes the Bank for International Settlements. Beginning April 1978, also includes Eastern European countries not listed in line 23.
3. Beginning April 1978 comprises Bulgaria, Czechoslovakia, Hungary, Poland, and Romania.
4. Included in "Other Latin America and Caribbean" through March 1978.
5. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
6. Comprises Algeria, Gabon, Libya, and Nigeria.
7. Excludes the Bank for International Settlements, which is included in "Other Western Europe."

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

Millions of dollars, end of period

Type of claim	1988	1989	1990[r]	1990 July	Aug.	Sept.	Oct.	Nov.[r]	Dec.[r]	1991 Jan.[p]
1 **Total**	**538,689**	**592,616**	**581,752**	....	....	**558,941**	....	....	**581,752**	....
2 Banks' own claims on foreigners	491,165	534,022	512,462	488,235	494,987	493,239	494,833	505,266	512,462	499,382
3 Foreign public borrowers	62,658	60,087	42,075	47,711	46,738	48,218	46,350	46,840	42,075	39,423
4 Own foreign offices[2]	257,436	295,980	303,209	275,297	273,967	278,871	281,049	290,985	303,209	299,079
5 Unaffiliated foreign banks	129,425	134,870	119,625	128,436	137,784	124,988	124,887	121,373	119,625	119,106
6 Deposits	65,898	78,184	67,859	73,819	80,628	72,266	72,144	68,394	67,859	70,613
7 Other	63,527	56,686	51,766	54,617	57,156	52,722	52,743	52,980	51,766	48,492
8 All other foreigners	41,646	43,084	47,553	36,791	36,499	41,162	42,547	46,067	47,553	41,774
9 Claims of banks' domestic customers[3]	47,524	58,594	69,291	....	....	65,702	....	....	69,291	....
10 Deposits	8,289	13,019	17,272	....	....	14,707	....	....	17,272	....
11 Negotiable and readily transferable instruments[4]	25,700	30,983	33,430	....	....	33,791	....	....	33,430	....
12 Outstanding collections and other claims	13,535	14,592	18,588	....	....	17,203	....	....	18,588	....
13 MEMO: Customer liability on acceptances	19,596	12,899	13,484	....	....	12,812	....	....	13,484	....
Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States[5]	45,565	45,675	42,137	41,000	44,631	43,154	42,827[r]	48,405	42,137	n.a.

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

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

Millions of dollars, end of period

Maturity; by borrower and area	1987	1988	1989	1990 Mar.	June	Sept.	Dec.[p]
1 **Total**	**235,130**	**233,184**	**237,684**	**211,809**	**208,559**	**213,747**	**208,606**
By borrower							
2 Maturity of 1 year or less[2]	163,997	172,634	177,907	160,299	159,280	166,556	168,559
3 Foreign public borrowers	25,889	26,562	23,493	23,253	20,650	21,560	20,707
4 All other foreigners	138,108	146,071	154,415	137,046	138,630	144,996	147,852
5 Maturity over 1 year[2]	71,133	60,550	59,776	51,510	49,279	47,191	40,047
6 Foreign public borrowers	38,625	35,291	36,014	27,893	27,960	26,217	21,042
7 All other foreigners	32,507	25,259	23,762	23,617	21,320	20,974	19,005
By area							
Maturity of 1 year or less[2]							
8 Europe	59,027	55,909	53,912	48,550	49,421	51,579	49,602
9 Canada	5,680	6,282	5,909	5,698	5,754	5,520	5,436
10 Latin America and Caribbean	56,535	57,991	52,989	46,374	44,293	43,961	49,186
11 Asia	35,919	46,224	57,755	51,894	51,182	56,366	56,010
12 Africa	2,833	3,337	3,225	3,165	2,991	2,951	3,040
13 All other[3]	4,003	2,891	4,118	4,616	5,639	6,179	5,286
Maturity of over 1 year[2]							
14 Europe	6,696	4,666	4,121	4,389	4,201	4,426	3,882
15 Canada	2,661	1,922	2,353	2,712	2,819	3,033	3,291
16 Latin America and Caribbean	53,817	47,547	45,816	35,530	33,190	31,276	26,074
17 Asia	3,830	3,613	4,172	5,552	5,866	5,646	3,865
18 Africa	1,747	2,301	2,630	2,764	2,739	2,544	2,374
19 All other[3]	2,381	501	684	564	464	265	560

1. Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.
2. Remaining time to maturity.
3. Includes nonmonetary international and regional organizations.

3.21 CLAIMS ON FOREIGN COUNTRIES Held by U.S. Offices and Foreign Branches of U.S.-Chartered Banks[1,2]

Billions of dollars, end of period

Area or country	1986	1987	1988	1989				1990			
			Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.[p]
1 **Total**	**386.5**	**382.4**	**346.3**	**346.1**	**340.0**	**346.2**	**338.4**	**334.3**	**322.4[r]**	**332.7[r]**	**312.5**
2 G-10 countries and Switzerland	156.6	159.7	152.7	145.4	145.1	146.4	152.9	147.1	140.2[r]	144.4[r]	131.1
3 Belgium-Luxembourg	8.4	10.0	9.0	8.6	7.8	6.9	6.3	6.6	6.2	6.5	5.8
4 France	13.6	13.7	10.5	11.2	10.8	11.1	11.7	10.5	10.3	11.1	10.4
5 Germany	11.6	12.6	10.3	10.2	10.6	10.4	10.5	11.2	11.2	11.2	9.7
6 Italy	9.0	7.5	6.8	5.2	6.1	6.8	7.4	6.0	5.5	4.5	5.0
7 Netherlands	4.6	4.1	2.7	2.8	2.8	2.4	3.1	3.1	2.7	3.8	2.9
8 Sweden	2.4	2.1	1.8	2.3	1.8	2.0	2.0	2.1	2.3	2.4	2.1
9 Switzerland	5.8	5.6	5.4	5.1	5.4	6.1	7.1	6.3	6.4	5.6	4.7
10 United Kingdom	70.9	68.8	66.2	65.6	64.5	63.7	67.2	64.0	60.0	61.7[r]	59.8
11 Canada	5.2	5.5	5.0	4.0	5.1	5.9	5.4	4.8	5.2	5.1	5.9
12 Japan	25.1	29.8	34.9	30.5	30.2	31.0	32.2	32.6	30.4	32.5[r]	24.8
13 Other developed countries	26.1	26.4	21.0	21.1	21.2	21.0	20.7	23.1	22.6	23.0	22.7
14 Austria	1.7	1.9	1.5	1.4	1.7	1.5	1.5	1.5	1.5	1.6	1.4
15 Denmark	1.7	1.7	1.1	1.1	1.4	1.1	1.1	1.1	1.1	1.0	1.1
16 Finland	1.4	1.2	1.1	1.0	1.0	1.1	1.0	1.1	.9	.8	.7
17 Greece	2.3	2.0	1.8	2.1	2.3	2.4	2.5	2.6	2.7	2.8	2.7
18 Norway	2.4	2.2	1.8	1.6	1.8	1.4	1.4	1.7	1.4	1.5	1.5
19 Portugal	.9	.6	.4	.4	.6	.4	.4	.4	.8	.6	.6
20 Spain	5.8	8.0	6.2	6.6	6.2	6.9	7.1	8.3	7.9	8.5	8.4
21 Turkey	2.0	2.0	1.5	1.3	1.1	1.2	1.2	1.3	1.4	1.6	1.6
22 Other Western Europe	1.5	1.6	1.3	1.1	1.1	1.0	.7	1.0	1.1	.7	.9
23 South Africa	3.0	2.9	2.4	2.2	2.1	2.1	2.0	2.0	1.9	1.9	1.8
24 Australia	3.4	2.4	1.8	2.4	1.9	2.1	1.6	2.1	1.9	2.0	1.9
25 OPEC countries[3]	19.4	17.4	16.6	16.2	16.1	16.2	17.1	15.5	15.3	14.4	13.0
26 Ecuador	2.2	1.9	1.7	1.6	1.5	1.5	1.3	1.2	1.1	1.1	1.0
27 Venezuela	8.7	8.1	7.9	7.9	7.5	7.4	7.0	6.1	6.0	6.0	5.0
28 Indonesia	2.5	1.9	1.7	1.7	1.9	2.0	2.0	2.1	2.0	2.3	2.7
29 Middle East countries	4.3	3.6	3.4	3.3	3.4	3.5	5.0	4.3	4.4	3.3	2.7
30 African countries	1.8	1.9	1.9	1.7	1.6	1.9	1.7	1.8	1.8	1.7	1.7
31 Non-OPEC developing countries	99.6	97.8	85.3	85.9	83.4	81.2	77.5	68.8	66.7[r]	67.1[r]	65.7
Latin America											
32 Argentina	9.5	9.5	9.0	8.5	7.9	7.6	6.3	5.5	5.1	4.9	4.9
33 Brazil	25.3	24.7	22.4	22.8	22.1	20.9	19.0	17.5	16.7[r]	15.4[r]	14.4
34 Chile	7.1	6.9	5.6	5.7	5.2	4.9	4.6	4.3	3.7	3.6	3.5
35 Colombia	2.1	2.0	2.1	1.9	1.7	1.6	1.8	1.8	1.7	1.8	1.8
36 Mexico	24.0	23.5	18.8	18.3	17.7	17.2	17.7	12.7	12.6	13.1	13.2
37 Peru	1.4	1.1	.8	.7	.6	.6	.6	.5	.5	.5	.5
38 Other Latin America	3.1	2.8	2.6	2.7	2.6	2.9	2.8	2.7	2.3	2.4	2.3
Asia											
China											
39 Mainland	.4	.3	.3	.5	.3	.3	.3	.3	.2	.2	.2
40 Taiwan	4.9	8.2	3.7	4.9	5.2	5.0	4.5	3.8	3.6	3.9	3.5
41 India	1.2	1.9	2.1	2.6	2.4	2.7	3.1	3.5	3.6	3.6	3.3
42 Israel	1.5	1.0	1.2	.9	.8	.7	.7	.6	.7	.6	.7
43 Korea (South)	6.7	5.0	6.1	6.1	6.6	6.5	5.9	5.3	5.6	6.2	6.1
44 Malaysia	2.1	1.5	1.6	1.7	1.6	1.7	1.7	1.8	1.8	1.8	1.9
45 Philippines	5.4	5.2	4.5	4.4	4.4	4.0	4.1	3.7	3.9	3.9	3.8
46 Thailand	.9	.7	1.1	1.0	1.0	1.3	1.3	1.1	1.3	1.5	1.5
47 Other Asia	.7	.7	.9	.8	.8	1.0	1.0	1.2	1.1	1.6[r]	1.7
Africa											
48 Egypt	.7	.6	.4	.5	.6	.5	.4	.4	.5	.4	.4
49 Morocco	.9	.9	.9	.9	.9	.8	.9	.9	.9	.9	.8
50 Zaire	.1	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
51 Other Africa[4]	1.6	1.3	1.1	1.1	1.1	1.0	1.0	.9	.9	.8	1.1
52 Eastern Europe	3.5	3.2	3.6	3.5	3.4	3.5	3.5	3.4	3.0	2.9	1.9
53 U.S.S.R.	.1	.3	.7	.7	.6	.8	.7	.8	.4	.4	.2
54 Yugoslavia	2.0	1.8	1.8	1.7	1.7	1.7	1.6	1.4	1.4	1.3	1.0
55 Other	1.4	1.1	1.1	1.1	1.1	1.1	1.3	1.3	1.2	1.2	.7
56 Offshore banking centers	61.5	54.5	44.2	48.5	43.1	49.2	36.6	42.9	40.0	41.9	40.3
57 Bahamas	22.4	17.3	11.0	15.8	11.0	11.4	5.5	9.2	8.5	8.9	3.5
58 Bermuda	.6	.6	.9	1.1	.7	1.3	1.7	.9	2.2	4.0	3.7
59 Cayman Islands and other British West Indies	12.3	13.5	12.9	12.0	10.8	15.3	8.9	10.9	8.5	9.0	10.1
60 Netherlands Antilles	1.8	1.2	1.0	.9	1.0	1.1	2.3	2.6	2.3	2.2	7.9
61 Panama[5]	4.0	3.7	2.5	2.2	1.9	1.5	1.4	1.3	1.4	1.5	1.4
62 Lebanon	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1
63 Hong Kong	11.1	11.2	9.6	9.6	10.4	10.7	9.7	9.8	10.0	9.0	7.0
64 Singapore	9.2	7.0	6.1	6.8	7.3	7.8	7.0	8.0	7.0	7.3[r]	6.5
65 Others[6]	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
66 Miscellaneous and unallocated[7]	19.8	23.2	22.6	25.0	27.4	28.5	29.8	33.2	34.4[r]	38.7[r]	37.6

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).

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

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

4. Excludes Liberia.

5. Includes Canal Zone beginning December 1979.

6. Foreign branch claims only.

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

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

Millions of dollars, end of period

Type, and area or country	1986	1987	1988	1989			1990		
				June	Sept.	Dec.	Mar.	June	Sept.
1 **Total**	**25,587**	**28,302**	**32,938**	**38,400**	**36,530**	**38,413**	**38,554**	**39,474**	**44,555**
2 Payable in dollars	21,749	22,785	27,320	33,312	31,669	33,569	34,265	34,962	39,429
3 Payable in foreign currencies	3,838	5,517	5,618	5,088	4,861	4,845	4,289	4,512	5,126
By type									
4 Financial liabilities	12,133	12,424	14,507	18,427	17,141	18,364	17,837	19,499	20,534
5 Payable in dollars	9,609	8,643	10,608	14,551	13,289	14,462	14,625	16,098	16,694
6 Payable in foreign currencies	2,524	3,781	3,900	3,875	3,852	3,902	3,213	3,401	3,840
7 Commercial liabilities	13,454	15,878	18,431	19,973	19,389	20,049	20,717	19,975	24,021
8 Trade payables	6,450	7,305	6,505	6,501	6,906	7,377	7,275	6,739	9,905
9 Advance receipts and other liabilities	7,004	8,573	11,926	13,472	12,483	12,672	13,441	13,237	14,116
10 Payable in dollars	12,140	14,142	16,712	18,760	18,380	19,107	19,640	18,864	22,735
11 Payable in foreign currencies	1,314	1,737	1,719	1,213	1,009	943	1,076	1,111	1,286
By area or country									
Financial liabilities									
12 Europe	7,917	8,320	9,962	12,575	11,213	11,607	10,960	12,026	11,527
13 Belgium-Luxembourg	270	213	289	357	308	340	333	347	350
14 France	661	382	359	257	242	258	217	156	503
15 Germany	368	551	699	618	592	521	482	676	735
16 Netherlands	542	866	880	835	855	946	900	934	948
17 Switzerland	646	558	1,033	938	799	541	529	667	740
18 United Kingdom	5,140	5,557	6,533	9,402	8,207	8,741	8,212	8,759	7,579
19 Canada	399	360	388	626	575	573	476	345	357
20 Latin America and Caribbean	1,944	1,189	839	1,262	1,367	1,268	1,814	2,508	3,337
21 Bahamas	614	318	184	165	186	157	272	249	368
22 Bermuda	4	0	0	7	7	17	0	0	0
23 Brazil	32	25	0	0	0	0	0	0	0
24 British West Indies	1,146	778	645	661	743	635	1,061	1,717	2,352
25 Mexico	22	13	1	17	4	6	5	4	4
26 Venezuela	0	0	0	0	0	0	0	0	0
27 Asia	1,805	2,451	3,312	3,863	3,886	4,814	4,483	4,561	4,831
28 Japan	1,398	2,042	2,563	3,100	3,130	3,963	3,445	3,559	3,871
29 Middle East oil-exporting countries[2]	8	8	3	12	2	2	3	5	4
30 Africa	1	4	2	3	4	2	3	3	2
31 Oil-exporting countries[3]	1	1	0	2	2	0	0	1	0
32 All other[4]	67	100	4	97	97	100	102	55	479
Commercial liabilities									
33 Europe	4,446	5,516	7,305	7,776	8,321	8,885	9,133	8,304	9,719
34 Belgium-Luxembourg	101	132	158	114	137	178	233	295	246
35 France	352	426	455	535	806	871	881	928	1,186
36 Germany	715	909	1,699	1,188	1,185	1,364	1,143	959	1,019
37 Netherlands	424	423	587	688	548	699	688	606	700
38 Switzerland	385	559	417	447	531	621	583	607	708
39 United Kingdom	1,341	1,599	2,065	2,709	2,703	2,618	2,925	2,435	2,803
40 Canada	1,405	1,301	1,217	1,133	1,189	1,067	1,124	1,169	1,264
41 Latin America and Caribbean	924	864	1,090	1,673	1,086	1,187	1,304	1,277	1,553
42 Bahamas	32	18	49	34	27	41	37	22	18
43 Bermuda	156	168	286	388	305	308	516	412	371
44 Brazil	61	46	95	541	113	100	116	106	126
45 British West Indies	49	19	34	42	30	27	18	29	42[r]
46 Mexico	217	189	217	235	220	304	241	285	505
47 Venezuela	216	162	114	131	107	154	85	119	120
48 Asia	5,080	6,565	6,915	7,045	7,088	7,040	6,886	6,949	8,763
49 Japan	2,042	2,578	3,094	2,708	2,676	2,774	2,624	3,068	3,167
50 Middle East oil-exporting countries[2,5]	1,679	1,964	1,385	1,482	1,442	1,401	1,393	1,125	2,321
51 Africa	619	574	576	762	648	844	753	885	1,315
52 Oil-exporting countries[3]	197	135	202	263	255	307	263	277	593
53 All other[4]	980	1,057	1,328	1,584	1,057	1,027	1,517	1,390	1,408

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	1986	1987	1988	1989			1990		
				June	Sept.	Dec.	Mar.	June	Sept.
1 **Total**	**36,265**	**30,964**	**34,035**	**34,420**	**32,088**	**31,437**	**29,708**	**31,468**	**30,846**
2 Payable in dollars	33,867	28,502	31,654	32,203	29,806	29,106	27,595	29,174	28,491
3 Payable in foreign currencies	2,399	2,462	2,381	2,217	2,282	2,330	2,114	2,294	2,355
By type									
4 Financial claims	26,273	20,363	21,869	21,920	19,135	17,689	16,481	17,975	16,527
5 Deposits	19,916	14,894	15,643	16,500	12,154	10,400	10,436	9,877	10,258
6 Payable in dollars	19,331	13,765	14,544	15,581	11,278	9,473	9,583	8,825	9,109
7 Payable in foreign currencies	585	1,128	1,099	919	877	927	853	1,053	1,149
8 Other financial claims	6,357	5,470	6,226	5,420	6,981	7,289	6,045	8,098	6,269
9 Payable in dollars	5,005	4,656	5,450	4,683	6,073	6,535	5,357	7,365	5,616
10 Payable in foreign currencies	1,352	814	777	737	908	754	688	733	652
11 Commercial claims	9,992	10,600	12,166	12,499	12,953	13,748	13,227	13,493	14,319
12 Trade receivables	8,783	9,535	11,091	11,068	11,472	12,140	11,635	11,807	12,506
13 Advance payments and other claims	1,209	1,065	1,075	1,432	1,481	1,608	1,592	1,686	1,813
14 Payable in dollars	9,530	10,081	11,660	11,939	12,455	13,099	12,655	12,985	13,766r
15 Payable in foreign currencies	462	519	505	560	498	650	573	508	554
By area or country									
Financial claims									
16 Europe	10,744	9,531	10,279	8,919	7,528	7,040	6,949	9,587	7,905
17 Belgium-Luxembourg	41	7	18	161	166	28	22	126	27
18 France	138	332	203	176	173	153	198	141	143
19 Germany	116	102	120	149	120	192	505	93	97
20 Netherlands	151	350	348	297	292	303	315	332	315
21 Switzerland	185	65	218	68	111	95	122	137	176
22 United Kingdom	9,855	8,467	9,039	7,772	6,419	6,035	5,572	8,539	6,926
23 Canada	4,808	2,844	2,325	2,568	2,359	1,892	1,758	2,040	1,994
24 Latin America and Caribbean	9,291	7,012	8,160	9,319	8,315	7,590	6,921	5,431	5,666
25 Bahamas	2,628	1,994	1,846	1,875	1,699	1,516	1,599	920	969
26 Bermuda	6	7	19	33	33	7	4	3	12
27 Brazil	86	63	47	78	70	224	79	84	70
28 British West Indies	6,078	4,433	5,763	6,923	6,125	5,431	4,824	4,027	4,215
29 Mexico	174	172	151	114	105	94	152	153	158
30 Venezuela	21	19	21	31	36	20	21	20	23
31 Asia	1,317	879	844	995	826	831	763	815	832
32 Japan	999	605	574	525	460	439	416	473	450
33 Middle East oil-exporting countries[2]	7	8	5	8	7	8	7	6	9
34 Africa	85	65	106	80	75	140	67	62	49
35 Oil-exporting countries[3]	28	7	10	8	8	12	11	8	7
36 All other[4]	28	33	155	40	31	195	23	41	81
Commercial claims									
37 Europe	3,725	4,180	5,181	5,302	5,429	6,168	6,026	6,041	6,427
38 Belgium-Luxembourg	133	178	189	205	220	241	219	207	189
39 France	431	650	672	775	829	956	958	908	1,140
40 Germany	444	562	669	675	686	687	699	662	638
41 Netherlands	164	133	212	413	396	478	450	475	490
42 Switzerland	217	185	344	231	222	305	270	235	300
43 United Kingdom	999	1,073	1,324	1,372	1,398	1,572	1,690	1,586	1,675
44 Canada	934	936	983	1,181	1,278	1,058	1,091	1,108	1,135
45 Latin America and Caribbean	1,857	1,930	2,241	2,103	2,147	2,177	2,061	2,214	2,389
46 Bahamas	28	19	36	13	10	57	22	17	25
47 Bermuda	193	170	230	238	271	323	243	284	340
48 Brazil	234	226	299	315	239	292	231	233	252
49 British West Indies	39	26	22	30	33	36	38	46	35
50 Mexico	412	368	461	439	509	509	525	594	649
51 Venezuela	237	283	227	229	189	147	188	222	223
52 Asia	2,755	2,915	2,993	3,154	3,316	3,538	3,257	3,379	3,568
53 Japan	881	1,158	946	999	1,176	1,184	1,061	1,046	1,209
54 Middle East oil-exporting countries[2]	563	450	453	434	410	515	432	414	403
55 Africa	500	401	435	408	399	418	425	390	372
56 Oil-exporting countries[3]	139	144	122	112	87	107	89	98	71
57 All other[4]	222	238	333	351	383	389	367	360	429

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

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transactions, and area or country	1989	1990[r]	1990 Jan.–Jan.	1990 July	Aug.	Sept.	Oct.	Nov.	Dec.[r]	1991 Jan.[p]
	U.S. corporate securities									
STOCKS										
1 Foreign purchases	214,061	173,031	10,235	17,447	20,653	8,812	11,636	12,551	13,313	10,235
2 Foreign sales	204,114	188,332	11,048	16,080	21,959	11,318	15,437	13,368	14,573	11,048
3 **Net purchases, or sales (−)**	**9,946**	**−15,300**	**−812**	**1,367**	**−1,306**	**−2,506**	**−3,801**	**−817**	**−1,260**	**−812**
4 **Foreign countries**	**10,180**	**−15,372**	**−814**	**1,315**	**−1,343**	**−2,452**	**−3,759**	**−812**	**−1,269**	**−814**
5 Europe	481	−8,579	−616	−12	−1,379	−1,160	−1,415	−582	−489	−616
6 France	−708	−1,183	−24	−25	−175	−148	−159	−80	−49	−24
7 Germany	−830	−370	−114	−41	−119	2	−87	−14	−144	−114
8 Netherlands	79	−407	−142	−30	−107	−48	−61	21	−46	−142
9 Switzerland	−3,277	−2,884	−222	−170	−253	−126	−213	−169	−263	−222
10 United Kingdom	3,691	−3,122	−99	252	−637	−718	−688	−282	147	−99
11 Canada	−881	889	24	174	330	210	155	216	279	24
12 Latin America and Caribbean	3,042	−1,345	233	−90	−242	−218	−357	292	−280	233
13 Middle East[1]	3,531	−2,447	−279	−36	187	−437	−558	−430	−251	−279
14 Other Asia	3,577	−3,505	−197	1,056	−69	−712	−1,517	−420	−406	−197
15 Japan	3,330	−2,907	−272	851	22	−737	−1,135	−194	−382	−272
16 Africa	131	−60	33	13	16	1	−31	−5	−14	33
17 Other countries	299	−325	−13	211	−186	−135	−35	117	−108	−13
18 **Nonmonetary international and regional organizations**	**−234**	**71**	**2**	**52**	**37**	**−55**	**−42**	**−5**	**9**	**2**
BONDS[2]										
19 Foreign purchases	120,540	118,586	8,840	10,915	11,846	7,484	8,699	11,205[r]	9,935	8,840
20 Foreign sales	86,568	99,526	8,350	7,553	12,465	9,354	7,385	7,738[r]	8,053	8,350
21 **Net purchases, or sales (−)**	**33,972**	**19,059**	**490**	**3,362**	**−618**	**−1,870**	**1,314**	**3,468[r]**	**1,883**	**490**
22 **Foreign countries**	**33,619**	**19,515**	**309**	**3,323**	**−588**	**−1,900**	**1,551**	**3,472[r]**	**1,885**	**309**
23 Europe	19,823	12,133	76	1,996	706	−819	667	1,918[r]	1,078	76
24 France	372	373	31	54	−40	−103	−74	24	39	31
25 Germany	−238	−305	−54	33	172	3	−29	−59	−41	−54
26 Netherlands	850	178	47	37	−15	−71	35	52	110	47
27 Switzerland	−189	561	360	570	−346	0	−84	20[r]	45	360
28 United Kingdom	18,459	11,526	−56	1,145	722	−275	371	1,727	1,396	−56
29 Canada	1,116	1,866	71	70	91	−87	127	237	−250	71
30 Latin America and Caribbean	3,686	4,204	−17	273	−103	−208	214	343	500	−17
31 Middle East[1]	−182	152	69	13	−178	−65	−10	−35	74	69
32 Other Asia	9,063	1,389	131	999	−986	−692	603	1,033[r]	486	131
33 Japan	6,331	1,010	308	930	−632	−871	361	812[r]	399	308
34 Africa	56	87	−15	−4	−1	5	2	6	−9	−15
35 Other countries	57	−316	−5	−24	−118	−34	−53	−30	7	−5
36 **Nonmonetary international and regional organizations**	**353**	**−455**	**181**	**39**	**−31**	**30**	**−237**	**−4**	**−2**	**181**
	Foreign securities									
37 Stocks, net purchases, or sales (−)[3]	−13,097	−8,658	−429	−1,135	−142	446	−314	1,068[r]	−1,844	−429
38 Foreign purchases	109,789	122,444	6,188	11,425	12,360	7,522	9,277	10,060[r]	7,244	6,188
39 Foreign sales[3]	122,886	131,103	6,617	12,559	12,502	7,076	9,591	8,993[r]	9,088	6,617
40 Bonds, net purchases, or sales (−)	−6,049	−22,406	−152	−400	48	−599	−2,830	50[r]	−4,261	−152
41 Foreign purchases	234,215	314,268	26,970	23,367	29,826	25,746	35,254	32,839[r]	33,411	26,970
42 Foreign sales	240,264	336,674	27,122	23,767	29,778	26,346	38,085	32,788[r]	37,672	27,122
43 **Net purchases, or sales (−), of stocks and bonds**	**−19,145**	**−31,064**	**−582**	**−1,535**	**−94**	**−153**	**−3,144**	**1,118[r]**	**−6,105**	**−582**
44 **Foreign countries**	**−19,178**	**−28,380**	**−543**	**−1,564**	**−538**	**−428**	**−2,340**	**1,093[r]**	**−5,363**	**−543**
45 Europe	−17,811	−8,247	339	−390	−1,303	−73	−910	1,917[r]	−919	339
46 Canada	−4,180	−6,969	−574	−328	167	−4	−880	−1,755[r]	−172	−574
47 Latin America and Caribbean	426	−8,937	350	−222	−64	−401	229	283	−2,802	350
48 Asia	2,540	−3,829	−792	−211	606	−323	−697	706[r]	−1,571	−792
49 Africa	93	−137	22	−83	−8	12	4	−69	28	22
50 Other countries	−246	−261	112	−331	65	362	−87	11[r]	73	112
51 **Nonmonetary international and regional organizations**	**33**	**−2,684**	**−39**	**30**	**444**	**275**	**−804**	**25**	**−742**	**−39**

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

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

Millions of dollars

Country or area	1989	1990	1990	1990						1991
			Jan.–Jan.	July	Aug.	Sept.	Oct.	Nov.	Dec.[r]	Jan.[p]
	Transactions, net purchases or sales (–) during period[1]									
1 **Estimated total**[2]	**54,198**	**19,760**	**2,797**	**5,488**	**4,609**	**936**	**–1,134**	**5,915[r]**	**6,493**	**2,797**
2 Foreign countries[2]	52,296	20,114[r]	4,482	5,331	3,968	1,293	–1,107	5,580[r]	6,514	4,482
3 Europe[2]	36,286	18,726[r]	3,250	3,643	–2,128	5,021	275	2,119[r]	4,435	3,250
4 Belgium–Luxembourg	1,048	–16	260	179	–395	–95	72	–67	–106	260
5 Germany[2]	7,904	5,750	–567	–1	1,424	633	581	1,677	575	–567
6 Netherlands	–1,141	986[r]	326	196	1,253	956	–454	–249[r]	625	326
7 Sweden	693	1,156	–661	133	–266	–33	163	279	727	–661
8 Switzerland[2]	1,098	107[r]	170	–799	–128	548	617	–6	200	170
9 United Kingdom	20,198	–2,159	2,757	1,051	–3,776	1,599	–1,747	–1,581	210	2,757
10 Other Western Europe	6,508	12,880	960	2,884	–251	1,407	1,043	2,069	2,204	960
11 Eastern Europe	–21	13	6	0	11	0	0	–5	0	6
12 Canada	698	–4,556	–795	1,418	1,177	–868	–637	–463	155	–795
13 Latin America and Caribbean	459	15,846[r]	–5,150	1,934	1,319	–1,953	4,676	4,306	1,610	–5,150
14 Venezuela	311	–50	–153	–1	0	–49	–1	49	1	–153
15 Other Latin America and Caribbean	–327	5,108[r]	–592	1,060	295	–1,157	591	967	1,208	–592
16 Netherlands Antilles	475	10,788	–4,405	874	1,023	–747	4,086	3,290	401	–4,405
17 Asia	13,297	–11,059[r]	6,997	–1,672	3,304	–1,751	–5,192	–931[r]	–73	6,997
18 Japan	1,681	–14,881	2,244	161	2,376	–2,092	–4,059	–1,154	–2,408	2,244
19 Africa	116	332	78	17	57	151	83	8	–3	78
20 All other	1,439	824	102	–9	239	692	–313	543	389	102
21 Nonmonetary international and regional organizations	1,902	–354	–1,685	158	641	–357	–27	335	–20	–1,685
22 International	1,473	–150	–1,624	–25	444	–154	–87	209	–135	–1,624
23 Latin America regional	231	–2	–202	25	25	–75	–59	0	92	–202
Memo										
24 Foreign countries[2]	52,296	20,114[r]	4,482	5,331	3,968	1,293	–1,107	5,580[r]	6,514	4,482
25 Official institutions	26,835	24,103[r]	2,248	724	6,794	3,799	1,382	4,771[r]	7,880	2,248
26 Other foreign[2]	25,461	–3,989[r]	2,234	4,607	–2,826	–2,506	–2,489	809[r]	–1,366	2,234
Oil-exporting countries										
27 Middle East[3]	8,148	–383	523	–2,095	–365	241	–1,247	–878	1,014	523
28 Africa[4]	–1	0	0	0	0	0	0	0	0	0

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

3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Percent per year

Country	Rate on Mar. 31, 1991		Country	Rate on Mar. 31, 1991		Country	Rate on Mar. 31, 1991	
	Percent	Month effective		Percent	Month effective		Percent	Month effective
Austria	6.5	Oct. 1989	France[1]	9.0	Mar. 1990	Norway	10.50	July 1990
Belgium	10.5	Nov. 1989	Germany, Fed. Rep. of	6.50	Feb. 1991	Switzerland	6.0	Oct. 1989
Canada	9.92	Mar. 1991	Italy	12.5	May 1990	United Kingdom[2]	....	....
Denmark	9.50	Jan. 1991	Japan	6.0	Aug. 1990			
			Netherlands	7.75	Feb. 1991			

1. As of the end of February 1981, the rate is that at which the Bank of France discounts Treasury bills for 7 to 10 days.
2. Minimum lending rate suspended as of Aug. 20, 1981.
NOTE. Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or government commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations.

3.27 FOREIGN SHORT-TERM INTEREST RATES

Percent per year, averages of daily figures

Country, or type	1988	1989	1990	1990				1991		
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
1 Eurodollars	7.85	9.16	8.16	8.07	8.06	8.04	7.87	7.23	6.60	6.44
2 United Kingdom	10.28	13.87	14.73	14.88	14.02	13.57	13.75	13.91	13.20	12.33
3 Canada	9.63	12.20	13.00	12.63	12.58	12.36	11.95	11.13	10.37	9.97
4 Germany	4.28	7.04	8.41	8.39	8.51	8.79	9.17	9.25	8.96	8.99
5 Switzerland	2.94	6.83	8.71	8.11	7.88	8.39	8.65	8.44	7.81	8.17
6 Netherlands	4.72	7.28	8.57	8.42	8.39	8.73	9.27	9.31	9.01	9.04
7 France	7.80	9.27	10.20	10.24	9.92	9.88	10.14	10.14	9.64	9.34
8 Italy	11.04	12.44	12.11	10.65	11.40	12.42	13.45	13.13	13.31	12.52
9 Belgium	6.69	8.65	9.70	9.04	8.89	9.03	9.81	9.91	9.51	9.28
10 Japan	4.43	5.39	7.75	8.37	8.26	8.35	8.27	8.18	8.01	8.09

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

3.28 FOREIGN EXCHANGE RATES[1]

Currency units per dollar

Country/currency	1988	1989	1990	1990 Oct.	1990 Nov.	1990 Dec.	1991 Jan.	1991 Feb.	1991 Mar.
1 Australia/dollar[2]	78.409	79.186	78.069	80.060	77.290	77.019	77.930	78.351	77.107
2 Austria/schilling	12.357	13.236	11.331	10.719	10.451	10.539	10.616	10.416	11.341
3 Belgium/franc	36.785	39.409	33.424	31.373	30.647	31.014	31.088	30.475	33.206
4 Canada/dollar	1.2306	1.1842	1.1668	1.1600	1.1635	1.1603	1.1560	1.1549	1.1572
5 China, P.R./yuan	3.7314	3.7673	4.7921	4.7339	4.9714	5.2352	5.2352	5.2352	5.2352
6 Denmark/krone	6.7412	7.3210	6.1899	5.8117	5.6946	5.7735	5.8115	5.6953	6.1886
7 Finland/markka	4.1933	4.2963	3.8300	3.6187	3.5644	3.6341	3.6431	3.5941	3.8512
8 France/franc	5.9595	6.3802	5.4467	5.1032	5.0020	5.0895	5.1253	5.0398	5.4862
9 Germany/deutsche mark	1.7570	1.8808	1.6166	1.5238	1.4857	1.4982	1.5091	1.4805	1.6122
10 Greece/drachma	142.00	162.60	158.59	153.17	152.27	156.08	159.70	158.82	174.16
11 Hong Kong/dollar	7.8072	7.8008	7.7899	7.7722	7.7951	7.8034	7.7950	7.7943	7.7911
12 India/rupee	13.900	16.213	17.492	18.074	18.098	18.127	18.339	18.860	19.243
13 Ireland/punt[2]	152.49	141.80	165.76	176.04	180.18	177.77	168.68	179.81	157.43
14 Italy/lira	1,302.39	1,372.28	1,198.27	1,141.62	1,117.04	1,129.26	1,134.38	1,111.19	1,201.96
15 Japan/yen	128.17	138.07	145.00	129.59	129.22	133.89	133.70	130.54	137.39
16 Malaysia/ringgit	2.6190	2.7079	2.7057	2.6995	2.6949	2.7030	2.7140	2.6969	2.7418
17 Netherlands/guilder	1.9778	2.1219	1.8215	1.7180	1.6761	1.6904	1.7015	1.6689	1.8174
18 New Zealand/dollar[2]	65.560	59.354	59.619	61.129	61.120	59.574	59.476	60.120	59.389
19 Norway/krone	6.5243	6.9131	6.2541	5.8241	5.7996	5.8717	5.8993	5.7919	6.2899
20 Portugal/escudo	144.27	157.53	142.70	134.41	130.87	132.82	134.43	130.45	140.97
21 Singapore/dollar	2.0133	1.9511	1.8134	1.7257	1.7100	1.7275	1.7455	1.7180	1.7589
22 South Africa/rand	2.2770	2.6214	2.5885	2.5445	2.5247	2.5395	2.5643	2.5412	2.6636
23 South Korea/won	734.52	674.29	710.64	717.76	717.03	718.58	720.83	723.97	727.73
24 Spain/peseta	116.53	118.44	101.96	95.59	94.07	95.75	95.08	92.61	100.21
25 Sri Lanka/rupee	31.820	35.947	40.078	40.285	40.355	40.244	40.300	40.598	40.750
26 Sweden/krona	6.1370	6.4559	5.9231	5.6411	5.5633	5.6338	5.6345	5.5516	5.9081
27 Switzerland/franc	1.4643	1.6369	1.3901	1.2818	1.2569	1.2814	1.2714	1.2685	1.3918
28 Taiwan/dollar	28.636	26.407	26.918	27.288	27.245	27.162	27.197	27.109	27.311
29 Thailand/baht	25.312	25.725	25.609	25.130	25.078	25.208	25.244	25.141	25.447
30 United Kingdom/pound[2]	178.13	163.82	178.41	194.56	196.42	192.19	193.46	196.41	182.14
MEMO									
31 United States/dollar[3]	92.72	98.60	89.09	83.43	82.12	83.35	83.51	82.12	88.12

1. Averages of certified noon buying rates in New York for cable transfers. Data in this table also appear in the Board's G.5 (405) release. For address, see inside front cover.
2. Value in U.S. cents.
3. Index of weighted-average exchange value of U.S. dollar against the currencies of 10 industrial countries. The weight for each of the 10 countries is the 1972–76 average world trade of that country divided by the average world trade of all 10 countries combined. Series revised as of August 1978 (see *Federal Reserve Bulletin*, vol. 64, August 1978, p. 700).

Guide to Tabular Presentation, Statistical Releases, and Special Tables

GUIDE TO TABULAR PRESENTATION

Symbols and Abbreviations

c	Corrected
e	Estimated
p	Preliminary
r	Revised (Notation appears on column heading when about half of the figures in that column are changed.)
*	Amounts insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is millions)
0	Calculated to be zero
n.a.	Not available
n.e.c.	Not elsewhere classified
IPCs	Individuals, partnerships, and corporations
REITs	Real estate investment trusts
RPs	Repurchase agreements
SMSAs	Standard metropolitan statistical areas
. . .	Cell not applicable

General Information

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

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

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

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

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

Special table follows.

4.20 DOMESTIC AND FOREIGN OFFICES, Insured Commercial Bank Assets and Liabilities[1,2]
Consolidated Report of Condition, December 31, 1990

Millions of dollars

Item	Total	Banks with foreign offices			Banks with domestic offices only	
		Total	Foreign	Domestic	Over 100	Under 100
1 **Total assets**[6]	**3,367,795**	**1,901,538**	**410,659**	**1,559,302**	**1,078,452**	**387,805**
2 Cash and balances due from depository institutions	314,652	217,412	83,874	133,539	70,901	26,338
3 Cash items in process of collection, unposted debits, and currency and coin	n.a.	95,036	1,702	93,334	37,009	n.a.
4 Cash items in process of collection and unposted debits	n.a.	n.a.	n.a.	75,506	25,219	n.a.
5 Currency and coin	n.a.	n.a.	n.a.	17,829	11,790	n.a.
6 Balances due from depository institutions in the United States	n.a.	30,688	16,971	13,717	19,934	n.a.
7 Balances due from banks in foreign countries and foreign central banks	n.a.	68,171	65,006	3,165	2,474	n.a.
8 Balances due from Federal Reserve Banks	n.a.	23,518	195	23,323	11,484	n.a.
MEMO						
9 Noninterest-bearing balances due from commercial banks in the United States (included in balances due from depository institutions in the United States)	n.a.	n.a.	n.a.	9,444	14,709	9,874
10 **Total securities, loans and lease financing receivables, net**	**2,788,467**	**1,487,835**	n.a.	n.a.	**955,277**	**345,355**
11 Total securities, book value	600,846	247,361	32,669	214,692	236,156	117,330
12 U.S. Treasury securities and U.S. government agency and corporation obligations	423,134	158,159	3,004	155,155	173,621	91,354
13 U.S. Treasury securities	n.a.	42,616	821	41,795	69,580	n.a.
14 U.S. government agency and corporation obligations	n.a.	115,544	2,183	113,361	104,041	n.a.
15 All holdings of U.S. government-issued or guaranteed certificates of participation in pools of residential mortgages	146,063	76,267	1,836	74,431	48,983	20,813
16 All other	n.a.	39,277	347	38,930	55,058	n.a.
17 Securities issued by states and political subdivisions in the United States	82,951	29,477	1,005	28,472	36,600	16,874
18 Other domestic debt securities	n.a.	27,453	1,460	25,993	21,973	n.a.
19 All holdings of private certificates of participation in pools of residential mortgages	3,668	1,900	87	1,813	1,337	431
20 All other domestic debt securities	53,619	25,553	1,373	24,180	20,636	7,431
21 Foreign debt securities	n.a.	28,152	26,119	2,033	385	n.a.
22 Equity securities	8,937	4,120	1,081	3,039	3,577	1,240
23 Marketable	4,437	996	301	695	2,540	901
24 Investments in mutual funds	1,906	249	32	217	837	819
25 Other	2,992	936	269	668	1,883	174
26 Less: Net unrealized loss	461	190	0	190	179	92
27 Other equity securities	4,500	3,124	780	2,344	1,036	339
28 Federal funds sold and securities purchased under agreements to resell	146,128	70,228	568	69,659	50,412	25,488
29 Federal funds sold	124,471	53,404	n.a.	n.a.	46,057	25,009
30 Securities purchased under agreements to resell	21,657	16,823	n.a.	n.a.	4,355	479
31 Total loans and lease financing receivables, gross	2,109,804	1,214,380	208,760	1,005,620	687,593	207,831
32 LESS: Unearned income on loans	13,168	5,453	1,491	3,963	5,789	1,926
33 Total loans and leases (net of unearned income)	2,096,637	1,208,927	207,269	1,001,658	681,804	205,905
34 LESS: Allowance for loan and lease losses	54,900	38,437	n.a.	n.a.	13,095	3,368
35 LESS: Allocated transfer risk reserves	244	243	n.a.	n.a.	0	1
36 EQUALS: Total loans and leases, net	2,041,493	1,170,247	n.a.	n.a.	668,709	202,537
Total loans, gross, by category						
37 Loans secured by real estate	824,659	413,779	26,585	387,193	306,844	104,037
38 Construction and land development	n.a.	n.a.	n.a.	80,211	37,642	7,696
39 Farmland	n.a.	n.a.	n.a.	2,132	5,383	9,708
40 1-4 family residential properties	n.a.	n.a.	n.a.	184,136	156,380	57,512
41 Revolving, open-end loans, extended under lines of credit	n.a.	n.a.	n.a.	33,226	24,658	3,439
42 All other loans	n.a.	n.a.	n.a.	150,910	131,721	54,072
43 Multifamily (5 or more) residential properties	n.a.	n.a.	n.a.	10,615	8,127	2,082
44 Nonfarm nonresidential properties	n.a.	n.a.	n.a.	110,099	99,311	27,039
45 Loans to depository institutions	50,942	40,948	15,387	25,562	9,506	487
46 To commercial banks in the United States	n.a.	21,311	610	20,701	9,028	n.a.
47 To other depository institutions in the United States	n.a.	1,842	109	1,733	462	n.a.
48 To banks in foreign countries	n.a.	17,795	14,668	3,128	16	n.a.
49 Loans to finance agricultural production and other loans to farmers	33,221	5,941	304	5,636	8,442	18,839
50 Commercial and industrial loans	612,014	429,679	103,591	326,088	142,691	39,645
51 To U.S. addressees (domicile)	n.a.	347,789	23,404	324,385	142,324	n.a.
52 To non-U.S. addressees (domicile)	n.a.	81,890	80,187	1,703	366	n.a.
53 Acceptances of other banks	3,859	665	301	365	1,527	1,666
54 U.S. banks	n.a.	312	64	248	n.a.	n.a.
55 Foreign banks	n.a.	353	236	117	n.a.	n.a.
56 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	399,039	169,118	17,194	151,924	190,751	39,170
57 Credit cards and related plans	132,739	53,169	n.a.	n.a.	77,009	2,561
58 Other (includes single payment and installment)	266,300	115,949	n.a.	n.a.	113,742	36,609
59 Obligations (other than securities) of states and political subdivisions in the U.S. (includes nonrated industrial development obligations)	33,897	19,714	273	19,441	12,638	1,545
60 Taxable	1,333	877	120	757	397	60
61 Tax-exempt	32,564	18,837	152	18,685	12,241	1,486
62 All other loans	114,212	102,738	40,953	61,785	9,624	1,850
63 Loans to foreign governments and official institutions	n.a.	25,262	23,953	1,309	116	n.a.
64 Other loans	n.a.	77,476	17,000	60,476	9,508	n.a.
65 Loans for purchasing and carrying securities	n.a.	n.a.	n.a.	11,025	1,489	n.a.
66 All other loans	n.a.	n.a.	n.a.	49,451	8,019	n.a.
67 Lease financing receivables	37,962	31,798	4,173	27,625	5,572	592
68 Assets held in trading accounts	47,881	46,133	24,059	22,038	1,548	200
69 Premises and fixed assets (including capitalized leases)	51,015	28,078	n.a.	n.a.	16,491	6,447
70 Other real estate owned	21,387	12,507	n.a.	n.a.	6,557	2,323
71 Investments in unconsolidated subsidiaries and associated companies	2,655	2,228	n.a.	n.a.	366	61
72 Customers' liability on acceptances outstanding	21,709	21,331	n.a.	n.a.	359	18
73 Net due from own foreign offices, Edge and agreement subsidiaries, and IBFs	n.a.	n.a.	n.a.	47,328	n.a.	n.a.
74 Intangible assets	10,506	6,194	n.a.	n.a.	3,959	354
75 Other assets	109,524	79,821	n.a.	n.a.	22,993	6,710

4.20—Continued

	Item	Total	Banks with foreign offices			Banks with domestic offices only	
			Total	Foreign	Domestic	Over 100	Under 100
76	**Total liabilities, limited-life preferred stock, and equity capital**	**3,367,795**	**1,901,538**	n.a.	n.a.	**1,078,452**	**387,805**
77	**Total liabilities**[7]	**3,150,282**	**1,797,487**	**411,512**	**1,454,399**	**999,584**	**353,211**
78	Limited-life preferred stock	6	0	n.a.	n.a.	4	2
79	Total deposits	2,631,395	1,403,811	293,391	1,110,419	883,108	344,476
80	Individuals, partnerships, and corporations	n.a.	n.a.	186,957	1,017,482	819,598	317,015
81	U.S. government	n.a.	n.a.	n.a.	5,743	2,536	825
82	States and political subdivisions in the United States	n.a.	n.a.	n.a.	38,692	43,310	22,172
83	Commercial banks in the United States	n.a.	n.a.	n.a.	23,565	8,530	1,141
84	Other depository institutions in the United States	n.a.	n.a.	n.a.	4,806	2,808	964
85	Banks in foreign countries	n.a.	n.a.	n.a.	7,537	118	n.a.
86	Foreign governments and official institutions	n.a.	19,346	18,062	1,284	54	n.a.
87	Certified and official checks	20,644	12,173	863	11,310	6,155	2,316
88	All other[8]			87,510	n.a.	n.a.	43
89	Total transaction accounts				354,829	234,106	90,851
90	Individuals, partnerships, and corporations				297,520	205,864	80,595
91	U.S. government				4,734	2,252	718
92	States and political subdivisions in the United States				10,717	11,827	6,388
93	Commercial banks in the United States				19,282	6,656	561
94	Other depository institutions in the United States				3,336	1,243	252
95	Banks in foreign countries				7,036	93	n.a.
96	Foreign governments and official institutions				893	16	n.a.
97	Certified and official checks				11,310	6,155	2,316
98	All other				n.a.	n.a.	22
99	Demand deposits (included in total transaction accounts)				270,478	142,914	47,390
100	Individuals, partnerships, and corporations				216,043	121,443	41,682
101	U.S. government				4,699	2,234	705
102	States and political subdivisions in the United States				7,883	5,091	1,863
103	Commercial banks in the United States				19,282	6,654	561
104	Other depository institutions in the United States	n.a.	n.a.		3,336	1,228	241
105	Banks in foreign countries			n.a.	7,034	93	n.a.
106	Foreign governments and official institutions				891	16	n.a.
107	Certified and official checks				11,310	6,155	2,316
108	All other				n.a.	n.a.	22
109	Total nontransaction accounts				755,591	649,002	253,625
110	Individuals, partnerships, and corporations				719,962	613,734	236,421
111	U.S. government				1,009	284	107
112	States and political subdivisions in the United States				27,974	31,482	15,784
113	Commercial banks in the United States				4,283	1,874	580
114	U.S. branches and agencies of foreign banks				368	205	n.a.
115	Other commercial banks in the United States				3,916	1,670	n.a.
116	Other depository institutions in the United States				1,470	1,565	712
117	Banks in foreign countries				501	24	n.a.
118	Foreign branches of other U.S. banks				1	18	n.a.
119	Other banks in foreign countries				500	7	n.a.
120	Foreign governments and official institutions				391	37	n.a.
121	All other				n.a.	n.a.	21
122	Federal funds purchased and securities sold under agreements to repurchase	244,390	176,085	959	175,126	65,167	3,139
123	Federal funds purchased	153,877	116,790	n.a.	n.a.	35,919	1,168
124	Securities sold under agreements to repurchase	90,514	59,295	n.a.	n.a.	29,248	1,971
125	Demand notes issued to the U.S. Treasury	n.a.	n.a.	n.a.	17,818	4,899	497
126	Other borrowed money	114,149	85,709	32,357	53,353	27,651	788
127	Banks liability on acceptances executed and outstanding	21,909	21,532	4,342	17,189	359	18
128	Notes and debentures subordinated to deposits	23,740	22,035	n.a.	n.a.	1,585	120
129	Net due to own foreign offices, Edge and agreement subsidiaries, and IBFs	n.a.	n.a.	n.a.	21,096	n.a.	n.a.
130	All other liabilities	91,485	70,497	n.a.	n.a.	16,815	4,173
131	Total equity capital[9]	217,507	104,051	n.a.	n.a.	78,864	34,592
	MEMO						
132	Holdings of commercial paper included in total loans, gross		505	350	155	2,498	n.a.
133	Total individual retirement accounts (IRA) and Keogh plan accounts				58,995	53,994	18,982
134	Total brokered deposits				51,344	20,337	761
135	Total brokered retail deposits				24,159	14,684	703
136	Issued in denominations of $100,000 or less				4,489	4,404	572
137	Issued in denominations greater than $100,000 and participated out by the broker in shares of $100,000 or less				19,670	10,281	132
	Savings deposits						
138	Money market deposit accounts (MMDAs)				204,615	134,354	38,192
139	Other savings deposits (excluding MMDAs)				88,944	79,091	29,014
140	Total time deposits of less than $100,000				257,028	309	145,926
141	Time certificates of deposit of $100,000 or more	n.a.			174,943	121,984	39,191
142	Open-account time deposits of $100,000 or more				30,061	4,554	1,302
143	All NOW accounts (including Super NOW)		n.a.	n.a.	83,452	89,541	42,214
144	Total time and savings deposits				839,942	740,194	297,086
	Quarterly averages						
145	Total loans				978,391	672,684	202,286
146	Obligations (other than securities) of states and political subdivisions in the United States				20,375	12,677	n.a.
147	Transaction accounts in domestic offices (NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)				78,922	86,983	41,653
	Nontransaction accounts in domestic offices						
148	Money market deposit accounts (MMDAs)				201,571	134,309	37,982
149	Other savings deposits				88,120	78,524	28,766
150	Time certificates of deposit of $100,000 or more				176,857	124,304	38,819
151	All other time deposits				286,251	309,934	145,705
152	Number of banks	12,316	232		n.a.	2,615	9,469

Footnotes appear at the end of table 4.22

4.21 DOMESTIC OFFICES, Insured Commercial Banks with Assets of $100 Million or more or with foreign offices[1,2,6]
Consolidated Report of Condition, December 31, 1990

Millions of dollars

Item	Total	Members			Nonmembers
		Total	National	State	
1 **Total assets**[6]	**2,637,755**	**2,063,367**	**1,656,503**	**406,864**	**574,388**
2 Cash and balances due from depository institutions	204,440	170,172	137,295	32,877	34,268
3 Cash items in process of collection and unposted debits	100,724	90,508	72,772	17,736	10,216
4 Currency and coin	29,619	24,444	20,463	3,981	5,175
5 Balances due from depository institutions in the United States	33,651	21,533	16,767	4,766	12,118
6 Balances due from banks in foreign countries and foreign central banks	5,639	4,410	3,804	606	1,229
7 Balances due from Federal Reserve Banks	34,807	29,278	23,489	5,788	5,529
8 **Total securities, loans and lease financing receivables, (net of unearned income)**	**2,254,381**	**1,742,412**	**1,417,874**	**324,538**	**511,968**
9 Total securities, book value	450,847	334,427	260,098	74,329	116,420
10 U.S. Treasury securities	111,374	74,973	60,429	14,544	36,401
11 U.S. government agency and corporation obligations	217,402	170,533	134,548	35,984	46,869
12 All holdings of U.S. government-issued or guaranteed certificates of participation in pools of residential mortgages	123,414	102,657	82,754	19,903	20,757
13 All other	93,988	67,876	51,794	16,081	26,112
14 Securities issued by states and political subdivisions in the United States	65,072	48,862	36,624	12,238	16,210
15 Other domestic debt securities	47,966	34,304	24,594	9,710	13,661
16 All holdings of private certificates of participation in pools of residential mortgages	3,150	2,358	2,158	200	791
17 All other	44,816	31,946	22,436	9,510	12,870
18 Foreign debt securities	2,418	2,052	976	1,076	365
19 Equity securities	6,616	3,703	2,926	776	2,913
20 Marketable	3,236	812	637	175	2,424
21 Investments in mutual funds	1,054	532	492	40	522
22 Other	2,550	345	188	157	2,206
23 Less: Net unrealized loss	369	65	43	22	304
24 Other equity securities	3,380	2,891	2,289	602	489
25 Federal funds sold and securities purchased under agreements to resell[10]	120,072	96,764	79,004	17,760	23,308
26 Federal funds sold	46,057	29,451	25,511	3,940	16,606
27 Securities purchased under agreements to resell	4,355	3,070	2,681	389	1,285
28 Total loans and lease financing receivables, gross	1,693,213	1,318,371	1,084,575	233,796	374,842
29 Less: Unearned income on loans	9,751	7,150	5,803	1,347	2,601
30 Total loans and leases (net of unearned income)	1,683,462	1,311,221	1,078,772	232,449	372,241
Total loans, gross, by category					
31 Loans secured by real estate	694,037	524,487	447,803	76,684	169,550
32 Construction and land development	117,854	93,232	77,323	15,910	24,621
33 Farmland	7,515	4,818	4,207	611	2,696
34 1–4 family residential properties	340,515	256,179	219,918	36,261	84,336
35 Revolving, open-end and extended under lines of credit	57,884	44,528	37,247	7,281	13,356
36 All other loans	282,631	211,651	182,671	28,980	70,980
37 Multifamily (5 or more) residential properties	18,742	14,086	12,149	1,938	4,656
38 Nonfarm nonresidential properties	209,411	156,172	134,207	21,964	53,239
39 Loans to commercial banks in the United States	29,729	21,131	13,306	7,825	8,599
40 Loans to other depository institutions in the United States	2,195	1,933	1,819	114	262
41 Loans to banks in foreign countries	3,144	3,068	1,335	1,733	76
42 Loans to finance agricultural production and other loans to farmers	14,078	10,544	9,561	983	3,533
43 Commercial and industrial loans	468,779	383,695	306,759	76,937	85,083
44 To U.S. addressees (domicile)	466,709	381,912	305,444	76,468	84,798
45 To non-U.S. addressees (domicile)	2,069	1,784	1,315	469	286
46 Acceptances of other banks[11]	1,892	1,073	910	163	819
47 Of U.S. banks	774	450	384	66	324
48 Of foreign banks	161	112	108	4	49
49 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	342,675	251,533	212,822	38,711	91,142
50 Credit cards and related plans	77,009	42,918	40,244	2,675	34,090
51 Other (includes single payment and installment)	113,742	69,390	58,686	10,705	44,352
52 Loans to foreign governments and official institutions	1,425	1,378	984	395	47
53 Obligations (other than securities) of states and political subdivisions in the United States	32,079	26,675	20,101	6,573	5,405
54 Taxable	1,153	982	729	253	171
55 Tax-exempt	30,926	25,692	19,372	6,320	5,234
56 Other loans	69,984	64,476	45,496	18,980	5,507
57 Loans for purchasing and carrying securities	12,514	11,589	7,257	4,333	925
58 All other loans	57,469	52,887	38,239	14,648	4,583
59 Lease financing receivables	33,197	28,378	23,679	4,698	4,819
60 Customers' liability on acceptances outstanding	17,206	16,032	11,881	4,151	1,173
61 Net due from own foreign offices, Edge and agreement subsidiaries, and IBFs	47,328	41,828	20,129	21,699	5,500
62 Remaining assets	161,728	134,749	89,452	45,298	26,979

4.21—Continued

Item	Total	Members			Nonmembers
		Total	National	State	
63 **Total liabilities and equity capital**	**2,637,755**	**2,063,367**	**1,656,503**	**406,864**	**574,388**
64 **Total liabilities**[4]	**2,453,983**	**1,923,756**	**1,546,799**	**376,957**	**530,226**
65 Total deposits	1,993,528	1,543,728	1,265,869	277,859	449,799
66 Individuals, partnerships, and corporations	1,837,080	1,419,170	1,168,134	251,036	417,910
67 U.S. government	8,279	7,221	6,304	918	1,058
68 States and political subdivisions in the United States	82,001	60,369	50,118	10,251	21,632
69 Commercial banks in the United States	32,095	29,073	22,466	6,607	3,023
70 Other depository institutions in the United States	7,614	5,636	4,724	913	1,978
71 Banks in foreign countries	7,655	7,036	3,959	3,077	619
72 Foreign governments and official institutions	1,337	1,131	676	455	207
73 Certified and official checks	17,465	14,092	9,489	4,603	3,372
74 Total transaction accounts	588,935	476,422	381,874	94,548	112,513
75 Individuals, partnerships, and corporations	503,384	402,798	326,280	76,518	100,586
76 U.S. government	6,987	6,061	5,273	788	926
77 States and political subdivisions in the United States	22,545	17,889	14,870	3,019	4,656
78 Commercial banks in the United States	25,938	24,145	18,746	5,399	1,792
79 Other depository institutions in the United States	4,579	3,708	2,908	800	871
80 Banks in foreign countries	7,129	6,864	3,864	3,000	265
81 Foreign governments and official institutions	909	864	443	421	45
82 Certified and official checks	17,465	14,092	9,489	4,603	3,372
83 Demand deposits (included in total transaction accounts)	413,392	342,572	269,445	73,128	70,819
84 Individuals, partnerships, and corporations	337,485	275,990	219,853	56,137	61,495
85 U.S. government	6,933	6,020	5,235	785	913
86 States and political subdivisions in the United States	12,974	10,900	8,917	1,983	2,075
87 Commercial banks in the United States	25,936	24,144	18,745	5,399	1,792
88 Other depository institutions in the United States	4,565	3,699	2,900	800	865
89 Banks in foreign countries	7,127	6,863	3,864	2,999	264
90 Foreign governments and official institutions	907	864	443	421	44
91 Certified and official checks	17,465	14,092	9,489	4,603	3,372
92 Total nontransaction accounts	1,404,593	1,067,307	883,996	183,311	337,286
93 Individuals, partnerships, and corporations	1,333,697	1,016,372	841,854	174,518	317,324
94 U.S. government	1,293	1,160	1,031	129	132
95 States and political subdivisions in the United States	59,456	42,480	35,248	7,232	16,976
96 Commercial banks in the United States	6,158	4,927	3,720	1,207	1,230
97 U.S. branches and agencies of foreign banks	572	216	73	143	356
98 Other commercial banks in the United States	5,585	4,711	3,647	1,064	874
99 Other depository institutions in the United States	3,035	1,928	1,815	113	1,107
100 Banks in foreign countries	526	172	95	77	354
101 Foreign branches of other U.S. banks	19	13	11	2	6
102 Other banks in foreign countries	507	159	84	75	348
103 Foreign governments and official institutions	428	267	233	34	162
104 Federal funds purchased and securities sold under agreements to repurchase[12]	240,293	201,784	145,327	56,456	38,509
105 Federal funds purchased	35,919	24,028	20,555	3,474	11,891
106 Securities sold under agreements to repurchase	29,248	14,695	12,255	2,440	14,553
107 Demand notes issued to the U.S. Treasury	22,717	20,556	14,556	6,000	2,161
108 Other borrowed money	81,004	57,021	44,562	12,459	23,983
109 Banks liability on acceptances executed and outstanding	17,548	16,374	12,181	4,193	1,174
110 Notes and debentures subordinated to deposits	1,585	1,074	1,015	58	511
111 Net due to own foreign offices, Edge and agreement subsidiaries, and IBFs	21,096	17,278	15,979	1,299	3,818
112 Remaining liabilities	97,308	83,219	63,288	19,931	14,089
113 **Total equity capital**[9]	**183,772**	**139,610**	**109,703**	**29,907**	**44,162**
MEMO					
114 Holdings of commercial paper included in total loans, gross	2,653	1,468	1,387	81	1,185
115 Total individual retirement accounts (IRA) and Keogh plan accounts	112,989	87,741	73,173	14,569	25,247
116 Total brokered deposits	71,681	52,991	45,666	7,324	18,690
117 Total brokered retail deposits	38,843	26,914	22,941	3,973	11,929
118 Issued in denominations of $100,000 or less	8,893	4,104	3,765	340	4,789
119 Issued in denominations greater than $100,000 and participated out by the broker in shares of $100,000 or less	29,950	22,810	19,176	3,634	7,140
Savings deposits					
120 Money market deposit accounts (MMDAs)	338,969	270,141	222,982	47,159	68,828
121 Other savings accounts	168,035	129,761	97,300	32,462	38,274
122 Total time deposits of less than $100,000	566,047	420,228	357,917	62,311	145,820
123 Time certificates of deposit of $100,000 or more	296,927	217,958	187,635	30,323	78,969
124 Open-account time deposits of $100,000 or more	34,614	29,218	18,162	11,056	5,396
125 All NOW accounts (including Super NOW accounts)	172,993	132,173	110,984	21,189	40,820
126 Total time and savings deposits	1,580,136	1,201,156	996,425	204,731	378,980
Quarterly averages					
127 Total loans	1,651,075	1,285,641	1,057,597	228,044	365,433
128 Obligations (other than securities) of states and political subdivisions in the United States	33,052	27,637	20,737	6,900	5,415
129 Transaction accounts (NOW accounts, ATS accounts, and telephone preauthorized transfer accounts)	165,906	126,248	106,022	20,226	39,658
Nontransaction accounts					
130 Money market deposit accounts (MMDAs)	335,881	267,253	220,750	46,504	68,627
131 Other savings deposits	166,643	128,688	96,201	32,487	37,955
132 Time certificates of deposits of $100,000 or more	301,161	222,101	190,754	31,347	79,060
133 All other time deposits	596,185	445,923	372,258	73,665	150,262
134 Number of banks	2,847	1,563	1,312	251	1,284

Footnotes appear at the end of table 4.22

4.22 DOMESTIC OFFICES, Insured Commercial Bank Assets and Liabilities[1,2,6]
Consolidated Report of Condition, December 31, 1990

Millions of dollars

Item	Total	Members			Nonmembers
		Total	National	State	
1 **Total assets**[6]	**3,025,560**	**2,216,042**	**1,777,738**	**438,304**	**809,518**
2 Cash and balances due from depository institutions	230,778	181,005	146,084	34,921	49,774
3 Currency and coin	33,457	25,982	21,701	4,281	7,475
4 Noninterest-bearing balances due from commercial banks	34,027	19,717	15,042	4,675	14,310
5 Other	163,294	135,306	109,340	25,965	27,988
6 **Total securities, loans, and lease financing receivables (net of unearned income)**	**2,603,104**	**1,879,263**	**1,526,298**	**352,965**	**723,841**
7 Total securities, book value	568,177	379,745	297,034	82,711	188,432
8 U.S. Treasury securities and U.S. government agency and corporation obligations	420,130	280,950	223,892	57,058	139,180
9 Securities issued by states and political subdivisions in the United States	81,946	55,020	41,574	13,446	26,926
10 Other debt securities	58,245	39,499	28,186	11,313	18,746
11 All holdings of private certificates of participation in pools of residential mortgages	3,581	2,557	2,292	265	1,024
12 All other	54,664	36,942	25,894	11,048	17,722
13 Equity securities	7,856	4,275	3,381	894	3,580
14 Marketable	4,136	1,140	906	234	2,996
15 Investments in mutual funds	1,873	855	764	91	1,019
16 Other	2,724	380	211	169	2,344
17 Less: Net unrealized loss	461	95	68	26	366
18 Other equity securities	3,719	3,135	2,475	660	584
19 Federal funds sold and securities purchased under agreements to resell[10]	145,560	107,998	87,980	20,018	37,561
20 Federal funds sold	71,066	40,432	34,261	6,171	30,634
21 Securities purchased under agreements to resell	4,834	3,323	2,907	417	1,511
22 Total loans and lease financing receivables, gross	1,901,044	1,399,458	1,147,698	251,761	501,586
23 LESS: Unearned income on loans	11,677	7,938	6,413	1,525	3,739
24 Total loans and leases (net of unearned income)	1,889,367	1,391,520	1,141,284	250,235	497,847
Total loans, gross, by category					
25 Loans secured by real estate	798,074	564,705	479,026	85,679	233,369
26 Construction and land development	125,550	96,429	79,698	16,731	29,121
27 Farmland	17,223	7,957	6,745	1,212	9,266
28 1–4 family residential properties	398,027	278,673	237,353	41,320	119,354
29 Revolving, open-end loans, and extended under lines of credit	61,323	45,993	38,337	7,655	15,330
30 All other loans	336,704	232,680	199,016	33,664	104,024
31 Multifamily (5 or more) residential properties	20,825	14,820	12,716	2,104	6,004
32 Nonfarm nonresidential properties	236,450	166,826	142,514	24,312	69,623
33 Loans to depository institutions	35,555	26,362	16,627	9,735	9,193
34 Loans to finance agricultural production and other loans to farmers	32,917	17,045	14,825	2,220	15,872
35 Commercial and industrial loans	508,423	400,078	319,154	80,924	108,345
36 Acceptances of other banks	3,558	1,718	1,489	229	1,840
37 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	381,844	267,175	225,212	41,963	114,670
38 Credit cards and related plans	79,569	44,018	41,224	2,794	35,551
39 Other (includes single payment installment)	150,351	83,932	70,094	13,838	66,419
40 Obligations (other than securities) of states and political subdivisions in the United States	33,625	27,226	20,554	6,673	6,398
41 Taxable	1,213	1,005	749	256	207
42 Tax-exempt	32,412	26,221	19,804	6,416	6,191
43 All other loans	73,259	66,579	46,990	19,589	6,680
44 Lease financing receivables	33,789	28,570	23,820	4,750	5,219
45 Customers' liability on acceptances outstanding	17,224	16,048	11,894	4,154	1,176
46 Net due from own foreign offices, Edge and agreement subsidiaries, and IBFs	47,328	41,828	20,129	21,699	5,500
47 Remaining assets	174,454	139,726	93,462	46,264	34,728
48 **Total liabilities and equity capital**	**3,025,560**	**2,216,042**	**1,777,738**	**438,304**	**809,518**
49 **Total liabilities**[4]	**2,807,194**	**2,063,030**	**1,657,511**	**405,519**	**744,163**
50 Total deposits	2,338,004	1,679,307	1,373,756	305,551	658,696
51 Individuals, partnerships, and corporations	2,154,095	1,544,355	1,267,785	276,570	609,740
52 U.S. government	9,104	7,586	6,579	1,007	1,519
53 States and political subdivisions in the United States	104,173	68,381	56,618	11,763	35,792
54 Commercial banks in the United States	33,237	29,782	22,893	6,889	3,455
55 Other depository institutions in the United States	8,578	5,968	4,989	979	2,610
56 Certified and official checks	19,781	15,049	10,242	4,806	4,732
57 All other	9,036	8,186	4,648	3,538	849
58 Total transaction accounts	679,786	513,472	411,757	101,715	166,314
59 Individuals, partnerships, and corporations	583,978	435,663	352,899	82,764	148,315
60 U.S. government	7,704	6,386	5,516	870	1,318
61 States and political subdivisions in the United States	28,933	20,201	16,781	3,421	8,731
62 Commercial banks in the United States	26,499	24,615	19,006	5,609	1,884
63 Other depository institutions in the United States	4,831	3,813	2,994	819	1,017
64 Certified and official checks	19,781	15,049	10,242	4,806	4,732
65 All other	8,060	7,745	4,318	3,427	316
66 Demand deposits (included in total transaction accounts)	460,781	362,388	285,268	77,121	98,393
67 Individuals, partnerships, and corporations	379,167	293,287	233,777	59,510	85,880
68 U.S. government	7,638	6,342	5,475	867	1,296
69 States and political subdivisions in the United States	14,837	11,553	9,468	2,085	3,284
70 Commercial banks in the United States	26,497	24,614	19,005	5,609	1,883
71 Other depository institutions in the United States	4,806	3,800	2,982	818	1,005
72 Certified and official checks	19,781	15,049	10,242	4,806	4,732
73 All other	8,057	7,743	4,318	3,426	313
74 Total nontransaction accounts	1,658,218	1,165,835	961,999	203,836	492,383
75 Individuals, partnerships, and corporations	1,570,117	1,108,692	914,886	193,806	461,425
76 U.S. government	1,400	1,200	1,063	136	201
77 States and political subdivisions in the United States	75,240	48,180	39,838	8,342	27,060
78 Commercial banks in the United States	6,738	5,167	3,887	1,280	1,571
79 Other depository institutions in the United States	3,748	2,155	1,995	160	1,593
80 All other	975	441	330	111	534

4.22—Continued

Item	Total	Members: Total	Members: National	Members: State	Non-members
81 Federal funds purchased and securities sold under agreements to repurchase[12]	243,432	203,307	146,395	56,911	40,125
82 Federal funds purchased	37,087	24,647	20,905	3,742	12,440
83 Securities sold under agreements to repurchase	31,219	15,599	12,972	2,627	15,620
84 Demand notes issued to the U.S. Treasury	23,214	20,773	14,730	6,042	2,441
85 Other borrowed money	81,792	57,329	44,824	12,505	24,462
86 Banks liability on acceptances executed and outstanding	17,567	16,390	12,194	4,197	1,176
87 Notes and debentures subordinated to deposits	1,705	1,103	1,036	66	602
88 Net due to own foreign offices, Edge and agreement subsidiaries, and IBFs	21,096	17,278	15,979	1,299	3,818
89 Remaining liabilities	101,481	84,821	64,576	20,246	16,660
90 **Total equity capital**[9]	**218,366**	**153,012**	**120,226**	**32,785**	**65,355**
MEMO					
91 Assets held in trading accounts[13]	23,786	22,340	12,859	9,482	1,446
92 *U.S. Treasury securities*	8,517	8,341	3,386	4,955	176
93 U.S. government agency corporation obligations	2,465	2,257	1,864	393	208
94 Securities issued by states and political subdivisions in the United States	1,207	1,178	863	315	29
95 Other bonds, notes, and debentures	371	239	81	158	132
96 Certificates of deposit	992	985	541	444	7
97 Commercial paper	19	19	19	0	0
98 *Bankers acceptances*	2,306	2,194	1,403	792	111
99 Other	6,814	6,732	4,350	2,382	81
100 Total individual retirement accounts (IRA) and Keogh plan accounts	131,971	94,959	78,948	16,011	37,012
101 Total brokered deposits	72,442	53,191	45,791	7,400	19,251
102 Total brokered retail deposits	39,547	27,098	23,057	4,041	12,449
103 Issued in denominations of $100,000 or less	9,465	4,279	3,876	403	5,185
104 Issued in denominations greater than $100,000 and participated out by the broker in shares of $100,000 or less	30,082	22,818	19,180	3,638	7,264
Savings deposits					
105 Money market deposit accounts (MMDAs)	377,161	286,572	236,104	50,468	90,589
106 Other savings deposits	197,049	141,190	106,343	34,846	55,860
107 Total time deposits of less than $100,000	711,973	474,556	400,895	73,660	237,418
108 Time certificates of deposit of $100,000 or more	336,118	233,860	200,135	33,726	102,258
109 Open-account time deposits of $100,000 or more	35,916	29,658	18,522	11,136	6,259
110 All NOW accounts (including Super NOW)	215,207	149,009	124,756	24,253	66,198
111 Total time and savings deposits	1,877,222	1,316,919	1,088,488	228,431	560,303
Quarterly averages					
112 Total loans	1,853,361	1,364,712	1,119,175	245,536	488,649
113 Transaction accounts (NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)	207,558	142,725	119,472	23,253	64,833
Nontransaction accounts					
114 Money market deposit accounts (MMDAs)	373,862	283,562	233,725	49,837	90,301
115 Other savings deposits	195,410	140,051	105,193	34,858	55,358
116 Time certificates of deposit of $100,000 or more	339,980	237,772	203,085	34,688	102,207
117 All other time deposits	741,890	500,183	415,197	84,987	241,707
118 Number of banks	12,316	4,983	3,976	1,007	7,333

1. Effective Mar. 31, 1984, the report of condition was substantially revised for commercial banks. Some of the changes are as follows: (1) Previously, banks with international banking facilities (IBFs) that had no other foreign offices were considered domestic reporters. Beginning with the Mar. 31, 1984 call report these banks are considered foreign and domestic reporters and must file the foreign and domestic report of condition; (2) banks with assets greater than $1 billion have additional items reported; (3) the domestic office detail for banks with foreign offices has been reduced considerably; and (4) banks with assets under $25 million have been excused from reporting certain detail items.
2. The "n.a." for some of the items is used to indicate the lesser detail available from banks without foreign offices, the inapplicability of certain items to banks that have only domestic offices and/or the absence of detail on a fully consolidated basis for banks with foreign offices.
3. All transactions between domestic and foreign offices of a bank are reported in "net due from" and "net due to." All other lines represent transactions with parties other than the domestic and foreign offices of each bank. Since these intraoffice transactions are nullified by consolidation, total assets and total liabilities for the entire bank may not equal the sum of assets and liabilities respectively, of the domestic and foreign offices.
4. Foreign offices include branches in foreign countries, Puerto Rico, and in U.S. territories and possessions; subsidiaries in foreign countries; all offices of Edge act and agreement corporations wherever located and IBFs.
5. The 'over 100' column refers to those respondents whose assets, as of June 30 of the previous calendar year, were equal to or exceeded $100 million. (These respondents file the FFIEC 032 or FFIEC 033 call report.) The 'under 100' column refers to those respondents whose assets, as of June 30 of the previous calendar year, were less than $100 million. (These respondents filed the FFIEC 034 call report.)
6. Since the domestic portion of allowances for loan and lease losses and allocated transfer risk reserve are not reported for banks with foreign offices, the components of total assets (domestic) will not add to the actual total (domestic).
7. Since the foreign portion of demand notes issued to the U.S. Treasury is not reported for banks with foreign offices, the components of total liabilities (foreign) will not add to the actual total (foreign).
8. The definition of 'all other' varies by report form and therefore by column in this table. See the instructions for more detail.
9. Equity capital is not allocated between the domestic and foreign offices of banks with foreign offices.
10. Only the domestic portion of federal funds sold and securities purchased under agreements to resell are reported here, therefore, the components will not add to totals for this item.
11. "Acceptances of other banks" is not reported by domestic respondents less than $300 million in total assets, therefore the components will not add to totals for this item.
12. Only the domestic portion of federal funds purchased and securities sold are reported here, therefore the components will not add to totals for this item.
13. Components of assets held in trading accounts are only reported for banks with total assets of $1 billion or more; therefore the components will not add to the totals for this item.

Federal Reserve Board of Governors and Official Staff

ALAN GREENSPAN, *Chairman*

WAYNE D. ANGELL
EDWARD W. KELLEY, JR.

OFFICE OF BOARD MEMBERS

JOSEPH R. COYNE, *Assistant to the Board*
DONALD J. WINN, *Assistant to the Board*
BOB STAHLY MOORE, *Special Assistant to the Board*
DIANE E. WERNEKE, *Special Assistant to the Board*

LEGAL DIVISION

J. VIRGIL MATTINGLY, JR., *General Counsel*
SCOTT G. ALVAREZ, *Associate General Counsel*
RICHARD M. ASHTON, *Associate General Counsel*
OLIVER IRELAND, *Associate General Counsel*
RICKI R. TIGERT, *Associate General Counsel*
KATHLEEN M. O'DAY, *Assistant General Counsel*
MARYELLEN A. BROWN, *Assistant to the General Counsel*

OFFICE OF THE SECRETARY

WILLIAM W. WILES, *Secretary*
JENNIFER J. JOHNSON, *Associate Secretary*
BARBARA R. LOWREY, *Associate Secretary*

DIVISION OF CONSUMER AND COMMUNITY AFFAIRS

GRIFFITH L. GARWOOD, *Director*
GLENN E. LONEY, *Assistant Director*
ELLEN MALAND, *Assistant Director*
DOLORES S. SMITH, *Assistant Director*

DIVISION OF BANKING SUPERVISION AND REGULATION

WILLIAM TAYLOR, *Staff Director*
DON E. KLINE, *Associate Director*
FREDERICK M. STRUBLE, *Associate Director*
WILLIAM A. RYBACK, *Deputy Associate Director*
STEPHEN C. SCHEMERING, *Deputy Associate Director*
RICHARD SPILLENKOTHEN, *Deputy Associate Director*
HERBERT A. BIERN, *Assistant Director*
JOE M. CLEAVER, *Assistant Director*
ROGER T. COLE, *Assistant Director*
JAMES I. GARNER, *Assistant Director*
JAMES D. GOETZINGER, *Assistant Director*
MICHAEL G. MARTINSON, *Assistant Director*
ROBERT S. PLOTKIN, *Assistant Director*
SIDNEY M. SUSSAN, *Assistant Director*
LAURA M. HOMER, *Securities Credit Officer*

DIVISION OF INTERNATIONAL FINANCE

EDWIN M. TRUMAN, *Staff Director*
LARRY J. PROMISEL, *Senior Associate Director*
CHARLES J. SIEGMAN, *Senior Associate Director*
DAVID H. HOWARD, *Deputy Associate Director*
ROBERT F. GEMMILL, *Staff Adviser*
DONALD B. ADAMS, *Assistant Director*
DALE W. HENDERSON, *Assistant Director*
PETER HOOPER III, *Assistant Director*
KAREN H. JOHNSON, *Assistant Director*
RALPH W. SMITH, JR., *Assistant Director*

DIVISION OF RESEARCH AND STATISTICS

MICHAEL J. PRELL, *Director*
EDWARD C. ETTIN, *Deputy Director*
THOMAS D. SIMPSON, *Associate Director*
LAWRENCE SLIFMAN, *Associate Director*
DAVID J. STOCKTON, *Associate Director*
MARTHA BETHEA, *Deputy Associate Director*
PETER A. TINSLEY, *Deputy Associate Director*
MYRON L. KWAST, *Assistant Director*
PATRICK M. PARKINSON, *Assistant Director*
MARTHA S. SCANLON, *Assistant Director*
JOYCE K. ZICKLER, *Assistant Director*
LEVON H. GARABEDIAN, *Assistant Director (Administration)*

DIVISION OF MONETARY AFFAIRS

DONALD L. KOHN, *Director*
DAVID E. LINDSEY, *Deputy Director*
BRIAN F. MADIGAN, *Assistant Director*
RICHARD D. PORTER, *Assistant Director*
NORMAND R.V. BERNARD, *Special Assistant to the Board*

OFFICE OF THE INSPECTOR GENERAL

BRENT L. BOWEN, *Inspector General*
BARRY R. SNYDER, *Assistant Inspector General*

JOHN P. LAWARE
DAVID W. MULLINS, JR.

OFFICE OF STAFF DIRECTOR FOR MANAGEMENT

S. DAVID FROST, *Staff Director*
WILLIAM SCHNEIDER, *Special Assignment: Project Director, National Information Center*
PORTIA W. THOMPSON, *Equal Employment Opportunity Programs Officer*

DIVISION OF HUMAN RESOURCES MANAGEMENT

DAVID L. SHANNON, *Director*
JOHN R. WEIS, *Associate Director*
ANTHONY V. DIGIOIA, *Assistant Director*
JOSEPH H. HAYES, JR., *Assistant Director*
FRED HOROWITZ, *Assistant Director*

OFFICE OF THE CONTROLLER

GEORGE E. LIVINGSTON, *Controller*
STEPHEN J. CLARK, *Assistant Controller (Programs and Budgets)*
DARRELL R. PAULEY, *Assistant Controller (Finance)*

DIVISION OF SUPPORT SERVICES

ROBERT E. FRAZIER, *Director*
GEORGE M. LOPEZ, *Assistant Director*
DAVID L. WILLIAMS, *Assistant Director*

OFFICE OF THE DIRECTOR FOR INFORMATION RESOURCES MANAGEMENT

STEPHEN R. MALPHRUS, *Director*
MARIANNE M. EMERSON, *Assistant Director*
EDWARD T. MULRENIN, *Assistant Director*

DIVISION OF HARDWARE AND SOFTWARE SYSTEMS

BRUCE M. BEARDSLEY, *Director*
DAY W. RADEBAUGH, JR., *Assistant Director*
ELIZABETH B. RIGGS, *Assistant Director*

DIVISION OF APPLICATIONS DEVELOPMENT AND STATISTICAL SERVICES

WILLIAM R. JONES, *Director*
ROBERT J. ZEMEL, *Associate Director*
PO KYUNG KIM, *Assistant Director*
RAYMOND H. MASSEY, *Assistant Director*
RICHARD C. STEVENS, *Assistant Director*

OFFICE OF STAFF DIRECTOR FOR FEDERAL RESERVE BANK ACTIVITIES

THEODORE E. ALLISON, *Staff Director*

DIVISION OF RESERVE BANK OPERATIONS AND PAYMENT SYSTEMS

CLYDE H. FARNSWORTH, JR., *Director*
DAVID L. ROBINSON, *Deputy Director (Finance and Control)*
BRUCE J. SUMMERS, *Deputy Director (Payments and Automation)*
CHARLES W. BENNETT, *Assistant Director*
JACK DENNIS, JR., *Assistant Director*
EARL G. HAMILTON, *Assistant Director*
JOHN H. PARRISH, *Assistant Director*
LOUISE L. ROSEMAN, *Assistant Director*
FLORENCE M. YOUNG, *Assistant Director*

Federal Open Market Committee and Advisory Councils

FEDERAL OPEN MARKET COMMITTEE

MEMBERS

ALAN GREENSPAN, *Chairman*

E. GERALD CORRIGAN, *Vice Chairman*

WAYNE D. ANGELL
ROBERT P. BLACK
ROBERT P. FORRESTAL
SILAS KEEHN
EDWARD W. KELLEY, JR.
JOHN P. LAWARE
DAVID W. MULLINS, JR.
ROBERT T. PARRY

ALTERNATE MEMBERS

ROGER GUFFEY
W. LEE HOSKINS
THOMAS C. MELZER
JAMES H. OLTMAN
RICHARD F. SYRON

STAFF

DONALD L. KOHN, *Secretary and Economist*
NORMAND R.V. BERNARD, *Deputy Secretary*
JOSEPH R. COYNE, *Assistant Secretary*
GARY P. GILLUM, *Assistant Secretary*
J. VIRGIL MATTINGLY, JR., *General Counsel*
ERNEST T. PATRIKIS, *Deputy General Counsel*
MICHAEL J. PRELL, *Economist*
EDWIN M. TRUMAN, *Economist*
JACK H. BEEBE, *Associate Economist*
J. ALFRED BROADDUS, JR., *Associate Economist*
RICHARD G. DAVIS, *Associate Economist*
DAVID E. LINDSEY, *Associate Economist*
LARRY J. PROMISEL, *Associate Economist*
KARL A. SCHELD, *Associate Economist*
CHARLES J. SIEGMAN, *Associate Economist*
THOMAS D. SIMPSON, *Associate Economist*
LAWRENCE SLIFMAN, *Associate Economist*
SHEILA T. TSCHINKEL, *Associate Economist*

PETER D. STERNLIGHT, *Manager for Domestic Operations, System Open Market Account*
SAM Y. CROSS, *Manager for Foreign Operations, System Open Market Account*

FEDERAL ADVISORY COUNCIL

PAUL HAZEN, *President*
LLOYD P. JOHNSON, *Vice President*

IRA STEPANIAN, First District
CHARLES S. SANFORD, JR., Second District
TERRENCE A. LARSEN, Third District
JOHN B. MCCOY, Fourth District
EDWARD E. CRUTCHFIELD, Fifth District
E.B. Robinson, Jr., Sixth District
B. KENNETH WEST, Seventh District
DAN W. MITCHELL, Eighth District
LLOYD P. JOHNSON, Ninth District
JORDAN L. HAINES, Tenth District
RONALD G. STEINHART, Eleventh District
PAUL HAZEN, Twelfth District

HERBERT V. PROCHNOW, *Secretary*
WILLIAM J. KORSVIK, *Associate Secretary*

Consumer Advisory Council

James W. Head, Berkeley, California, *Chairman*
Linda K. Page, Columbus, Ohio, *Vice Chairman*

Veronica E. Barela, Denver, Colorado
George H. Braasch, Oakbrook, Illinois
Toye L. Brown, Boston, Massachusetts
Cliff E. Cook, Tacoma, Washington
R.B. (Joe) Dean, Jr., Columbia, South Carolina
Denny D. Dumler, Denver, Colorado
William C. Dunkelberg, Philadelphia, Pennsylvania
James Fletcher, Chicago, Illinois
George C. Galster, Wooster, Ohio
E. Thomas Garman, Blacksburg, Virginia
Donald A. Glas, Hutchinson, Minnesota
Deborah B. Goldberg, Washington, D.C.
Michael M. Greenfield, St. Louis, Missouri
Joyce Harris, Madison, Wisconsin
Julia E. Hiler, Marietta, Georgia
Henry Jaramillo, Belen, New Mexico
Barbara Kaufman, San Francisco, California
Kathleen E. Keest, Boston, Massachusetts
Colleen D. McCarthy, Kansas City, Missouri
Michelle S. Meier, Washington, D.C.
Bernard F. Parker, Jr., Detroit, Michigan
Otis Pitts, Jr., Miami, Florida
Vincent P. Quayle, Baltimore, Maryland
Clifford N. Rosenthal, New York, New York
Alan M. Silberstein, New York, New York
Nancy Harvey Steorts, Dallas, Texas
David P. Ward, Chester, New Jersey
Sandra L. Willett, Boston, Massachusetts

Thrift Institutions Advisory Council

Marion O. Sandler, Oakland, California, *President*
Lynn W. Hodge, Greenwood, South Carolina, *Vice President*

Daniel C. Arnold, Houston, Texas
James L. Bryan, Richardson, Texas
David L. Hatfield, Kalamazoo, Michigan
Elliot K. Knutson, Seattle, Washington
John Wm. Laisle, Oklahoma City, Oklahoma
Richard A. Larson, West Bend, Wisconsin
Preston Martin, San Francisco, California
Richard D. Parsons, New York, New York
Edmond M. Shanahan, Chicago, Illinois
Woodbury C. Titcomb, Worcester, Massachusetts

Federal Reserve Board Publications

For ordering assistance, write PUBLICATIONS SERVICES, MS-138, Board of Governors of the Federal Reserve System, Washington, D.C. 20551 or telephone (202) 452-3244 or FAX (202) 728-5886. *When a charge is indicated, payment should accompany request and be made payable to the Board of Governors of the Federal Reserve System. Payment from foreign residents should be drawn on a U.S. bank.*

THE FEDERAL RESERVE SYSTEM—PURPOSES AND FUNCTIONS. 1984. 120 pp.
ANNUAL REPORT.
ANNUAL REPORT: BUDGET REVIEW, 1990–91.
FEDERAL RESERVE BULLETIN. Monthly. $25.00 per year or $2.50 each in the United States, its possessions, Canada, and Mexico. Elsewhere, $35.00 per year or $3.00 each.
ANNUAL STATISTICAL DIGEST

1974–78.	1980. 305 pp. $10.00 per copy.
1981.	1982. 239 pp. $ 6.50 per copy.
1982.	1983. 266 pp. $ 7.50 per copy.
1983.	1984. 264 pp. $11.50 per copy.
1984.	1985. 254 pp. $12.50 per copy.
1985.	1986. 231 pp. $15.00 per copy.
1986.	1987. 288 pp. $15.00 per copy.
1987.	1988. 272 pp. $15.00 per copy.
1988.	1989. 256 pp. $25.00 per copy.
1980–89.	1991. 712 pp. $25.00 per copy.

SELECTED INTEREST AND EXCHANGE RATES—WEEKLY SERIES OF CHARTS. Weekly. $30.00 per year or $.70 each in the United States, its possessions, Canada, and Mexico. Elsewhere, $35.00 per year or $.80 each.
THE FEDERAL RESERVE ACT and other statutory provisions affecting the Federal Reserve System, as amended through August 1990. 646 pp. $10.00.
REGULATIONS OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.
ANNUAL PERCENTAGE RATE TABLES (Truth in Lending–Regulation Z) *Vol. I* (Regular Transactions). 1969. 100 pp. *Vol. II* (Irregular Transactions). 1969. 116 pp. Each volume $2.25; 10 or more of same volume to one address, $2.00 each.
Introduction to Flow of Funds. 1980. 68 pp. $1.50 each; 10 or more to one address, $1.25 each.
Federal Reserve Regulatory Service. Looseleaf; updated at least monthly. (Requests must be prepaid.)
- Consumer and Community Affairs Handbook. $75.00 per year.
- Monetary Policy and Reserve Requirements Handbook. $75.00 per year.
- Securities Credit Transactions Handbook. $75.00 per year.
- The Payment System Handbook. $75.00 per year.
- Federal Reserve Regulatory Service. 3 vols. (Contains all four Handbooks plus substantial additional material.) $200.00 per year.

Rates for subscribers outside the United States are as follows and include additional air mail costs:
Federal Reserve Regulatory Service, $250.00 per year.
Each Handbook, $90.00 per year.

THE U.S. ECONOMY IN AN INTERDEPENDENT WORLD: A MULTICOUNTRY MODEL, May 1984. 590 pp. $14.50 each.
WELCOME TO THE FEDERAL RESERVE. March 1989. 14 pp.
INDUSTRIAL PRODUCTION—1986 EDITION. December 1986. 440 pp. $9.00 each.
FINANCIAL FUTURES AND OPTIONS IN THE U.S. ECONOMY. December 1986. 264 pp. $10.00 each.
FINANCIAL SECTORS IN OPEN ECONOMIES: EMPIRICAL ANALYSIS AND POLICY ISSUES. August 1990. 608 pp. $25.00 each.

CONSUMER EDUCATION PAMPHLETS

Short pamphlets suitable for classroom use. Multiple copies are available without charge.

Consumer Handbook on Adjustable Rate Mortgages
Consumer Handbook to Credit Protection Laws
A Guide to Federal Reserve Regulations
A Guide to Business Credit for Women, Minorities, and Small Businesses
How to File A Consumer Credit Complaint
Series on the Structure of the Federal Reserve System
- The Board of Governors of the Federal Reserve System
- The Federal Open Market Committee
- Federal Reserve Bank Board of Directors
- Federal Reserve Banks
- Organization and Advisory Committees

A Consumer's Guide to Mortgage Lock-Ins
A Consumer's Guide to Mortgage Settlement Costs
A Consumer's Guide to Mortgage Refinancing
Home Mortgages: Understanding the Process and Your Right to Fair Lending
Making Deposits: When Will Your Money Be Available?
When Your Home is on the Line: What You Should Know About Home Equity Lines of Credit

PAMPHLETS FOR FINANCIAL INSTITUTIONS

Short pamphlets on regulatory compliance, primarily suitable for banks, bank holding companies, and creditors.

Limit of fifty copies

The Board of Directors' Opportunities in Community Reinvestment
The Board of Directors' Role in Consumer Law Compliance
Combined Construction/Permanent Loan Disclosure and Regulation Z
Community Development Corporations and the Federal Reserve
Construction Loan Disclosures and Regulation Z
Finance Charges Under Regulation Z
How to Determine the Credit Needs of Your Community
Regulation Z: The Right of Rescission
The Right to Financial Privacy Act
Signature Rules in Community Property States: Regulation B

Signature Rules: Regulation B
Timing Requirements for Adverse Action Notices: Regulation B
What An Adverse Action Notice Must Contain: Regulation B
Understanding Prepaid Finance Charges: Regulation Z

STAFF STUDIES: Summaries Only Printed in the Bulletin

Studies and papers on economic and financial subjects that are of general interest. Requests to obtain single copies of the full text or to be added to the mailing list for the series may be sent to Publications Services.

Staff Studies 1–145 are out of print.

146. THE ROLE OF THE PRIME RATE IN THE PRICING OF BUSINESS LOANS BY COMMERCIAL BANKS, 1977–84, by Thomas F. Brady. November 1985. 25 pp.
147. REVISIONS IN THE MONETARY SERVICES (DIVISIA) INDEXES OF THE MONETARY AGGREGATES, by Helen T. Farr and Deborah Johnson. December 1985. 42 pp.
148. THE MACROECONOMIC AND SECTORAL EFFECTS OF THE ECONOMIC RECOVERY TAX ACT: SOME SIMULATION RESULTS, by Flint Brayton and Peter B. Clark. December 1985. 17 pp.
149. THE OPERATING PERFORMANCE OF ACQUIRED FIRMS IN BANKING BEFORE AND AFTER ACQUISITION, by Stephen A. Rhoades. April 1986. 32 pp.
150. STATISTICAL COST ACCOUNTING MODELS IN BANKING: A REEXAMINATION AND AN APPLICATION, by John T. Rose and John D. Wolken. May 1986. 13 pp.
151. RESPONSES TO DEREGULATION: RETAIL DEPOSIT PRICING FROM 1983 THROUGH 1985, by Patrick I. Mahoney, Alice P. White, Paul F. O'Brien, and Mary M. McLaughlin. January 1987. 30 pp.
152. DETERMINANTS OF CORPORATE MERGER ACTIVITY: A REVIEW OF THE LITERATURE, by Mark J. Warshawsky. April 1987. 18 pp.
153. STOCK MARKET VOLATILITY, by Carolyn D. Davis and Alice P. White. September 1987. 14 pp.
154. THE EFFECTS ON CONSUMERS AND CREDITORS OF PROPOSED CEILINGS ON CREDIT CARD INTEREST RATES, by Glenn B. Canner and James T. Fergus. October 1987. 26 pp.
155. THE FUNDING OF PRIVATE PENSION PLANS, by Mark J. Warshawsky. November 1987. 25 pp.
156. INTERNATIONAL TRENDS FOR U.S. BANKS AND BANKING MARKETS, by James V. Houpt. May 1988. 47 pp.
157. M2 PER UNIT OF POTENTIAL GNP AS AN ANCHOR FOR THE PRICE LEVEL, by Jeffrey J. Hallman, Richard D. Porter, and David H. Small. April 1989. 28 pp.
158. THE ADEQUACY AND CONSISTENCY OF MARGIN REQUIREMENTS IN THE MARKETS FOR STOCKS AND DERIVATIVE PRODUCTS, by Mark J. Warshawsky with the assistance of Dietrich Earnhart. September 1989. 23 pp.
159. NEW DATA ON THE PERFORMANCE OF NONBANK SUBSIDIARIES OF BANK HOLDING COMPANIES, by Nellie Liang and Donald Savage. February 1990. 12 pp.
160. BANKING MARKETS AND THE USE OF FINANCIAL SERVICES BY SMALL AND MEDIUM-SIZED BUSINESSES, by Gregory E. Elliehausen and John D. Wolken. September 1990. 35 pp.

REPRINTS OF SELECTED Bulletin *ARTICLES*

Some Bulletin *articles are reprinted. The articles listed below are those for which reprints are available. Most of the articles reprinted do not exceed twelve pages.*

Limit of ten copies

Recent Developments in the Bankers Acceptance Market. 1/86.
The Use of Cash and Transaction Accounts by American Families. 2/86.
Financial Characteristics of High-Income Families. 3/86.
Prices, Profit Margins, and Exchange Rates. 6/86.
Agricultural Banks under Stress. 7/86.
Foreign Lending by Banks: A Guide to International and U.S. Statistics. 10/86.
Recent Developments in Corporate Finance. 11/86.
Measuring the Foreign-Exchange Value of the Dollar. 6/87.
Changes in Consumer Installment Debt: Evidence from the 1983 and 1986 Surveys of Consumer Finances. 10/87.
Home Equity Lines of Credit. 6/88.
Mutual Recognition: Integration of the Financial Sector in the European Community. 9/89.
The Activities of Japanese Banks in the United Kingdom and in the United States, 1980–88. 2/90.
Industrial Production: 1989 Developments and Historical Revision. 4/90.
U.S. International Transactions in 1989. 5/90.
Recent Developments in Industrial Capacity and Utilization. 6/90.
Developments Affecting the Profitability of Commercial Banks. 7/90.
Recent Developments in Corporate Finance. 8/90.
U.S. Exchange Rate Policy: Bretton Woods to Present. 11/90.
The Transmission Channels of Monetary Policy: How Have They Changed? 12/90.

Index to Statistical Tables

References are to pages A3–A77 although the prefix "A" is omitted in this index

Federal Reserve Banks, Branches, and Offices

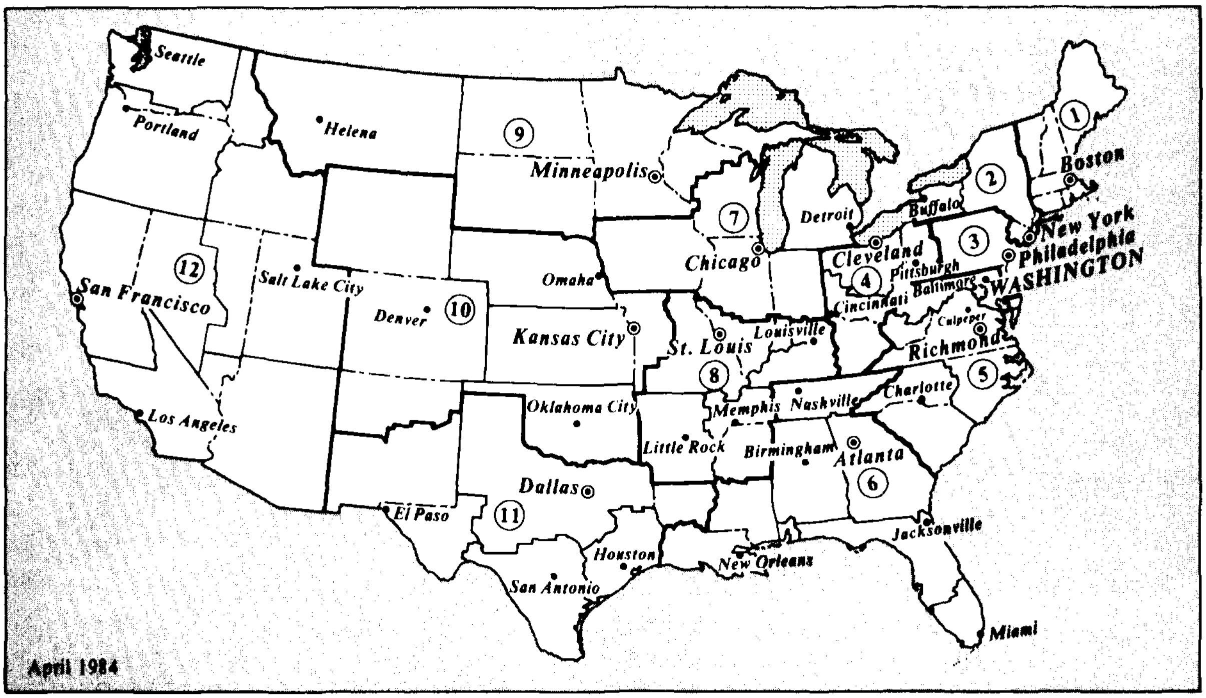
FEDERAL RESERVE BANK branch, or *facility*	Zip	Chairman / Deputy Chairman	President / First Vice President	Vice President in charge of branch
BOSTON*	02106	Richard N. Cooper	Richard F. Syron	
		Jerome H. Grossman	Robert W. Eisenmenger	
NEW YORK*	10045	Cyrus R. Vance	E. Gerald Corrigan	
		Ellen V. Futter	James H. Oltman	
Buffalo	14240	Mary Ann Lambertsen		James O. Aston
PHILADELPHIA	19105	Peter A. Benoliel	Edward G. Boehne	
		Jane G. Pepper	William H. Stone, Jr.	
CLEVELAND*	44101	John R. Miller	W. Lee Hoskins	
		A. William Reynolds	William H. Hendricks	
Cincinnati	45201	Kate Ireland		Charles A. Cerino[1]
Pittsburgh	15230	Robert P. Bozzone		Harold J. Swart[1]
RICHMOND*	23219	Anne Marie Whittemore	Robert P. Black	
		Henry J. Faison	Jimmie R. Monhollon	
Baltimore	21203	John R. Hardesty, Jr.		Ronald B. Duncan[1]
Charlotte	28230	Anne M. Allen		Albert D. Tinkelenberg[1]
Culpeper Communications and Records Center	*22701*			John G. Stoides[1]
ATLANTA	30303	Larry L. Prince	Robert P. Forrestal	
		Edwin A. Huston	Jack Guynn	Donald E. Nelson[1]
Birmingham	35283	Roy D. Terry		Fred R. Herr[1]
Jacksonville	32231	Hugh M. Brown		James D. Hawkins[1]
Miami	33152	Dorothy C. Weaver		James T. Curry III
Nashville	37203	Shirley A. Zeitlin		Melvyn K. Purcell
New Orleans	70161	Vacancy		Robert J. Musso
CHICAGO*	60690	Charles S. McNeer	Silas Keehn	
		Richard G. Cline	Daniel M. Doyle	
Detroit	48231	Phyllis E. Peters		Roby L. Sloan[1]
ST. LOUIS	63166	H. Edwin Trusheim	Thomas C. Melzer	
		Robert H. Quenon	James R. Bowen	
Little Rock	72203	Wm. Earle Love		Karl W. Ashman
Louisville	40232	Lois H. Gray		Howard Wells
Memphis	38101	Katherine H. Smythe		Ray Laurence
MINNEAPOLIS	55480	Delbert W. Johnson	Gary H. Stern	
		Gerald A. Rauenhorst	Thomas E. Gainor	
Helena	59601	James E. Jenks		John D. Johnson
KANSAS CITY	64198	Fred W. Lyons, Jr.	Roger Guffey	
		Burton A. Dole, Jr.	Henry R. Czerwinski	
Denver	80217	Barbara B. Grogan		Kent M. Scott
Oklahoma City	73125	Ernest L. Holloway		David J. France
Omaha	68102	Herman Cain		Harold L. Shewmaker
DALLAS	75222	Hugh G. Robinson	Robert D. McTeer, Jr.	
		Leo E. Linbeck, Jr.	To be announced	Tony J. Salvaggio[1]
El Paso	79999	W. Thomas Beard, III		Sammie C. Clay
Houston	77252	Gilbert D. Gaedcke, Jr.		Robert Smith, III[1]
San Antonio	78295	Roger R. Hemminghaus		Thomas H. Robertson
SAN FRANCISCO	94120	Robert F. Erburu	Robert T. Parry	
		Carolyn S. Chambers	Carl E. Powell	
Los Angeles	90051	Yvonne B. Burke		Thomas C. Warren[2]
Portland	97208	William A. Hilliard		Angelo S. Carella[1]
Salt Lake City	84125	D.N. Rose		E. Ronald Liggett[1]
Seattle	98124	Bruce R. Kennedy		Gerald R. Kelly[1]

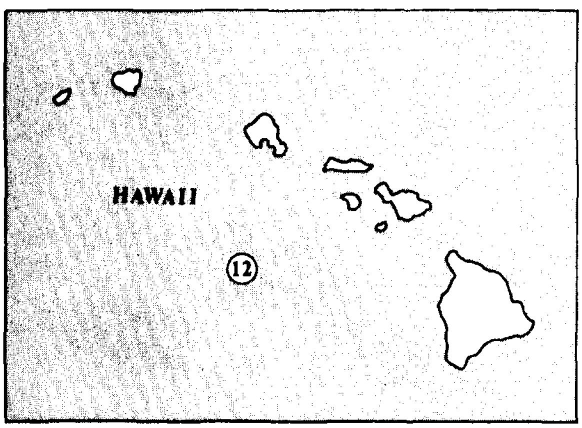
*Additional offices of these Banks are located at Lewiston, Maine 04240; Windsor Locks, Connecticut 06096; Cranford, New Jersey 07016; Jericho, New York 11753; Utica at Oriskany, New York 13424; Columbus, Ohio 43216; Columbia, South Carolina 29210; Charleston, West Virginia 25311; Des Moines, Iowa 50306; Indianapolis, Indiana 46204; and Milwaukee, Wisconsin 53202.

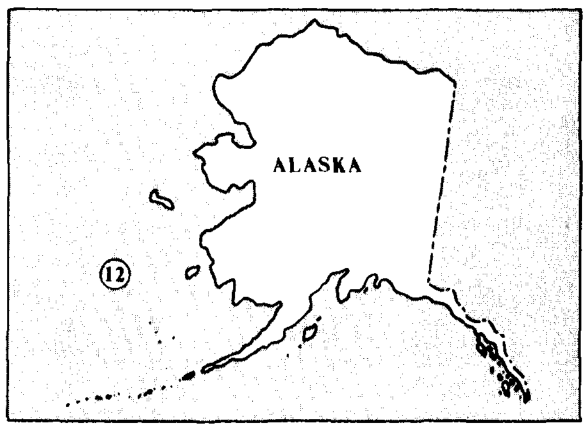
1. Senior Vice President.
2. Executive Vice President.

The Federal Reserve System

Boundaries of Federal Reserve Districts and Their Branch Territories







LEGEND

- Boundaries of Federal Reserve Districts
- Boundaries of Federal Reserve Branch Territories
- Board of Governors of the Federal Reserve System
- Federal Reserve Bank Cities
- Federal Reserve Branch Cities
- Federal Reserve Bank Facility