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Monetary Policy Report to the Congress

Report submitted to the Congress on February 20, 1991, pursuant to the Full Employment and Balanced Growth Act of 1978.[1]

MONETARY POLICY AND THE ECONOMIC OUTLOOK FOR 1991

When it reported to the Congress last July, the Federal Reserve was anticipating that the economy would continue to grow in the second half of 1990. Although the first half had been far from robust, with problems clearly evident in some industries and regions, the economy still was expanding and was afflicted with neither the inventory imbalances nor the escalating inflationary pressures that had preceded past cyclical downturns. Indeed, it seemed at midyear that the goal of achieving a reduction of inflation in the context of continued expansion might well be attainable.

But in August the economy was jolted off course by the Iraqi invasion of Kuwait. The surge in oil prices that followed the invasion gave additional impetus to inflation, and it also portended a weakening of activity as the price increases cut sharply into domestic purchasing power. Uncertainties about the course of the economy were heightened enormously, and household and business sentiment plummeted almost overnight, a response that perhaps grew in part out of memories of the difficult adjustments that had followed previous oil shocks in the 1970s. At the time of the invasion, and on into the autumn, sentiment also was being affected by the considerable uncertainty that existed regarding the course of fiscal policy.

Actual production and spending held up for a time after the oil shock, but started to decline in early autumn. The production cuts reduced real incomes still further and added to the cumulating forces of contraction, which included a continued shift toward greater caution by lenders. The economy thus fell into recession in the latter part of 1990, and, given the further declines in employment and production that were seen in January, that recession clearly has continued into the early part of 1991.

The secondary wage–price pressures that many had expected to see after the oil shock have not been much in evidence, probably because those pressures have been countered by the softening of aggregate demand. The underlying rate of increase in prices began to drop back over the last few months of 1990. In addition, the rate of increase in nominal wages and benefits, which already had started to slow in the third quarter, decelerated further in the fourth quarter. These wage and price developments, coupled with the drop in oil prices since mid-autumn, have given the Federal Reserve greater latitude in recent months to focus on steps that will aid in bringing about economic recovery without jeopardizing continued progress toward price stability.

In fact, as it became clear that the inflationary spillover of the oil shock was being effectively contained, and that an appreciable economic contraction posed the greater risk, the Federal Reserve did ease policy markedly. Earlier in the second half, policy already had moved to a slightly more accommodative stance, first in July, to offset the effects on the economy of apparent restraint in private credit supplies, and again in October, when prospective reductions in federal budget deficits enabled interest rates to decline. Over the balance of the year and into 1991, money market rates were reduced substantially further through open market operations and two half-point decreases in the discount rate. In total, most short-term rates have fallen nearly 2 percentage points since mid-1990, with most of the decrease occurring during the last few months, and long-term rates are about ½ percentage point lower than they were at midyear. Falling interest rates have contributed to an appreciable decline in the dollar since mid-1990.

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

The behavior of the monetary aggregates and credit was an important consideration in the Federal Reserve's decisions to ease policy over recent months. M2 and M3 ended 1990 within the ranges set by the Federal Open Market Committee (FOMC), but they were in the lower parts of those ranges, and their expansion over the fourth quarter and into early 1991 has been quite sluggish. The sluggishness of the aggregates during this period was worrisome because it suggested that the economy was weaker than anticipated and because it indicated the possibility of some undesirable restraint on future spending through constricted credit intermediation by depository institutions. In particular, the thrift industry has been contracting, and banks, concerned about the credit quality of borrowers and facing pressures on capital positions, have become increasingly reluctant to lend, raising interest margins and tightening nonprice terms. To bolster lending incentives, the Federal Reserve in December eliminated the reserve requirements on nonpersonal time deposits and net Eurocurrency liabilities.

To a significant extent, however, overall credit flows have been sustained by sources outside depositories; thus, debt of the domestic nonfinancial sectors grew 7 percent in 1990 and ended in the middle of the FOMC's monitoring range for this aggregate. The effective substitution of non-depository credit for depository credit made it possible to achieve a greater amount of nominal income and expenditure growth for a given expansion of the money stock. One facet of this process was a shifting by the public out of assets that are included in the monetary aggregates and into holdings of Treasury issues and other securities. Velocity, the ratio of nominal GNP to the money stock, exhibited surprising strength: M2 velocity was about unchanged in 1990, even though declines in interest rates ordinarily are associated with falling velocity, and M3 velocity registered an unusually large increase.

1. Ranges for growth of monetary and credit aggregates

Percentage change, fourth quarter to fourth quarter

Aggregate	1989	1990	1991
M2	3 to 7	3 to 7	2½ to 6½
M3	3½ to 7½	1 to 5	1 to 5
Debt	6½ to 10½	5 to 9	½ to 8½

Monetary Policy for 1991

In considering its plans for monetary policy for 1991, the Federal Open Market Committee focused on two objectives, consistent with the goals of the Full Employment and Balanced Growth Act: One was to foster an upturn in activity and thus higher levels of employment and real income; the other was to contain and reduce inflation over time to maximize the efficiency of resource allocation and long-range growth and to minimize the capricious and inequitable effects of inflation on the wealth of savers. The translation of these objectives into specific ranges for money and debt was complicated by the effects of the ongoing restructuring of credit flows. Again this year, a number of insolvent thrift institutions are likely to be closed, with many of their assets ending up at the Resolution Trust Corporation (RTC) or disbursed to a wide variety of investors; at other thrift institutions and at banks, restraints on lending may moderate a bit, but growth in depository credit is likely to continue to be constrained by pressures on capital positions. The rechanneling of credit outside depository institutions is expected to continue to distort the relationship of money to income, buoying the velocities of both M2 and M3.

Taking account of these effects, the Committee decided that the ranges for 1991 that were chosen on a provisional basis last July remain appropriate for achieving its objectives. The ranges for M2 and debt are ½ percentage point below those for 1990—a further step to ensuring that longer-run trends in money and credit growth are moving toward consistency with the achievement of price stability. At the same time, they allow for money and credit growth sufficient to support a rebound in the economy this year; moreover, the ranges should provide ample room for any policy adjustment that may be required by unanticipated developments in the economy or the financial sector as the year progresses.

The M2 range for 1991 is 2½ to 6½ percent. Growth in this aggregate is expected to strengthen from the sluggish pace of recent months, partly in lagged response to the substantial easing of money market conditions over the past few months. While

2. Economic projections for 1991

Item	Memo: 1990 actual	FOMC members and other FRB presidents		Administration
		Range	Central tendency	
Percentage change, fourth quarter to fourth quarter [1]				
Nominal GNP	4.3	3½ to 5½	3¾ to 5¼	5.3
Real GNP	.3	−½ to 1½	¾ to 1½	.9
Consumer price index [2]	6.3	3 to 4½	3¼ to 4	4.3
Average level in the fourth quarter, percent [3]				
Unemployment rate	5.9	6¼ to 7½	6½ to 7	6.6

1. Average for the fourth quarter of the preceding year to the average for the fourth quarter of the year indicated.
2. Actual and FOMC forecasts are for all urban consumers; Administration forecast is for urban wage earners and clerical workers.
3. Percentage of the labor force. Actual and FOMC forecasts are for the civilian labor force; Administration forecast is for the total labor force, including armed forces residing in the United States.

acknowledging some uncertainty about developing velocity relationships, Committee members stressed that M2 expansion noticeably above the lower end of the range likely would be needed to foster a satisfactory performance of the economy in 1991.

The range of 1 to 5 percent for M3 was not reduced from that for 1990. That range was already at an unusually low level in recognition of the accelerated pace of the restructuring of the thrift industry. Credit growth in 1991 is expected to be moderate and to occur largely outside depositories. Consequently, total funding needs of depositories are expected to be damped, keeping the growth of M3 quite low and raising its velocity further.

The monitoring range for nonfinancial sector debt for 1991 was set at 4½ to 8½ percent. Federal borrowing is expected to be robust, owing in part to the RTC, and also to the effect of the weak economy on the federal budget deficit. By contrast, borrowing by domestic nonfederal sectors is likely to be slow, though still consistent with a rebound in the economy. On the demand side of the credit market, households and businesses appear to be returning to sounder financial practices, seeking a healthier balance between debt and the income available to service it. At the same time, restraints on the supply of credit also may continue to play a role, with some private borrowers facing higher interest rates and tighter nonprice terms on credit, in part because of the stresses faced by many intermediaries. In that regard, the Federal Reserve is working with other federal regulatory agencies to ensure that bank supervisory practices, while prudent and fair, do not unduly impede the flow of funds to creditworthy borrowers.

Economic Projections for 1991

The economic outlook is unusually difficult to assess at this time, owing not only to the obvious uncertainties associated with the war in the Gulf, but also to some unresolved problems in the economy. However, the members of the Board of Governors and the presidents of the Reserve Banks, all of whom participate in the discussions of the FOMC, believe that the most likely outcome is that the economy will swing back into expansion later this year. At the same time, they also anticipate that inflation will be much lower in 1991 than it was in 1990.

With regard to real gross national product, the central tendency of the FOMC participants' forecasts is for a gain over the four quarters of 1991 of ¾ to 1½ percent. This is in line with the projection of the Administration, which anticipates an output gain of 0.9 percent. With these GNP forecasts so similar, the forecasts of unemployment also are about the same: The Committee's central tendency projections fall in a range of 6½ to 7 percent in the fourth quarter of 1991, a range that brackets the Administration forecast. On the other hand, the Board members and Reserve Bank presidents are more optimistic on average than is the Administration with regard to the prospects for reduced inflation. The central tendency range for the CPI increase this year—3¼ to 4 percent—compares with an Administration projection of 4.3 percent. The Administration's forecast for nominal GNP is at the upper end of the FOMC central tendency range and thus also would be compatible with the FOMC's monetary ranges.

In discussing their projections, the Board members and Reserve Bank presidents stressed that the war introduces a major imponderable into an outlook that, even before, had been subject to considerable uncertainty. The demands of the war on the economy are not fully clear at this point. Nor is it possible to forecast with any precision how household and business confidence will respond to the course of events in the Gulf. Among the significant unresolved economic and financial problems elsewhere in the economy are those in the real estate markets; commercial construction, in particular, still is plagued by a large overhang of vacant space that will severely limit new construction for some time to come. On the financial side, the overexuberance and loose lending practices of the 1980s have given way to large losses and extreme caution among some lenders, who may not be able or willing at present to shift quickly back toward more normal lending behavior. Because of these problems, the Board members and Reserve Bank presidents perceive that, in the near term, the risks to the economy may be skewed to the downside.

On the other hand, some of the potential underpinnings of recovery also are evident. For example, with the further decline in oil prices since the start of 1991, much of the surge that followed the Iraqi invasion of Kuwait now has been retraced; in a reversal of the effects seen earlier, this drop in oil prices is taking pressure off inflation, and it also is augmenting real purchasing power, which will help to bolster spending. Also working in the direction of supporting spending is the decline in interest rates since the spring of 1989. In contrast to past business cycles, when declines in rates usually did not come until the economy was softening, this decline began far in advance of the peak in activity, and its effects on spending should begin to be felt, especially in sectors like housing, where affordability has been considerably enhanced over the last year and a half. Meanwhile, the prospects for exports, and for our overall trade and current account balances, continue to look favorable, given the improved competitiveness of U.S. producers. And, any pickup in final demand, whether from domestic buyers or from abroad, should translate fairly quickly into increased production, in view of the success that businesses seem to have had in preventing a buildup of inventories in recent months.

As noted above, the Board members and Reserve Bank presidents project a marked slowing of inflation in 1991. A key assumption underlying these forecasts is that oil prices will hold in their recent range, at a much lower level than prevailed through the autumn of 1990. The pass-through of these lower oil prices to consumers is expected to result in a sharp decline in retail energy prices. In addition, increases in wages and benefits seem likely to be more moderate this year, reducing the pressures of labor costs on profit margins and prices. To be sure, there are some near-term negatives in the inflation picture: Labor expenses are being boosted by legislated increases in employers' contributions for social security and by a further rise in the minimum wage, and prices are being affected by a rise in postal rates and increases in various excise taxes. All told, however, the coming year appears likely to be one in which overall price increases will be considerably smaller than in 1990 and in which the downward tilt of the underlying inflation trend should begin to stand out more clearly.

The Performance of the Economy in 1990

When 1990 began, the economy was in its eighth year of expansion, and it remained on a positive course into the summer. During this period, problems were evident in some sectors of the economy, notably construction, where activity was being damped by the persistence of high vacancy rates, and finance, where a significant number of institutions were encountering difficulties that reduced their ability or willingness to provide credit. Overall, however, production and spending still were on a course of expansion at midyear, and while the rate of price increase had not yet started to abate, there were indications that the groundwork for achievement of slower inflation was coming into place without major disruption to the economy.

Then, in early August, the Iraqi invasion of Kuwait set off a chain of events that gave further impetus to inflation and tilted the economy from a path of slow growth to one of contraction. Declines in output and employment were widespread during the remainder of 1990. Real gross national product fell at an annual rate of about 2 percent in the fourth quarter, and the gain over the four quarters of the year amounted to only 0.3 percent. The civilian unemployment rate, which had held around 5¼ percent through the first half of the year, moved up steadily in the second half, to 6.1 percent in December. In January of this year, the rate edged up further, to 6.2 percent. The consumer price index rose 6.1 percent from December of 1989 to December of 1990, the largest annual increase in nearly a decade.

A key link in the chain of events after midyear was a surge in the price of crude oil, from around $20 per barrel in the spot markets in late July to more than $40 per barrel in early October. That surge sent the prices of energy products soaring, sapped household purchasing power, and put further pressures on business profits, compounding the squeeze brought on by rising costs and sluggish sales. Another, less tangible link was the enormous uncertainty about how, and when, tensions in the Mideast might be resolved. Symptomatic of that uncertainty, the various indicators of household and business sentiment remained low toward the end of 1990, even as oil prices dropped back part of the way from their October peaks.

While surging energy prices accounted for much of the acceleration in inflation in 1990, they were by no means the only source of upward price pressure. The year-to-year rate of increase in the CPI excluding food and energy—a rough indicator of basic inflation trends—maintained a gradual upward tilt through the first three quarters of 1990, peaking at a rate of 5.5 percent in August and September; a slight easing of price pressures over the balance of 1990 brought that rate back down to 5.2 percent by year-end. The year-to-year rate of increase in nominal labor compensation, as measured by the employment cost index, also moved up in the first half of 1990; after midyear, however, wage pressures moderated, and the rise in nominal compensation over the year ended up at 4.6 percent, slightly less than the increases recorded in each of the two previous years.

Support for growth of real activity continued to come from the external sector in 1990, as real exports of goods and services rose 5 percent over the four quarters of the year; this gain, however, was considerably smaller than the increases seen in each of the four previous years. Gross domestic purchases, the broadest indicator of domestic demand, fell about ¼ percentage point, on net, over the four quarters of 1990; within this category an increase in government purchases was more than offset by weakness in consumption, homebuilding, and business fixed investment, and a swing in inventories from moderate accumulation late in 1989 to decumulation in the fourth quarter of 1990.

As was true during much of the long expansion of the 1980s, economic trends in 1990 varied appreciably across different regions of the country. The New England economy, which had been very strong through much of the 1980s, slumped in 1990; by year-end, unemployment rates in that region had moved well above the national average. By contrast, the economies of many locales with heavy concentrations of manufacturing—especially capital goods manufacturing—held up fairly well until the oil shock; the continued growth of exports supported activity in those areas. The farm economy was relatively strong again in 1990, although some indications of softening did show up in the second half. Energy producers benefited from the climb in oil prices; exploration and drilling activity was restrained, however, by the great uncertainty regarding the future course of oil prices.

The Household Sector

In midsummer, consumer spending still was on an uptrend, and it edged up a little further after the oil shock, peaking in September. But with real incomes being dragged down by slumping employment and soaring energy prices, the rise in spending eventually ran out of steam. Real outlays fell at an annual rate of 3 percent in the fourth quarter; the quarterly drop likely would have been greater but for tax changes that caused some households to make purchases in advance of the turn of the year.

The declines in real income and spending in the latter part of the year essentially reversed the moderate gains made earlier. Over the year, after-tax income was down about ½ percent in real terms; real consumption spending was up over the four quarters of 1990, but only fractionally. The personal saving rate rose over the first half of the year, but then dropped about 1 percentage point in the last two quarters. This drop in the saving rate after midyear was a little surprising from one perspective, in that an unprecedented plunge in consumer attitudes between July and October might have been expected to generate some increase in precautionary saving.

Moreover, many households had suffered losses of wealth because of decreases in house prices or in the value of securities they held; these developments would seem to have called for a shift toward reduced consumption out of current income. But, while such forces may well have been at work, they apparently were outweighed by a tendency of households to dip into savings in the short run when faced with a sudden surge in expenses for energy.

Patterns of change in the various categories of consumer spending were mixed in 1990. Real outlays for services continued to trend up over the year, but at a slower pace than during most years of the expansion; on a quarterly basis, growth in these outlays was quite erratic, owing largely to weather-related volatility in gas and electric bills. Real outlays for nondurables fell 2¼ percent over the course of the year, an unusually large decline by historical standards. The drop presumably was brought on in large part by the downturn in real income over the four quarters of 1990, the first such decline since 1974.

The real outlays for consumer durables fell ¾ percent over the four quarters of 1990; they had fallen about 1½ percent in 1989. The drop in 1990 was accounted for by a second year of decline in the purchases of motor vehicles. Outlays for the other durables—furniture, household equipment, and the like—were up about ½ percent on net over the four quarters of 1990, after having grown at a moderate pace in 1989. These patterns of change in spending seemed to reflect both macroeconomic forces, notably the slower pace of real income growth after the start of 1989, and the normal workings of household investment cycles. With regard to the latter, household spending for cars, trucks, and other consumer durables over the 1983–88 period were almost 50 percent above the average for the six best years of the 1970s. By 1989 many households may have reached a point where they were in effect "stocked up" and therefore well positioned to delay making new purchases if the timing currently did not seem right.

Spending for residential construction got a transitory boost from good weather in the first quarter of 1990, but then fell sharply in each of the three subsequent quarters. Over the year as a whole, residential investment outlays declined 8¾ percent in real terms; they had dropped 7 percent in 1989.

This slump in homebuilding reflected a variety of influences, most of which appeared to enter on the demand side of the equation. The downshifting of real income growth after the start of 1989 may have led households to view their longer-run prospects in a more cautious light and to hold back from housing investments that they might otherwise have undertaken. In addition, the unwinding in some regions of the country of real estate booms seen in the 1980s tarnished the attractiveness of housing as a longer-term investment. These negative developments came at a time when housing demand already was being restrained by a much slower rate of growth of the adult population than was seen in the 1970s and early 1980s.

Builders cut back sharply on new construction in 1990. The annual starts of single-family units fell 11 percent from their 1989 level, and starts of multi-family units declined about 20 percent, from an already low level. However, these reductions in starts still were not large enough to balance the market. The supply of unsold new homes, measured relative to the pace of sales, jumped sharply in the first part of 1990 and then remained high over the rest of the year; the vacancy rate on multifamily rental units dipped temporarily in the spring, but later bounced back up to the high levels seen over most of the period after 1986.

In some instances, new construction activity was deterred in 1990 by the difficulty that prospective builders had in obtaining credit. Failures of thrift institutions severed established credit relationships for some builders, and the thrift institutions that survived moved toward more conservative lending policies, either out of choice or in response to the more stringent capital requirements and lending limits mandated by the Financial Institutions Reform, Recovery, and Enforcement Act. Banks also were cautious about extending credit to builders; with large volumes of problem loans already on their books, banks were very sensitive to the poor conditions in many local housing markets.

In contrast to builders, potential homebuyers did not seem to have serious problems in obtaining financing in 1990; mortgage credit remained readily available, and the spreads between mortgage rates and the rates on other long-term loans actually narrowed. For the most part, consumer credit also appeared to be readily available, as lenders exhibited only a mild tendency to tighten standards on this generally profitable line of business.

The Business Sector

The business sector began 1990 on a rather shaky note. Profits had declined during 1989, and overhangs of business inventories had developed in the second half of that year in some markets, notably autos. In manufacturing, production growth had been restrained late in 1989, and output dropped sharply in January of 1990, led by a steep cutback in auto assemblies. But conditions improved over the next few months. Industrial production rose fairly briskly, in fact, from January into midsummer, and the drop in business profits was halted for a time.

From August on, the business climate was dominated by the oil shock and its attendant uncertainties. After peaking in September, industrial production plummeted over the last three months of 1990, and it closed out the year about 1½ percent below the level of a year earlier. The operating rate in industry also fell sharply over the latter part of the year, back to where it had been in early 1987, before capacity pressures started developing in that year. With volume declining and costs on the rise, corporate profits undoubtedly went into renewed decline in the fourth quarter (the official data are not yet available); for 1990 as a whole, the share of profits in total GNP was the lowest of any year since 1982.

Serious overhangs of business inventories were not apparent when the oil shock hit in August, and prompt production adjustments that followed the shock forestalled stockbuilding in the ensuing months. Indeed, real manufacturing and trade inventories fell slightly on net between the end of July and the end of November. Under the circumstances, however, these reductions clearly were not great enough to get actual stocks down to desired levels. In wholesale and retail trade, sales declined sharply from July to November, and the constant-dollar ratios of inventories to sales in these sectors moved up to levels that were around the upper end of the ranges seen over the past two or three years. The inventory–sales ratio in manufacturing also edged up on net between July and November, and manufacturers continued to cut output through the end of 1990 and into early 1991. Over 1990 as a whole, the level of real business inventories declined about $3 billion, according to preliminary estimates. The rapid reductions of nonfarm inventories that were seen in the fourth quarter of 1990 accounted for all of that quarter's drop in real GNP.

After registering relatively strong gains in each year from 1987 to 1989, business outlays for fixed investment rose only 1 percent in real terms over the four quarters of 1990. Spending was affected by the squeeze on profits, the easing of pressures on capacity, and the heightened uncertainties regarding the business outlook. These influences showed through most clearly in the outlays for equipment. Real spending for computers and other information processing equipment rose 3 percent on net over the four quarters of 1990; growth had averaged 15 percent per year over the first seven years of the expansion. In addition, outlays for industrial equipment turned down in 1990, as the deterioration of profits and the falloff in operating rates took their toll. Business purchases of motor vehicles bounced around from quarter to quarter, but held in essentially the same range that they have been in for the past several years. By contrast, business outlays for aircraft, which have been very strong in recent years, rose further in 1990.

Nonresidential construction declined 5 percent over the four quarters of 1990. Weakness was concentrated mainly in the outlays for offices and other commercial structures, which together account for about one-third of the total. An excess supply of these structures developed in many cities during the building boom of the mid-1980s, and despite sharp cutbacks in construction after 1985, vacancy rates remained high through 1990. Reflecting this continued imbalance—and the reluctance of creditors to finance new projects in this troubled sector of the economy—the indicators of future activity, such as the data on new contracts and building permits, continued to have a decidedly negative cast through the second half of 1990. Spending for industrial structures rose over the first three quarters of 1990, but fell sharply in the fourth quarter, and the indicators of future construction continued to weaken. As noted previously, investment in oil drilling remained subdued in the second half of 1990, despite the rise in oil prices; in some instances, drillers may have been hampered by shortages of experienced crews, but, more important, the uncertainty about whether prices would remain high enough to justify stepped-up investment prompted a cautious response.

The Government Sector

In the government sector, budgetary pressures intensified in 1990. At the federal level, the rate of growth of receipts slowed to 4.1 percent in fiscal year 1990, less than half the rate of increase in the previous fiscal year and more than 1 percentage point below the rate of growth in nominal GNP. Meanwhile, spending jumped 9.4 percent in fiscal 1990, and the federal budget deficit increased to $220 billion, up $67 billion from the 1989 fiscal year and well above the target for 1990 that had been laid out in the Gramm–Rudman–Hollings legislation. Finding a way to get back on track toward deficit reduction occupied the Congress and the Administration through much of 1990; an agreement that was reached in October prescribed new targets and new procedures for the five-year period starting in the 1991 fiscal year.

Part of the slowing of receipts in the 1990 fiscal year stemmed from the weakness in corporate profits; collections from that source fell almost $10 billion. In addition, the growth of tax receipts drawn from the incomes of individuals slowed appreciably, from 11 percent in 1989 to a bit less than 5 percent in 1990; this slowdown mainly reflected the absence in 1990 of transitory factors that had led to the big jump in these receipts in 1989. On the expenditure side of the ledger, about one-third of the increase of $108 billion in nominal federal outlays in fiscal 1990 was attributable to federal deposit insurance programs; the main portion of these outlays went to honor obligations to holders of deposits in failed thrift institutions. Spending also moved up rapidly in 1990 for entitlements. The outlays for medicare rose 15 percent, pushed up by continued rapid inflation in health costs and an expansion in the number of beneficiaries. Outlays for social security and other income security programs, which together account for close to one-third of total federal spending, rose about 7½ percent in fiscal 1990, a pickup from the pace of recent years. Net interest outlays, which now account for almost 15 percent of total spending, also continued to climb rapidly.

Federal purchases of goods and services, the portion of federal spending that is included directly in GNP, increased 5.5 percent in real terms over the four quarters of 1990. Excluding changes in the inventories owned or financed by the Commodity Credit Corporation, which tend to be very volatile, federal purchases of goods and services increased 4.4 percent, on net, over the year; nondefense purchases were up 3.6 percent and defense purchases, which had registered moderate declines in each of the three previous years, increased 4.7 percent in 1990. The rise in defense purchases came mainly in the fourth quarter of the year and apparently reflected, in part, outlays associated with Operation Desert Shield.

The deficit in the combined operating and capital accounts of state and local governments (excluding social insurance funds) averaged $30 billion at an annual rate over the first three quarters of 1990, and it appears to have widened considerably further in the fourth quarter as the recession cut into tax receipts. State and local budgets first moved into deficit in late 1986, and they have slipped further into the red in each succeeding year. At the same time, concerns have intensified about the repayment abilities of some state and local governing units; as evidence of this, the downgradings of state and local credit ratings outnumbered upgradings by a wide margin in 1990.

In an effort to strengthen their finances, many state and local governments have raised taxes in recent years. Reflecting those increases, total state and local receipts moved up faster than nominal GNP both in 1989 and through the first three quarters of 1990. In addition, spending has been scaled back from planned levels in many cases. Overall, however, the efforts to control spending have collided with the growing demands for services that state and local government traditionally have provided for such things as education, public protection, and health and income support. Thus, while the growth of state and local outlays has slowed from the rate of rise seen earlier in the expansion, it nonetheless has been running above that of total GNP. The nominal rise in state and local purchases of goods and services over the four quarters of 1990 was 7.9 percent; in real terms, purchases grew 2.5 percent over the year.

The External Sector

The merchandise trade deficit narrowed from $115 billion in 1989 to a bit less than $110 billion in 1990, a degree of improvement that was smaller than that seen in either of the two preceding years. A surge in the price of oil imports in the second half of the year led to a jump in the value of imports. In addition, trade flows during the year were influenced to some extent by lagged effects of the firming of dollar exchange rates that had taken place in the first half of 1989. The current account balance averaged $93 billion, at an annual rate, during the first three quarters of 1990, down from a total of $110 billion in 1989; the improvement in this account was greater than that in the trade account owing to a strengthening of net receipts from service transactions, those involving such things as travel, education, and finance.

Measured in terms of the other Group of Ten (G-10) currencies, the foreign exchange value of the U.S. dollar depreciated about 12 percent from December 1989 to December 1990. This depreciation extended a decline that began in mid-1989 and more than reversed the earlier appreciation. Adjusted for movements in relative consumer price levels, the dollar's decline in 1990 was slightly less than it was in nominal terms, as inflation in the United States exceeded somewhat the weighted average of inflation rates in the other G-10 countries. In real terms, the weighted-average dollar in December 1990 was at about its low of 1980; the huge appreciation in average exchange rates in the first half of the 1980s thus has been reversed.

The decline in the dollar in 1990 was broadly based against the Japanese yen, the German mark, and other European currencies. The dollar also declined about 10 percent against the Singapore dollar, but it appreciated about 5 percent against the currencies of South Korea and Taiwan, partially reversing declines of the preceding few years. The weakness in the dollar against the G-10 currencies over the past year reflected primarily the influence of different trends in interest rates in the United States and other major industrial countries. Whereas U.S. short-term interest rates trended down through the year and long-term rates were about unchanged over the year as a whole, foreign short-term rates rose by an average of about ½ percentage point, and foreign long-term rates rose by an average of about 1 point. Official intervention in foreign exchange markets was small in 1990.

U.S. merchandise exports grew 7½ percent in real terms over the four quarters of 1990, after rising about 12 percent in 1989. Merchandise exports grew rapidly in the first quarter, boosted in part by a strong recovery of exports of aircraft after the Boeing strike of late 1989 ended. Over the next two quarters, real exports changed little on net. Growth of activity in the major U.S. export markets slowed noticeably in the middle of the year; outright recessions developed in Canada and the United Kingdom. In the fourth quarter, export growth picked up again, probably largely in response to the gains in U.S. price competitiveness that took place during the year. Export prices rose moderately during the year.

Merchandise imports excluding oil grew only 2 percent in real terms during 1990, less than half the pace recorded in 1989. The deceleration in imports reflected the net decline in total domestic demand in the United States during the year. The quantity of oil imports fluctuated during the year, but was up only slightly for the year as a whole. At an average rate of about 8.3 million barrels per day, oil imports accounted for roughly half of total domestic consumption of oil in 1990. The price of imported oil surged to an average level of nearly $30 per barrel in the fourth quarter, after having fluctuated in a range of $15 to $20 per barrel for nearly two years.

The current account deficit of $93 billion at an annual rate over the first three quarters of 1990 was matched by a recorded net capital inflow of $26 billion and a large positive statistical discrepancy in the international accounts. Part of the statistical discrepancy may have reflected increased holdings of U.S. currency by foreigners responding to the unsettled political conditions in many parts of the world.

The recorded net inflow of capital was more than accounted for in net transactions reported by banks, which were mainly for the banks' own accounts. Transactions in securities showed a net outflow, as foreigners reduced their rate of net purchases of U.S. corporate and Treasury bonds and actually made net sales of U.S. corporate stocks, while the rate of U.S. net purchases of foreign securities increased. The recorded inflow of direct investment from abroad dropped sharply from the rates recorded in 1988 and 1989; foreign acquisitions in the United States remained strong, but a much greater portion were being financed here rather than abroad. The flow of U.S. direct investment abroad picked up, in part reflecting strong U.S. acquisitions abroad. Foreign official assets in the United States increased $11 billion over the first three quarters of 1990, and U.S. official holdings of assets abroad declined slightly.

Labor Markets

Payroll employment increased in each month in the first half of 1990 and fell in each month of the second half. The declines of July and August, however, reflected layoffs of federal workers who had been hired temporarily to conduct the 1990 Census. In the private nonfarm sector, employment continued to edge up into August and did not turn down decisively until October. More than half a million jobs were lost over the final three months of the year. Over the year as a whole (December to December), the number of jobs in the private nonfarm sector increased about 250,000 on net, but much of that small gain was wiped out by the further drop in employment in January of this year.

Sectoral patterns of employment change varied considerably in 1990. Employment in manufacturing fell about 585,000 from December of 1989 to December of 1990; losses of factory jobs proceeded at a slow and fairly steady pace through the first half, but then accelerated after the onset of the oil shock. The troubled construction sector shed roughly one-quarter of a million jobs over the course of the year; after a weather-related jump early in the year, the declines went on almost without interruption through December. Employment in retail and wholesale trade was down slightly on net over the course of 1990, as small gains through the first seven months of the year were more than offset by sharp declines in the fourth quarter. The number of jobs in the services industries increased in each month of 1990, but the rate of gain slowed progressively over the year; health services was the only major area in which hiring was going on with much vigor at year-end.

Growth in the supply of labor was quite subdued in 1990. The civilian labor force increased only 0.5 percent on a December-to-December basis, the smallest annual gain in almost thirty years. Part of the explanation for this slow labor force growth is that the working-age population has not been growing very rapidly in recent years. In addition, the share of the working-age population that chose to participate in the work force declined in 1990, by enough to cut labor force growth to about half of what it would have been had the participation rate remained unchanged. The sluggishness of the labor markets in 1990 no doubt discouraged some potential entrants from seeking jobs, as typically happens during cyclical slowdowns in the economy. Still, the drop in participation in 1990 left some questions regarding the future trend in the growth of labor supply. A downshifting in the growth of labor supply, to the extent that it is not due solely to cyclical factors, would tend to translate one-for-one into slower growth of potential output over time unless there were at the same time an offsetting pickup in labor productivity, of which there has been little, if any, evidence of late.

The flatness of the unemployment rate through the first half of 1990 brought to seven quarters the length of time during which the rate had held tightly around the 5¼ percent mark and extended to nearly three years the length of time during which the rate had been below 6 percent. Not since the first half of the 1970s had the unemployment rate been at such low levels for so long. This period of low unemployment, unfortunately, also was a period of sharply increased wage inflation. After rising about 3¼ percent in both 1986 and 1987, the employment cost index for compensation, which includes the cost of workers' benefits, as well as wages and salaries, moved up about 4¾ percent in both 1988 and 1989; and in the first half of 1990, the year-to-year rate of increase in this measure of compensation rose still further, to 5¼ percent.

Labor market tightness was not the only factor putting pressure on wages and compensation between the end of 1987 and the middle of 1990. The updrift in inflation caused workers to press for nominal increases in wages and benefits that were big enough to keep real incomes on a reasonably even keel, and with labor in short supply, businesses found it necessary to accede to hefty increases to attract and keep workers. The actions of government also added to cost pressures: A further rise in social security taxes in 1990 added 0.2 percent to total compensation, and a boost in the minimum wage may have added another 0.1 percent.

A marked slowing of wage pressures emerged in the second half of 1990, and the year-to-year rate of increase in the employment cost index for compensation dropped back to 4.6 percent by the end of the year. Although workers' real incomes were battered by the surge in energy prices during this period, attempts to regain those income losses appear to have been overwhelmed by the increase in labor market slack and associated concerns about job security. The efforts of management to contain costs in a time of declining profits probably also were a factor helping to limit wage increases during this period.

The performance of productivity was subpar for a second successive year in 1990. Output per hour in the nonfarm business sector edged down 0.1 percent over the four quarters of the year, after having dropped 1.6 percent in 1989. More than likely, the behavior of productivity over this two-year period mainly reflected typical cyclical influences, namely the tendency of firms to adjust output faster than hours in response to a slowing of demand. Unit labor costs increased about 4½ percent over the four quarters of 1990, the largest annual rise since 1982.

Price Developments

All of the major price indexes – the consumer price index, the producer price index, and the GNP price indexes – rose faster in 1990 than they did in 1989. In general, the increases seen in 1990 also were the largest since those of the early 1980s. In all of the measures, the pickup in the rate of price increase in 1990 basically reflected the effects of the oil shock in a situation in which underlying inflation pressures already were well entrenched. Acceleration was especially pronounced in those indexes, such as the CPI, that measure price change for goods and services *purchased* by domestic buyers, as the surge in oil import prices had a particularly strong effect on these measures. By contrast, the GNP price measures, which cover goods and services *produced* domestically, exhibited a less pronounced degree of acceleration this past year.

The CPI for energy rose 18 percent from December of 1989 to December of 1990. Although the bulk of the 1990 rise came after the start of August, intermittent pressures had surfaced earlier in the year. A severe bout of cold weather at the end of 1989 cut into the inventories of heating oil, disrupted operations at several refineries, and caused the prices of fuel oil and gasoline to soar. After January, fuel oil prices fell back, but gasoline prices remained relatively firm into the summer as still more supply interruptions prevented a rebuilding of stocks.

The August invasion of Kuwait set off another round of steep price increases. World oil production dropped temporarily after the invasion, and the uncertainties associated with the tensions in the Persian Gulf set off a scramble for inventories by refiners and others seeking to guard against a possible further disruption in supplies. The price of oil fluctuated widely in this period, but generally maintained an upward trend into early October. By then, however, the losses of oil from Iraq and Kuwait were being fully offset by increased production from other countries, and demand was weakening. As a result, oil prices turned down and held on a choppy downward pattern through the end of the year, retracing about half of the runup that had occurred between August and early October. A further steep drop came in mid-January of 1991, when initial successes of the coalition forces in the Gulf war seemed to signal a greatly diminished potential for disruption of world supplies.

The CPI for fuel oil also turned down over the last two months of the year, but gasoline prices again held firm, supported this time by a five cent per gallon rise in the federal excise tax that took effect on December 1. Over the year, fuel oil prices increased about 30 percent at the consumer level, and gasoline prices were up almost 37 percent. By contrast, increases over the year in the prices of the service fuels (natural gas and electricity) were quite small – in the range of 1½ to 2 percent; reaction of these prices to the oil shock apparently was damped by ample supplies of natural gas and coal, as well as the customary lags in adjusting rate structures at retail.

The consumer price index for food rose 5.3 percent in 1990; this increase was about the same as those seen in 1988 and 1989. Over the preceding few years, food price increases had tended to run more in the 3 to 4 percent range. To a considerable degree, the continued sharp increases in food prices in 1990 seemed to reflect underlying inflation processes similar to those at work in other sectors of the economy. In addition, prices were affected by the changing supply conditions in agriculture. Production of beef and pork declined in 1990, and their prices at retail increased 9 percent and 17 percent respectively over the course of the year. Dairy production, which had fallen in 1989, turned up in 1990; but with stocks initially at low levels, the rise in production did not have a damping effect on prices at retail until relatively late in the year. The spell of cold weather late in 1989 led to a surge in the prices of orange juice and fresh vegetables early in 1990; toward the end of 1990, another cold snap destroyed citrus crops in California and boosted citrus prices.

By contrast, big wheat crops here and abroad in 1990 caused wheat prices to plunge and led to some rebuilding of stocks; at retail, the CPI for cereals and bakery products slowed from an increase of 7½ percent in 1989 to one of 4½ percent in 1990.

The CPI for nonenergy services, which accounts for more than half of the total CPI, rose 6 percent during 1990, after an increase of 5.3 percent in 1989. The prices of medical services, which have been rising rapidly for many years, were up 9.9 percent in 1990; they had increased 8.6 percent in the previous year. The cost of tuition, another category where pressures have been evident in the CPI for some time, rose more than 8 percent in 1990, about the same as in 1989. Elsewhere in the services sector, prices soared for public transportation and lodging. Airlines, which were hit hard by the surge in energy costs, raised their fares almost 23 percent over the year. Price increases for other forms of public transportation were in the 6 to 7 percent range, and the CPI for out-of-town lodging advanced nearly 16 percent over the year. Increases in the costs of many publicly provided services—such as water and sewerage maintenance and refuse collection—also were large in 1990; these increases probably reflected the needs of municipalities to raise revenue, as well as environmental imperatives in some instances.

The CPI for commodities excluding food and energy rose 3.4 percent in 1990, after increasing 2.7 percent in 1989. Within this category, tobacco prices again registered a particularly large increase, about 11 percent over the course of the year. This increase partly reflected the pass-through to consumers of a jump in manufacturers' prices; in addition, governments continued to view excise taxes on tobacco products as an attractive way to boost revenues. The CPI for apparel was up 5 percent in 1990; apparel prices had changed little over the course of 1989, and the 1990 rise may therefore have been, in part, an effort to restore margins. New car prices continued to rise, even as sales declined; by contrast, the prices of used cars were down a bit for a second year. The prices of many household appliances fell in 1990, extending the gradual downward trends seen in previous years.

Apart from energy, increases in producer prices were comparatively moderate in 1990. The producer price index for finished goods excluding food and energy rose 3.5 percent over the year, about ¾ percentage point less than in either of the preceding two years. In manufacturing, the pressures from rising wages and soaring energy costs were partly damped by continued rapid gains in productivity and softening demand. The prices of intermediate materials excluding food and energy rose 1.9 percent during 1990, the second year in a row in which increases for that category have been small; materials prices had increased sharply in 1987 and 1988. The spot prices of raw industrial commodities moved up on net in the first half of 1990, held firm through September, and then fell rapidly in the fourth quarter as the economy weakened; further declines in these prices have been evident in the early part of 1991.

MONETARY AND FINANCIAL DEVELOPMENTS DURING 1990

Monetary policy has been progressively eased since mid-1990, resuming the trend begun in 1989. The Federal Reserve has acted against the backdrop of a weakening economy, sluggish money growth, improved inflation prospects, greater fiscal restraint, and indications of tightening credit to private borrowers. In response to the System's actions and to developments in economic activity and prices, short-term interest rates, as of mid-February, were nearly 2 percentage points below those prevailing at the time of the Board's July report to the Congress, and long-term rates were down about ½ percentage point.

After an initial small cut in money market rates in July, policy was held stable for a brief period, in light of the sharp jump in world oil prices that occurred in the wake of the Iraqi invasion of Kuwait. This shock implied an uncertain combination of increased prices and reduced economic activity. The magnitude of the impact would depend on the extent of the disruption in world oil markets, which could not be forecast with precision. As it became clear in the autumn that the risks of increased inflation were fading relative to the risks of a downturn in economic activity, the Federal Reserve moved aggressively, using a variety of instruments. Open market operations and a reduction of 1 percentage point in the discount rate, taken in two steps, have brought overnight rates down 1¾ percentage points since late October; in addition, reserve requirements were reduced in early December to foster easier credit conditions.

In the formulation of policy in 1990, the Federal Reserve continued to examine a variety of information bearing on developments relating to economic activity and prices. Over the year, certain developments in financial markets took on special significance for the economy and monetary policy. The cost and availability of credit was monitored in light of indications that tightening credit supplies were constraining output to a greater degree than was desirable. In addition, considerable attention was paid to money stock movements, especially in the latter part of 1990 and into 1991, when money growth virtually stalled. The Federal Reserve recognized that the relation of the monetary aggregates to broad measures of economic performance remained subject to considerable uncertainty, but the marked sluggishness of money growth was seen as suggesting both weak contemporaneous growth of income and spending and the existence of constraints on the availability of credit through depository institutions that could adversely affect spending in the future.

The Implementation of Monetary Policy

During the first half of 1990, the Federal Reserve took no actions in reserve markets designed to produce changes in money market interest rates. Federal funds – overnight interbank loans of immediately available funds – traded around the 8¼ percent level that had been established in December 1989, and other short-term rates were little changed as well. Throughout this period economic activity continued to grow, the unemployment rate held steady, and there were no clear signs of abatement in inflation.

Yields on longer-term debt instruments rose considerably during the early months of the year, restoring the yield curve's usual upward tilt, which had been absent for much of 1989. This rise in long-term rates reflected a stronger economy than some had expected, increased concerns about inflation, and higher foreign interest rates. As the second quarter progressed, however, bond rates began to recede, responding to a shift in sentiment about the strength of the economy and the likely path of monetary policy.

Around that time, growth of the broader monetary aggregates began to slow appreciably. To a large extent, the weakness in the aggregates was associated with a redirection of credit flows away from depository institutions, related mainly to the ongoing restructuring of the thrift industry but also to an apparent decrease in the willingness or ability of banks to lend. For the most part, the decline in depository credit was expected to be taken up by other lenders, with minimal impact on the overall cost and availability of credit. M3 velocity in particular was expected to be boosted substantially in the process, and the FOMC at its July meeting reduced the annual target range for this aggregate by 1½ percentage points. By mid-July, it was increasingly apparent that the pullback by depositories was constricting credit supplies to some classes of borrowers, and the Committee eased reserve conditions to bring down interest rates slightly to offset the effects of this tightening of credit conditions on an already soft economy.

The invasion of Kuwait at the beginning of August fundamentally altered the environment for monetary policy. World oil prices soared, and a considerable measure of uncertainty was added to the outlook for the economy, complicating the formulation of monetary policy. Business and consumer confidence plummeted, and the adverse effects of high oil prices on the public's spending plans, domestic economic activity, and inflation soon became apparent. As volatility in financial markets increased, heightened investor preference for liquidity and safety was evident: Treasury bill rates fell over August and September while private short-term rates changed little; money market mutual funds experienced large inflows, boosting growth of the monetary aggregates late in the summer as investors apparently fled stock and bond markets; and the ongoing decline in the foreign exchange value of the dollar was halted for a while by safe-haven demands.

In these circumstances, the benefits of any easing action taken to cushion the possible effects on output in the near term needed to be weighed against the potential for embedding higher energy prices in the price level and, more important, into inflationary expectations, a reaction that ultimately would undercut sustainable economic growth. Policy decisions were further complicated by the fact that the military and political situation underlying the oil price shock was so fluid; in fact, it clearly was a war-risk premium rather than a current shortage of supply that was maintaining a higher price of crude oil. The possibility existed that any substantial moves in monetary policy might prove ill-advised as circumstances changed, and it appeared that the most constructive role monetary policy might play, until the balance of risks was clarified, would be to foster a sense of stability in the very nervous financial markets.

As it was, financial markets had to contend not only with the Gulf crisis during the late summer and early fall, but also with uncertainties surrounding the timing and extent of a reduction in the federal budget deficit. Yields were buffeted whenever the odds of a meaningful deficit-reduction package appeared to change. For example, Treasury bond rates fell appreciably when an initial budget accord was hammered out and rose when the government was forced to shut down temporarily after the pact failed to win congressional approval. By the end of October, long-term rates had come down again, and a budget agreement involving a major degree of fiscal restraint over a multi-year horizon was successfully concluded. In light of the budget agreement, which promised greater and more durable fiscal restraint, and with the economy weakening, the Federal Reserve took another step to ease pressures on reserve conditions.

Late in the year, indications accumulated that inflationary pressures, apart from those closely connected to the surge in energy prices, were easing. As the economy softened and wage pressures also diminished, it seemed more likely that the effects of higher oil prices would not be built into ongoing inflation trends. Market interest rates declined across the maturity spectrum, although these declines were most pronounced for government obligations owing to heightened concerns about credit quality, which drew investors toward high-grade assets.

Financial strains were experienced by more and more lending institutions, as problems emerged in many real estate portfolios and as a growing number of highly leveraged firms ran into trouble. Efforts by banks and other lenders to protect or improve their capital positions as their loan portfolios deteriorated were reflected in widespread signs of cutbacks in the availability of credit and increases in its cost, especially to less-than-prime borrowers lacking access to securities markets. While much of the tightening of lending standards was welcome from the standpoint of safety and soundness, it exerted a contractionary influence on the economy and was reflected in the slow growth in bank credit and the broad monetary aggregates.

Against this backdrop, the Federal Reserve undertook additional actions designed to support the economy and to counter the tightening in credit terms. In mid-November, the FOMC moved to lower money market rates through open market operations, and in early December, the Board eliminated the 3 percent reserve requirement on nonpersonal time deposits and net Eurocurrency liabilities. This action was taken in response to the increased restraint on lending by commercial banks:

3. Growth of money and debt
Percentage change

Period	M1	M2	M3	Debt of domestic nonfinancial sectors
Fourth quarter to fourth quarter				
1980	7.4	8.9	9.5	9.4
1981	5.4 (2.5)[1]	9.3	12.3	10.1
1982	8.8	9.1	9.9	9.1
1983	10.4	12.2	9.8	11.1
1984	5.4	8.0	10.7	14.2
1985	12.0	8.7	7.6	13.1
1986	15.5	9.2	9.0	13.2
1987	6.3	4.3	5.8	9.7
1988	4.2	5.2	6.3	9.2
1989	0.6	4.7	3.6	7.7
1990	4.2	3.9	1.8	6.9
Quarterly growth rates (annual rates)				
1990: 1	5.2	6.2	2.9	6.1
2	4.2	3.9	1.3	6.9
3	3.7	3.0	1.6	7.4
4	3.4	2.2	1.3	6.4

1. Figure in parentheses is adjusted for shifts to NOW accounts in 1981.

Lower reserve requirements reduce funding costs to depository institutions, encouraging them to expand lending. Ultimately, the lower funding costs are passed through as a combination of lower rates for borrowers and higher rates offered to depositors.

Following the reduction in reserve requirements, further actions were taken in reserve markets to bring down short-term interest rates. These actions included additional steps toward a more accommodative supply of nonborrowed reserves through open market operations and two reductions in the discount rate—of a half point in December and of a like amount in January. All of these moves were made in light of further declines in economic activity, sluggish money and credit growth, and evidence of ebbing inflation pressures. In total, the federal funds rate has fallen about 2 percentage points from its mid-1990 level and about 3½ percentage points from its most recent peak in mid-1989.

Under the impetus of the easing of monetary policy and the softening of the economy, other short-term rates also fell significantly below mid-1990 levels by mid-February. The drop in yields on Treasury bills roughly paralleled that in the federal funds rate. Banks reduced their prime rates in two ½ percentage point steps in early 1991, but, as a consequence of the tightening in credit supplies, prime rates remained higher than usual relative to rates on federal funds and other sources of funds. Rates on commercial paper and CDs also fell less than those on federal funds or Treasury bills, dropping about 1¼ percentage points from mid-1990 levels. This widening of yield spreads was additional evidence of investor concern about private credits, though these spreads generally remained narrow relative to those seen in past economic downturns. However, yields on private money market instruments were under substantial upward pressure in the weeks leading up to year-end when the prospect of publishing financial statements led banks to attempt to hold down credit extension in order to bolster capital ratios and led lenders generally to intensify their focus on asset quality. Spreads soared at times in this period; but the Federal Reserve injected large amounts of reserves, the year-end passed without major dislocation, and yield spreads narrowed substantially in January.

Rates on longer-term securities came down considerably less from their levels in mid-1990 than those on short-term paper. As of mid-February, the yield on the thirty-year Treasury bond had fallen about ½ percentage point since the middle of 1989, and those on private long-term issues were down slightly less. Declines in these yields may have been limited in part by the increased uncertainty and volatility that followed the invasion of Kuwait. Some major stock market indexes had reached record highs in July, but the uncertain outlook both at home and abroad after the invasion of Kuwait and the slump in economic activity pushed stock prices significantly lower in the ensuing months. Since the war broke out in mid-January of this year, however, stock price indexes have moved up sharply, with some indexes reaching new record highs in mid-February. The foreign exchange value of the dollar declined about 10 percent over the second half of 1990; the dollar turned up early this year, but fell again in February.

Behavior of Money and Credit

M2 grew unexpectedly slowly in 1990, about 4 percent for the year, well down in the lower half of the FOMC's range. After a robust first quarter, M2 growth weakened markedly over the balance of the year. The expansion of this aggregate was well below what the historical relationships based on income and interest rates would suggest. The substantial declines in interest rates from their earlier levels would ordinarily be expected to offset to some extent the effects of the slowdown in nominal income in the second half of the year. M2 velocity was fairly stable through 1990, but historical relationships suggest that velocity should have fallen given the decline in interest rates.

The shortfall of money growth, relative to historical patterns, probably reflected the shifting of financial flows associated with the contraction of the thrift industry and the increased reluctance or inability of commercial banks to expand their balance sheets. Indeed, the slowdown of M2 growth emerged at about the time that RTC activity picked up. The drop in depository credit, which had its primary effect on the M3 aggregate, also may have damped M2 by lessening the need of commercial banks and thrift institutions to bid for retail deposits. One indication is the apparent cutback in advertising for these deposits during the year. And, as a result of the diminished need for retail deposits, deposit rates were held down relative to returns available on market instruments. In addition, some high-rate contracts were abrogated in the process of closing failed thrift institutions, reducing the attractiveness of these deposits; depositors who were dislodged from existing relationships when thrift institutions were closed may have reallocated their assets in other directions.

Nevertheless, even taking account of these factors affecting the relative attractiveness of yields on M2 assets, M2 growth remains much slower than seems explainable, indicating an underlying reevaluation of, and shift away from, M2 assets. One factor behind such a shift may have been concerns generated by the publicity about savings and loan failures and about credit quality problems at banks. To the extent that households moved assets to money market funds, which grew rapidly in the second half of the year, M2 would not be affected; however, direct purchases of market instruments would reduce M2. For example, noncompetitive tenders at Treasury auctions have been unusually strong, suggesting a shift toward holding these assets directly. In addition, households may have chosen to deplete liquid assets instead of increasing borrowing to maintain spending in the face of higher prices for energy products and the sudden plunge in real income; consumer credit growth was especially slow in the fourth quarter.

The slowdown in M2 last year would have been even more pronounced had it not been for the rapid expansion of currency. At 11 percent, currency growth was more than twice its 1989 rate and was at the most rapid yearly rate of the postwar period. The bulk of the pickup appears attributable to increased demands for U.S. currency outside our borders, however. Information on shipments overseas suggests that demands for U.S. currency were particularly heavy in areas experiencing economic and political turmoil, especially Eastern Europe, Latin America, and, after the Iraqi invasion of Kuwait, the Middle East. The faster growth of currency, along with the effects of lower market interest rates on incentives to hold transactions balances, boosted M1 growth from near zero in 1989 to 4 percent in 1990. The monetary base grew 8½ percent over the year, also propelled by strong currency growth. By contrast, the total reserves portion of the monetary base was about unchanged, reflecting little net growth in reservable liabilities; transactions deposits increased slightly, but declines were registered in nonpersonal time deposits and net Eurodollar borrowing (abstracting from the effects of the reserve requirement decrease at year-end).

M3 grew 1¾ percent in 1990, somewhat less than had been anticipated early in the year. Roughly similar to the quarterly pattern of M2, M3 growth fell off noticeably after the first quarter and ended the year somewhat above the lower bound of its target range. That range itself had been lowered at midyear by 1½ percentage points amid evidence that the drop in thrift assets was proceeding more rapidly than had been expected and that credit flows were being directed away from depository institutions. Banks acquired a substantial amount of deposits from thrift institutions resolved by the RTC, but, unlike in 1989, they did not use newly acquired deposits to expand their balance sheets. Significant loan losses in 1990 limited the ability of banks to generate capital internally and raised the cost of external capital as investors reevaluated risks. At the same time, banks were facing the prospect of new capital standards. Banks used the deposits they acquired from thrift institutions to pay down other liabilities, especially large time deposits, with the result that the shift of M2 deposits from thrift institutions to banks contributed to sharp declines in M3 managed liabilities at banks.

Much of the difficulty in the banking industry can be traced to problems with commercial real estate loans. Before the mid-1980s, developers typically arranged permanent financing for construction and land development projects, usually from institutional investors, before obtaining initial bank financing. But during the period of rapidly rising real estate values in the latter 1980s, many banks no longer required such prearranged "takeouts," and when the real estate market cracked, those banks found themselves holding a substantial volume of undercollateralized loans. At about the same time, there was a significant reevaluation of the prospects for many of the highly leveraged transactions (HLTs) that had been undertaken in recent years; while bank losses attributable to HLTs have not yet been significant, the virtual disappearance of the market for new low-rated bonds has implied that many HLT loans will not be repaid as promptly as hoped. Growing uneasiness about banks' assets has contributed to increases in their cost of capital and, for some banks, of wholesale funding.

4. Senior loan officer opinion survey

Percentage of banks reporting tighter standards for approving business loan applications [1]

Three months ending with survey date	May	August	October	January
Domestic bank lending to the following:				
Large firms	n.a.	36	50	35
Middle market	58	43	48	37
Small businesses	54	34	41	32
U.S. branches and agencies of foreign banks	n.a.	61 [2]	72	89

1. Survey of sixty large domestically chartered banks and eighteen U.S. branches and agencies of foreign banks.

2. Refers to tightening in the six-month period from February to August.

n.a. Not available.

Banks by and large are sound and well capitalized, but concerns about the strength of the industry intensified throughout 1990. The General Accounting Office and the Congressional Budget Office issued reports questioning the financial health of some large banks and exploring the implications of possible difficulties with those banks for the Bank Insurance Fund. Banks had to make large provisions for loan losses as delinquency and loss rates rose on most major categories of loans, but especially on real estate loans. By mid-September, rates on the subordinated debt obligations of some major banking institutions had jumped appreciably as investors reevaluated the health of these organizations. Several major bank holding companies chose to redeem portions of their outstanding auction-rate preferred stock rather than pay sharply higher rates. Spreads between bank and Treasury obligations widened significantly, and bank stock prices tumbled. These price movements began to be reversed subsequently. Partly under the influence of lower interest rates, bank stock prices have risen substantially in 1991, reversing much, though not all, of the declines since the summer; spreads on subordinated and other bank obligations have narrowed over the last few months, but remain well above their levels of last summer.

Other financial institutions also have encountered difficulty. Finance companies and, to a lesser extent, insurance companies took a beating in the securities markets beginning in September, as investors reevaluated the holdings of commercial real estate and HLT loans in light of expectations of a weaker economy. Yield spreads widened significantly. Furthermore, signs of mounting financial stress were not limited to the financial sector last year. The number of corporations reducing, omitting, or deferring dividends in the fourth quarter was the highest in more than thirty years. A record dollar amount of corporate bonds defaulted in 1990. Calculated as a percentage of the par amount of noninvestment grade bonds outstanding, the default rate of 8.7 percent was the highest in twenty years and more than double the rate in 1989. While the number of downgradings also reached a record high, most of the downgradings were attributable to deteriorating conditions affecting below-investment-grade nonfinancial corporations and, notably, financial institutions.

Not surprisingly, banks tightened standards and raised lending margins in response to the rising cost of funds, capital shortages, and perceptions of greater risk of default. In the wake of HLT disclosure guidelines, banks instituted management-imposed caps on their exposure to HLTs. Banks with low capital have cut back lending, while adequately capitalized banks—though maintaining substantial credit growth—appeared to be unwilling to step into the breach and increase their lending pace. Survey responses and other information on lending terms suggest especially severe constraints on credit for real estate development and commercial mortgages, but also some cutbacks for business lending more generally. Some of these business borrowers have limited alternative sources, and so the restriction of credit by banks probably has reduced their access to funds.

As a result of the tightening of credit standards and lending terms, but also owing importantly to the ebbing of borrowing demand as the economy turned down, the growth of bank assets slowed in 1990, especially in the fourth quarter. Total loan growth fell to roughly half its 1989 rate, with slowing evident in business, real estate, and consumer lending. There was, however, a strong regional disparity in the slowdown of bank lending, a disparity that was visible in total bank loans as well as in each loan category. In the Southwest, bank loans continued their pre-1990 decline, while, in

New England, bank loans experienced a sharp turnaround at the beginning of 1990 from robust growth to outright decline. New England banks were particularly aggressive in selling loans into securities markets, which contributed to the overall drop, as did loan write-offs. For the rest of the country, loans continued to grow.

The slowdown in bank credit growth in 1990 occurred despite a pickup in bank holdings of government securities early in the year and the large transfers of deposits from failed thrift institutions. Thrift credit shrank rapidly during the year as the RTC resolved insolvent thrift institutions, acquiring the bulk of their assets in the process, and as many viable thrift institutions shed assets in an effort to meet the new capital guidelines. The credit contraction at depository institutions probably reduced total credit to some extent, but by far less than one for one. Both the secondary market in mortgages and the securitization of consumer loans substituted to a large extent for bank and thrift intermediation in those sectors. Securitization alone is estimated to have removed more than $40 billion in consumer loans from bank balance sheets during 1990 as banks pared their asset totals to improve capital ratios. Overall, the markets for home mortgages and consumer credit showed little indication that supply conditions were a significant factor restraining growth of these types of credit. Spreads on both asset-backed and mortgage-backed securities did widen a bit in the fourth quarter, but remained well within historical ranges and appeared to have little impact on the cost of funds to consumers. Sluggish expansion of both consumer credit and residential mortgage borrowing in 1990 seemed to reflect ebbing demands associated with slumping markets for housing and consumer durable goods.

Business borrowing slackened further in 1990, reflecting developments on both the demand and supply sides of the market. Although credit needs to finance corporate restructuring diminished—as indicated by the falloff in net equity retirements to roughly half the pace of the previous two years—the mismatch between corporate capital expenditures and internal funds increased in the second half of the year. A tightening of credit availability for all but investment-grade firms became increasingly evident. The pullback in lending to lower-rated borrowers was not limited to domestic banks; it included U.S. offices of foreign banks, which previously had been aggressive suppliers of funds to U.S. borrowers, as well as domestic nonbank lenders such as insurance companies. In addition, bond markets remained unreceptive to offerings of below-investment grade issues.

State and local governments reduced new borrowing and retired sizable amounts of debt that had been advance-refunded earlier, as pressures on municipal credit ratings mounted in 1990. A significant number of local housing issues had their ratings downgraded in response to the slipping credit quality of several banks and insurance companies that provide credit enhancements. Also, late in the year, certain municipalities and some states found themselves paying substantially higher rates in light of their own financial difficulties.

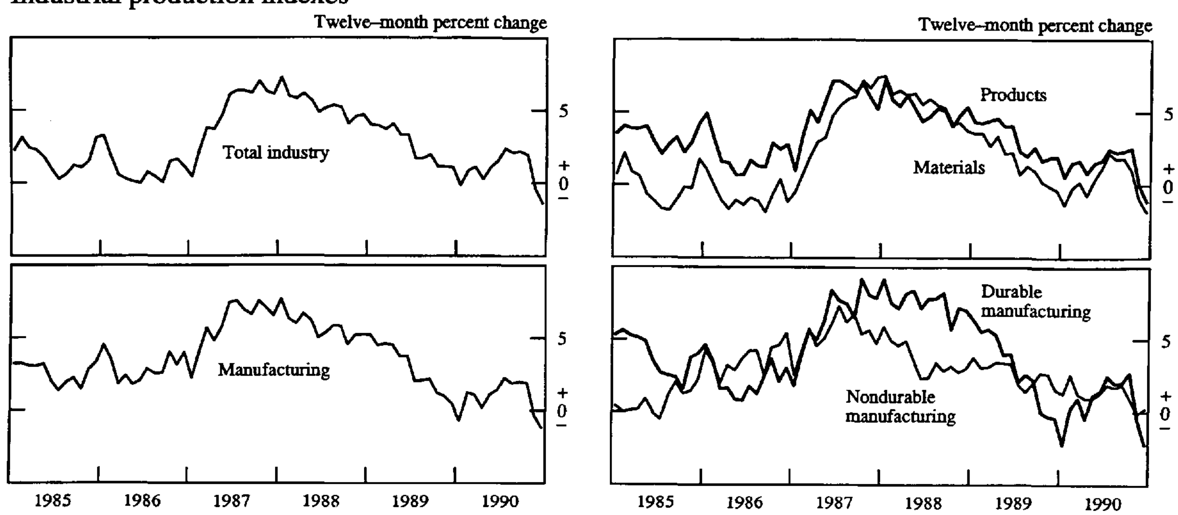
Growth of the debt of all domestic nonfinancial sectors was boosted last year by the federal government, which borrowed in part to fund acquisitions of thrift assets by the RTC. Borrowing for the RTC accounted for about ½ percentage point of the 7 percent growth of total debt in 1990. The growth of debt has slowed over recent years, but, even abstracting from the effects of RTC activity, remained well in excess of last year's expansion of nominal income. □

Industrial Production and Capacity Utilization

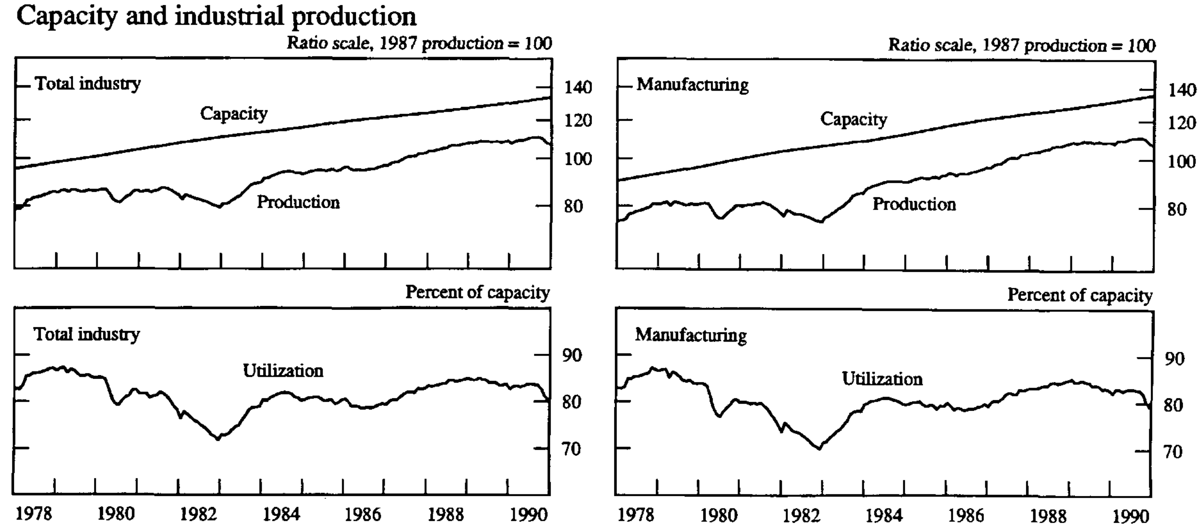
Released for publication on January 16

Industrial production fell 0.6 percent in December after declines of 1.8 and 0.7 percent (revised) in November and October. In December, motor vehicle assemblies and output of related parts and materials dropped sharply further, accounting for much of the overall decline. In addition, production of construction supplies was reduced again and has fallen more than 6 percent since July. Total industrial capacity utilization dropped 0.6 percentage point in December to 80.4 percent, its lowest level since April 1987. For the fourth quarter as a whole, industrial production declined at about an 8 percent annual rate from the third quarter. At 107.1 percent of its 1987 annual average, total industrial production in December was 1.4 percent below its year-ago level.

Industrial production indexes



Capacity and industrial production



All series are seasonally adjusted. Latest series, December.

In market groups, the output of consumer goods other than motor vehicles rose ½ percent in December after a decrease of 1 percent in the previous month. This increase mainly reflected further gains in food processing and a partial rebound in utility output for residential use; production of both clothing and appliances was little changed from depressed November levels. Output of business equipment other than autos and trucks declined nearly 4 percent at an annual rate in the fourth quarter, owing mainly to weakness in both industrial and information-processing equipment. Output of materials was curtailed again in December, with the most pronounced drops occurring in the production of parts and related materials for the motor vehicle industry. Output of nondurable materials, such as textiles, paper, and chemicals, also declined in recent months. The production index for energy materials, particularly electricity generation, rose last month, but its level for the fourth quarter was well below that of the third quarter.

In industry groups, manufacturing output fell 0.9 percentage point in December, lowering the factory utilization rate to 79.3 percent, its lowest level since January 1987. Excluding motor vehicles and parts, manufacturing output declined ½ percent. Outside manufacturing, the operating rate at utilities rose sharply, while the rate for mining advanced moderately.

Within manufacturing, the utilization rate for primary processing industries fell 1.4 percentage points while the rate for advanced processing industries declined 0.7 percentage point. The drop in primary processing industries reflected significant output cutbacks at industries that supply the auto industry, such as primary metals, fabricated metals products, rubber and plastics products, and textiles. Production at petroleum refiners also fell signifi-

Industrial production	1987 = 100				Percentage change from preceding month				Percentage change, Dec. 1989 to Dec. 1990
	1990				1990				
	Sept.r	Oct.r	Nov.r	Dec.p	Sept.r	Oct.r	Nov.r	Dec.p	
Total index	**110.6**	**109.8**	**107.8**	**107.1**	**.1**	**−.7**	**−1.8**	**−.6**	**−1.4**
Previous estimates	110.4	109.4	107.6	...	−.1	−.9	−1.7	...	...
Major market groups									
Products, total	**111.4**	**110.8**	**108.9**	**108.5**	**.4**	**−.5**	**−1.7**	**−.4**	**−1.1**
Consumer goods	108.7	108.4	106.1	106.1	.8	−.2	−2.2	.0	−2.0
Business equipment	126.4	125.3	122.5	121.4	.8	−.9	−2.2	−.9	1.2
Construction supplies	103.8	102.5	101.3	99.8	−1.4	−1.2	−1.2	−1.5	−7.1
Materials	109.4	108.2	106.0	104.9	−.3	−1.1	−2.0	−1.0	−1.8
Major industry groups									
Manufacturing	111.2	110.5	108.5	107.5	.1	−.6	−1.8	−.9	−1.2
Durable	113.8	112.4	109.6	107.9	.2	−1.2	−2.4	−1.5	−2.2
Nondurable	108.0	108.2	107.1	106.9	.0	.1	−1.0	−.2	.2
Mining	103.9	102.4	102.1	102.8	1.5	−1.4	−.3	.6	2.7
Utilities	110.3	109.0	105.1	107.1	−1.0	−1.2	−3.5	1.9	−7.8

Capacity utilization	Percent of capacity								Capacity growth, Dec. 1989 to Dec. 1990
	Average, 1967–89	Low, 1982	High, 1988–89	1989	1990				
				Dec.	Sept.r	Oct.r	Nov.r	Dec.p	
Total industry	**82.2**	**71.8**	**85.0**	**83.7**	**83.5**	**82.7**	**81.0**	**80.4**	**2.7**
Manufacturing	81.5	70.0	85.1	82.8	82.7	81.9	80.2	79.3	3.2
Advanced processing	81.1	71.4	83.6	81.8	81.7	81.1	79.3	78.6	3.5
Primary processing	82.3	66.8	89.0	85.2	84.9	83.9	82.3	80.9	2.5
Mining	87.3	80.6	87.2	86.3	90.6	89.4	89.2	89.9	−1.4
Utilities	86.8	76.2	92.3	92.3	87.0	85.8	82.7	84.2	1.2

r Revised.
p Preliminary.

NOTE. Indexes are seasonally adjusted.

cantly for the second month in a row; its operating rate has dropped 5 percentage points since October.

The decline in utilization for advanced processing resulted from the significant production cuts at motor vehicle manufacturers and in the nonelectrical machinery industry. Elsewhere, output was little changed.

Statement to the Congress

Statement by Alan Greenspan, Chairman, Board of Governors of the Federal Reserve System, before the Committee on the Budget, U.S. House of Representatives, January 22, 1991.

I am pleased to be here today. As you know, the Federal Reserve will submit its semiannual report on monetary policy to the Congress next month. That report will cover in detail the System's policy targets for 1991 as well as our expectations for growth and inflation. I am sure you can understand that I would be reluctant to anticipate those projections even under normal circumstances; but these circumstances are far from normal, and clearly we shall be in a better position to address the outlook with greater precision once some of the uncertainties associated with the Gulf conflict have been resolved. I do think, however, that we can focus productively today on some of the other considerations bearing on our nation's economic prospects and on the appropriate course for policy in the current environment.

All indications are that business activity declined appreciably in the fourth quarter of 1990. When I appeared before the House Banking Committee in November, I noted that aggregate output had turned down as we moved through October and into November. The contraction apparently continued in December. In the labor market, payroll employment fell another 75,000, after even bigger declines in the preceding two months, and the civilian unemployment rate rose further, to 6.1 percent. Manufacturing output continued to fall rapidly, and the index of industrial production is estimated to have dropped another 0.6 percent.

The December drop in industrial production brings the total decline since September to around 3 percent. Close to half of that decline is attributable to cutbacks in the output of motor vehicles and parts, and production of construction supplies also has been exceptionally weak. Reductions have occurred elsewhere as well.

Events in the Persian Gulf clearly were a key factor in explaining why business activity weakened so markedly this past autumn. Specifically, the jump in prices of petroleum products cut into the real disposable income of households and thus contributed to the softness in spending for a wide range of goods and services. Moreover, many firms, whose profit margins already were being squeezed by higher energy costs, curbed production to prevent inventory buildups; and they have trimmed capital spending plans in response to actual or expected reductions in the demand for their output in the wake of the energy price hikes.

But the damage from the Persian Gulf crisis went beyond the direct effect of higher oil prices. Indeed, the enormous uncertainty about how, and when, it would be resolved contributed to a marked erosion of consumer and business confidence about prospects for the economy. Faced with such uncertainty, producers and consumers tend to withdraw from their normal activities while they wait for clearer signals of economic developments and avoid making commitments that might be costly to reverse.

Of course, the crisis in the Persian Gulf was not the only factor restraining activity. In particular, the evidence suggests that banks—along with other lenders—have tightened the terms and other conditions for supplying credit, and some borrowers undoubtedly have encountered greater difficulty obtaining financing. Such difficulties are clearest in the commercial real estate market, but they extend to borrowing for a variety of other purposes as well.

Assessing the economic outlook is especially daunting at the present time—and not solely because of the enormous uncertainties surrounding the war in the Persian Gulf. To be sure, the information on economic activity in recent weeks is extremely limited. But as best we can judge, the latest data contain some hints that the effects of the initial shock last August have largely worked their way through the system and that the downward pressures on activity may be lessening. Nonetheless, we must also recognize the possibility that overall activity may decline further before an upturn takes hold. Such an outcome could result if, for example, the serious weakness in some parts of the country were to spread to regions where activity is stronger or, alternatively, if consumer and business confidence has been so shaken by events since August that further reductions in spending are in store.

Clearly, problems in real estate markets will be a drag on the economy for a time, especially in view of the role they have played in exacerbating the difficulties financial institutions face. In the residential sector, concern about home prices and worries over job and income prospects seem to be deterring potential homebuyers—although, with mortgage rates down, homes are more affordable than they have been in some time. In the commercial sector, the overhang of vacant space remains heavy despite the reductions to date in new construction. Granted, outlays for office and other commercial buildings amount to only about 1 percent of GNP, and thus the direct effects on overall economic activity of even a sharp contraction in new construction are limited. Nevertheless, because existing commercial properties constitute such a large share of the stock of assets that have to be financed, a deep drop in the value of existing buildings implies sizable losses on the balance sheets of banks and other financial institutions, with repercussions that extend beyond the construction industry.

At the same time, other factors support optimism about the outlook for activity. First, the depreciation of the dollar over the past year should buoy the growth of exports, even in the face of some slowing of economic expansion abroad. It also should help to restrain imports, and thus to shift some domestic demand to U.S. producers. Of course, this is not to imply that the lower dollar is entirely a blessing: It adds to inflation pressures, and it may contribute to instability in financial markets.

One feature of developments to date that bodes especially well for activity is the apparent rapidity with which producers have responded to the anticipated weakness in demand. The data in hand are scanty and subject to revision, but at this stage overhangs of inventories appear isolated and more manageable than they typically were in cyclical downturns in the past. Thus, if final sales hold up—and I am not fully confident we can assume that they will—much of the production adjustment could be behind us. Moreover, any strengthening in final demand would likely translate quickly into a pickup in output.

The automakers are a key example of this behavior: They were quick to slash assemblies even though sales had dropped rather moderately and even though dealer stocks did not appear excessive by historical standards. To be sure, underlying demand was weaker than the reported sales, which included sizable purchases by the big rental firms, and the inventory figures must be evaluated in light of the prospect that many of these cars will reenter the market as "nearly new" in just a few months. But the reductions in motor vehicle output late last year were prompt and substantial. All else equal, they were large enough to cut more than 2 percentage points from the annual rate of real GNP growth in the fourth quarter. The good news is that most, if not all, of the reduction in motor vehicle output may well be behind us, judging by current production schedules for the first quarter.

On the inflation side, apart from the uncertainties associated with energy prices, the outlook seems to have improved over the past few months. A good many signs point to an easing of wage pressures, and some further diminution in wage inflation seems likely in the context of the slack that has emerged in labor markets in recent months. In addition, the core rate of inflation in consumer prices over the past several months has been running below that recorded earlier in the year.

Against this background, the Federal Reserve has extended a series of steps taken over the past year and a half to ease the stance of monetary policy. Reflecting these actions, the federal funds rate has come down about 3 percentage points, on balance, since the spring of 1989, from almost 10 percent to around 6¾ percent. Other short-term rates have fallen appreciably as well, and long-term Treasury bond rates are near the low end of their range for the last year.

The conduct of monetary policy over this period has involved a careful balancing of the need to respond to signs that economic activity was slowing perceptibly, on the one hand, and the need to contain inflationary pressures on the other. The initial easing actions, taken between June and December 1989, were largely a response to developments that began to suggest that a slackening in inflation might be in prospect as indications of slower economic expansion continued to accumulate and money growth remained sluggish relative to the annual ranges. Policy was little changed, on net, in the first part of 1990, as economic activity appeared to be well maintained—albeit at a subdued pace—but the inflation news was disappointing.

By midyear, there were hints of moderation in inflation after the earlier spurt, and incoming information pointed to sluggishness in economic activity. In addition, restriction on credit supplies at banks, signaled in part by lagging money growth, suggested that credit conditions were tighter than intended, and thus policy was eased a notch over the summer.

Further actions have been taken in light of your fiscal actions last fall, the weakening economy, continuing problems of credit availability, and slow growth in the money aggregates. They include a cut of ½ percentage point in the discount rate in mid-December to 6½ percent, a reduction in certain required reserve ratios, and other operations designed to make reserves more available.

We expect that our actions to date will provide support to economic activity in the quarters ahead. Whether further adjustments to policy will be needed is not known; decisions on that score will depend on developing trends in financial markets and the economy. In that regard, we shall want to make certain that money and credit remain on suitable growth tracks. We are particularly concerned by the sluggishness of the money stock in recent months, and our most recent action was triggered in large part by further evidence of weak monetary growth. In addition, we are monitoring the credit situation carefully, and we shall continue to review the economic data for signs that the recession might be deepening. At the same time, we must take care to avoid a policy that is overly stimulative. The amount of slack in the economy is not great by historical standards, and an overly aggressive monetary easing could end up being counterproductive. Our aim should be to encourage a sustainable recovery, rather than one that simply fosters imbalances that will lead to the next downturn.

Fiscal policymakers also will have to grapple with difficult decisions in the months ahead. I anticipate that the economic forecasts of the Congressional Budget Office (CBO) and the Administration will show declines in real GNP in both the fourth quarter of 1990 and the first quarter of 1991. In that case, the Senate will be required—and the House will have the option—to consider a joint resolution suspending the enforcement provisions of the budget reconciliation act.

Voting to suspend the enforcement provisions in the absence of compelling evidence of a deep or prolonged recession would be a mistake. Together with the Administration, you worked long and hard last year to assemble an acceptable package of spending and tax changes and budget process reforms. By enacting the budget agreement, you gave financial markets some assurance of stability and of future easing of federal credit demands. Undercutting this commitment now might have adverse effects on long-term interest rates and thus might well be self-defeating.

I recognize that you are likely to face considerable pressure to take actions that would, in effect, expand the budget deficit. Concerns about the appropriateness of a policy of fiscal restraint in 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 ensuring that the underlying or "structural" deficit remains on a downward track, even as the actual deficit is being swollen temporarily by the effects of the weak economy.

In addition, even in the absence of policy actions, the budget will have a substantial stabilizing effect on the economy—something clearly anticipated when the new budget procedures were designed. Among other things, the focus on the reduction in the deficit brought about by legislative action, rather than the level of the deficit per se, eliminates the need for policy adjustments to offset the effects of changes in economic conditions and thus allows the automatic stabilizers to function as intended.

Moreover, the historical evidence on the implementation of discretionary countercyclical fiscal policy is not encouraging. Often in the past, we have adopted programs that were designed to stimulate the economy but that did not come on stream until well after the recovery was under way. If the predominant economic forecast for 1991 is roughly correct, taking stimulative action now may bring on a repetition of that pattern. In that case, little would have been accomplished in terms of alleviating our current difficulties, while prospects for increases in capital accumulation and improvements in productivity would have been set back.

Furthermore, Operation Desert Storm is not subject to the cap on defense spending, and defense outlays for fiscal year 1991 undoubtedly will be considerably higher than was anticipated last fall. Other nations are expected to share in the cost of the war, and their contributions will help to cushion the effect on the budget deficit. But regardless of who is paying for it, Desert Storm spending on newly produced domestic items will boost U.S. GNP.

The problems of the deposit insurance system also must be addressed; they, too, have implications for the budget and complicate the interpretation of fiscal policy. Under the new budget procedures, net outlays for deposit insurance will continue to be reflected in the official on-budget figures, as well as in the broader measures of the unified budget. The inclusion of deposit insurance in the budget totals reduces the usefulness of the unified budget as an indicator of the effect of the federal budget on the economy. Because deposit insurance alters the incentives for the managers of financial institutions, it undoubtedly has had significant effects on the real economy; but the actual payouts have little further effect on credit markets, interest rates, or economic activity.

Thus, attention should focus on budget figures that exclude deposit insurance; these include the alternative measure of the deficit that the CBO highlighted in its Interim Assessment of the 1990 Budget Agreement, and the deficit as recorded in the national income and product accounts (NIPA). Although the NIPA budget is similar to the unified budget in many respects, it treats the lending and financial activities of the federal sector in a way that is more useful for the analysis of the balance of saving and investment and the effects of fiscal policy on economic activity. Specifically, it reflects the interest paid or received in the course of financial transactions, but it excludes the transactions themselves.

The rationale is that the national income and product accounts measure the nation's current income and production and therefore exclude transactions that are essentially an exchange of existing assets and liabilities. Such transactions affect the allocation and distribution of income and output and thus can have a significant economic impact, but they are analyzed more appropriately within a financial-market framework. Outlays for deposit insurance are essentially a liquidation of financial liabilities that were incurred earlier. They do not represent current income to their recipients; depositors do not become wealthier at the moment that their bank or savings and loan institution is taken over by the government. Thus, they are excluded from the NIPA.

The credit reform provisions in the Budget Reconciliation Act improve the unified budget accounting for new loans and loan guarantees and narrow the conceptual gap between the two budget measures. The legislation also directed the Office of Management and Budget and the CBO to study the budgetary treatment of deposit insurance, but, for the time being, it remains on a cash basis. Outlays for deposit insurance caused a sizable divergence between the NIPA and unified deficits in fiscal year 1990; and they undoubtedly will differ substantially in 1991 and 1992 as well. Accordingly, it will be especially important to monitor and to understand the NIPA budget measure, which is designed specifically to provide information on how fiscal policy is affecting the economy.

The uncertainties in the current situation are great, and the risks of making policy mistakes are high. We must, of course, remain alert to events in the Persian Gulf and to their repercussions for the U.S. economy. But we must also make sure that our policies remain consistent with the achievement of our economic goals for the longer run. □

Announcements

MARTHA R. SEGER: RESIGNATION AS A MEMBER OF THE BOARD OF GOVERNORS

On January 23, 1991, Martha R. Seger announced her resignation as a member of the Board of Governors of the Federal Reserve System, effective at a date to be determined later. Governor Seger has been a member of the Board since July 2, 1984.

In her letter of resignation to President Bush, Governor Seger said she felt it was the appropriate time to leave the Board to pursue other interests and to tend to personal and family responsibilities.

During her term as a Board member, Governor Seger has also chaired the Neighborhood Reinvestment Corporation and filled the Federal Reserve seat on the National Women's Business Council.

Her letter of resignation follows:

January 22, 1991

President George Bush
The White House
Washington, D.C.

Dear President Bush:

I have been trying to get an appointment to see you for the last few months and for very understandable reasons have not been able to get on your schedule. Besides wanting to discuss some concerns I had over the health of our economy and the financial system, I wanted to inform you of my family situation and why it would probably cause me to leave Washington in the not too distant future.

After lengthy discussions with family members and good friends, I have decided that this is the appropriate time to make that decision. Thus, after serving nearly seven years as a Governor of the Federal Reserve and getting half way through my very long term, I would like to resign to pursue other interests and tend to personal and family responsibilities.

For nine of the past ten years—which should have been my peak earning years—I have been in public service either in Michigan or in Washington earning subpar wages. Therefore, I must concentrate on increasing my income and replenishing my depleted savings by returning to the private sector.

My primary goal is to get involved in business by becoming a professional corporate director of a number of major companies. Since I like students and the academic atmosphere, I will also do some lecturing at several colleges. Finally, I hope to give some speeches and do occasional consulting jobs.

I am proud to have been appointed by President Reagan and am grateful to have had the opportunity to fill this important job. I have taken the responsibilities seriously and worked hard to get economic policy makers to think about the impact of their decisions on manufacturing and the great Midwest.

It was exciting to be involved in the policies that produced the longest peacetime expansion in American history, and I am disappointed that our economy is now in recession.

Since I have a number of projects and assignments to complete, I will set the exact time of my departure later.

Good luck with your many responsibilities—both in the Middle East and domestically.

Cordially,

Martha R. Seger

CHANGE IN THE DISCOUNT RATE

The Federal Reserve Board announced on February 1, 1991, a reduction in the discount rate from 6½ percent to 6 percent, effective immediately.

Action was taken in light of further declines in economic activity, continued sluggish growth trends in money and credit, and evidence of abating inflationary pressures, including weakness in commodity prices.

In taking the action, the Board voted on requests submitted by the boards of directors of the Federal Reserve Banks of Boston, New York, Philadelphia, Richmond, Chicago, Kansas City, and Dallas. The Board subsequently approved similar requests by the boards of directors of the Federal Reserve Banks of Cleveland, St. Louis, Minneapolis, and San Francisco. The actions for the Reserve Banks of Cleveland, Minneapolis, and San Francisco were effective February 1. The St. Louis change was effective February 4. Also on February 4, the Federal Reserve Board approved action by the board of directors of the Federal Reserve Bank of Atlanta to reduce the discount rate of that bank from 6½ to 6 percent, effective February 4.

New Members Named to Consumer Advisory Council

The Federal Reserve Board named on January 11, 1991, nine new members to its Consumer Advisory Council to replace those members whose terms have expired and designated a new chairman and vice chairman of the council for 1991.

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

James W. Head, Executive Director of the National Economic Development and Law Center in Berkeley, California, was designated chairman, and Linda K. Page, President and Chief Operating Officer of Star Bank in Columbus, Ohio, was designated vice chairman.

The nine new members are the following:

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

Dr. Toye L. Brown, Director of Freedom House Inc., Boston, Massachusetts.

Denny D. Dumler, Senior Vice President—Consumer Banking for Colorado National Bank of Denver, Denver, Colorado.

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

Joyce Harris, President and Chief Executive Officer of Telco Community Credit Union, Madison, Wisconsin.

Julia Hiler, Executive Vice President of Sunshine Mortgage Corporation, Marietta, Georgia.

Henry Jaramillo, President of Ranchers State Bank of Belen, Belen, New Mexico.

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

Sandra Willett, Second Vice President—Consumer Affairs for John Hancock Financial Services, Boston, Massachusetts.

The other members of the Council are the following:

George H. Braasch, Corporate General Counsel of Spiegel, Inc., Oakbrook, Illinois.

Cliff E. Cook, Vice President and Compliance Officer of Puget Sound National Bank, Tacoma, Washington.

R.B. Dean, Jr., Administrator of Community and Consumer Affairs for South Carolina National Bank, Columbia, South Carolina.

William C. Dunkelberg, Dean of the School of Business and Management, Temple University, Philadelphia, Pennsylvania.

James Fletcher, President and Director of South Shore Bank of Chicago, Chicago, Illinois.

George C. Galster, Professor of Economics at the College of Wooster, Wooster, Ohio.

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

Deborah B. Goldberg, Reinvestment Specialist on the Neighborhood Revitalization Project at the Center for Community Change, Washington, D.C.

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

Barbara Kaufman, Co-Director of KCBS Call for Action, San Francisco, California.

Kathleen E. Keest, Staff Attorney for the National Consumer Law Center, Inc., Boston, Massachusetts.

Colleen D. McCarthy, Executive Director of the Kansas City Neighborhood Alliance, Kansas City, Missouri.

Michelle S. Meier, Counsel for Government Affairs at Consumers Union, Washington, D.C.

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

Vincent P. Quayle, Director of St. Ambrose Housing Aid Center, Baltimore, Maryland.

Clifford N. Rosenthal, Executive Director of the National Federation of Community Development Credit Unions, New York, New York.

Alan M. Silberstein, Executive Vice President of Chemical Bank, New York, New York.

Nancy Harvey Steorts, President of Nancy Harvey Steorts & Associates, Dallas, Texas.

David B. Ward, of Counsel, Gebhardt & Kiefer, Clinton, New Jersey.

Income and Expenses of the Federal Reserve Banks

Preliminary figures released January 10, 1991, indicate that operating income of the Federal Reserve Banks amounted to $23.475 billion during 1990. Net income before payment of dividends, additions to surplus, and payments to the Treasury totaled $23.954 billion.

About $23.633 billion was paid to the U.S. Treasury during 1990.

Federal Reserve System income is derived primarily from interest earned on U.S. government securities that the Federal Reserve has acquired through open market operations. Income from the provision of financial services amounted to $729 million.

Operating expenses of the twelve Reserve Banks and branches totaled $1.211 billion. Also, $134 million for earnings credits was granted to depository institutions under the Monetary Control Act of 1980. Assessments to the Board of Governors for Board expenditures totaled $104 million, and the cost of currency amounted to $193 million.

Net additions to income amounted to $2.220 billion, primarily resulting from the revaluation of assets denominated in foreign currencies. Statutory dividends to member banks were $141 million.

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

Proposed Actions

The Federal Reserve Board issued for public comment on January 23, 1991, modifications of the procedures used for measuring Fedwire daylight overdrafts as part of its Payment System Risk Reduction Program. Comments must be submitted to the Board by May 31, 1991.

The Federal Reserve Board, along with other federal financial institutions regulatory agencies, has issued for comment an interim common rule that amends each agency's respective appraisal regulation by adding an appendix consisting of applicable provisions of the Uniform Standards of Professional Appraisal Practice (USPAP). Comment is requested by March 1, 1991.

The Federal Reserve Board issued for public comment on January 30, 1991, proposed amendments to Regulation CC (Availability of Funds and Collection of Checks) designed to improve the check collection system. The amendments provide for same-day settlement for checks presented by private sector banks. Comments are due by June 28, 1991.

Revised List of Marginable OTC Stocks Now Available

The Federal Reserve Board published on January 25, 1991, a revised List of Marginable OTC Stocks for over-the-counter (OTC) stocks that are subject to its margin regulations and also the List of Foreign Margin Stocks for foreign equity securities that are subject to Regulation T (Credit by Brokers and Dealers). The lists are effective

February 11, 1991, and supersede the previous lists that were effective November 13, 1990.

The List of Foreign Margin Stocks indicates those foreign equity securities that are eligible for margin treatment at broker-dealers. This eligibility was made possible by an amendment to Regulation T, effective April 30, 1990. The number of foreign equity securities remains at 276, since no changes are being made to the List of Foreign Margin Stocks at this time.

The changes that have been made to the revised List of Marginable OTC Stocks, which now includes 2,726 OTC stocks, are as follows:

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

The List of Marginable OTC Stocks is published by the Board for the information of lenders and the general public. It includes all OTC securities designated by the Board pursuant to its established criteria as well as all OTC stocks designated as NMS securities for which transaction reports are required to be made pursuant to an effective transaction reporting plan. Additional OTC securities may be designated as NMS securities in the interim between the Board's quarterly publications and will be immediately marginable. The next publication of the Board's list is scheduled for April 1991.

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

Changes in Board Staff

Allen E. Beutel, Executive Director for Information Resources Management, retired from Board service, effective February 2, 1991.

The Board of Governors also announced the promotion of Stephen R. Malphrus from Deputy Executive Director to Director for Information Resources Management, effective February 3, 1991.

System Membership: Admission of State Banks

The following state banks were admitted to membership in the Federal Reserve System during the period June 1, 1990, through November 30, 1990:

Colorado
Boulder .... Vectra Bank Boulder
Lakewood .... Vectra Bank Lakewood
Pennsylvania
Philadelphia .... Pitcairn Private Bank

Legal Developments

FINAL RULE—AMENDMENT TO REGULATION A

The Board of Governors is amending 12 C.F.R. Part 201, its Regulation A (Extensions of Credit by Federal Reserve Banks), to reflect its recent approval of a reduction in discount rates at each Federal Reserve Bank effective December 19, 1990. The discount rate is the interest rate that is charged depository institutions when they borrow from their district Federal Reserve Banks. The Board acted on requests submitted by the Boards of Directors of the twelve Federal Reserve Banks.

The Board approved the requests against the background of weakness in the economy, constraints on credit, and slow growth in the monetary aggregates. The reduction, in part, realigns the discount rate with market interest rates.

Effective December 19, 1990, 12 C.F.R. Part 201 is amended as follows:

1. The authority citation for 12 C.F.R. Part 201 continues to read as follows:

Authority: Sections 10(a), 10(b), 13, 13a, 14(d) and 19 of the Federal Reserve Act (12 U.S.C. 347a, 347b, 343 *et seq.*, 347c, 348 *et seq.* 357, 374, 374a and 461); and section 7(b) of the International Banking Act of 1978 (12 U.S.C. 347d).

2. Section 201.51 is revised to read as follows:

Section 201.51—Short-term adjustment credit for depository institutions

The rates for short-term adjustment credit provided to depository institutions under section 201.3(a) of Regulation A are:

Federal Reserve Bank	Rate	Effective
Boston	6.5	December 19, 1990
New York	6.5	December 19, 1990
Philadelphia	6.5	December 19, 1990
Cleveland	6.5	December 19, 1990
Richmond	6.5	December 19, 1990
Atlanta	6.5	December 19, 1990
Chicago	6.5	December 19, 1990
St. Louis	6.5	December 19, 1990
Minneapolis	6.5	December 19, 1990
Kansas City	6.5	December 19, 1990
Dallas	6.5	December 19, 1990
San Francisco	6.5	December 19, 1990

3. Section 201.52 is revised to read as follows:

Section 201.52—Extended credit for depository institutions

(a) *Seasonal credit.* The rates for seasonal credit extended to depository institutions under section 201.3(b)(1) of Regulation A are:

Federal Reserve Bank	Rate	Effective
Boston	6.5	December 19, 1990
New York	6.5	December 19, 1990
Philadelphia	6.5	December 19, 1990
Cleveland	6.5	December 19, 1990
Richmond	6.5	December 19, 1990
Atlanta	6.5	December 19, 1990
Chicago	6.5	December 19, 1990
St. Louis	6.5	December 19, 1990
Minneapolis	6.5	December 19, 1990
Kansas City	6.5	December 19, 1990
Dallas	6.5	December 19, 1990
San Francisco	6.5	December 19, 1990

(b) *Other extended credit.* The rates for other extended credit provided to depository institutions under sustained liquidity pressures or where there are exceptional circumstances or practices involving a particular institution under section 201.3(b)(2) of Regulation A are:

Federal Reserve Bank	Rate	Effective
Boston	6.5	December 19, 1990
New York	6.5	December 19, 1990
Philadelphia	6.5	December 19, 1990
Cleveland	6.5	December 19, 1990
Richmond	6.5	December 19, 1990
Atlanta	6.5	December 19, 1990
Chicago	6.5	December 19, 1990
St. Louis	6.5	December 19, 1990
Minneapolis	6.5	December 19, 1990
Kansas City	6.5	December 19, 1990
Dallas	6.5	December 19, 1990
San Francisco	6.5	December 19, 1990

These rates apply for the first 30 days of borrowing. For credit outstanding for more than 30 days, a flexible rate will be charged which takes into account rates on market sources of funds, but in no case will the rate charged be less than the basic discount rate plus one-half percentage point. Where extended credit provided to a particular depository institution is anticipated to be outstanding for an unusually prolonged period and in relatively large amounts, the 30-day time period may be shortened.

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

The Board of Governors is amending 12 C.F.R. Parts 207, 220, 221 and 224, its Regulations G, T, U and X (Securities Credit Transactions; List of Marginable OTC Stocks; and List of Foreign Margin Stocks). The List of Marginable OTC Stocks (OTC List) is comprised of stocks traded over-the-counter (OTC) in the United States that have been determined by the Board of Governors of the Federal Reserve System to be subject to the margin requirements under certain Federal Reserve regulations. The List of Foreign Margin Stocks (Foreign List) represents all foreign equity securities that have met the Board's eligibility criteria under Regulation T. The OTC List and the Foreign List are published four times a year by the Board. This document sets forth additions to or deletions from the previous OTC List. There are no additions to or deletions from the previous Foreign List. Both Lists were published on November 1, 1990 and effective on November 13, 1990.

Effective February 11, 1991, accordingly, pursuant to the authority of sections 7 and 23 of the Securities Exchange Act of 1934, as amended (15 U.S.C. §§ 78g and 78w), and in accordance with 12 C.F.R. 207.2(k) and 207.6(c) (Regulation G), 12 C.F.R. 220.2(u) and 220.17(e) (Regulation T), and 12 C.F.R. 221.2(j) and 221.7(c) (Regulation U), there is set forth below a listing of deletions from and additions to the OTC List.

Deletions from the List of Marginable OTC Stocks

Stocks Removed for Failing Continued Listing Requirements

1st American Bancorp Inc.: $.01 par common
Abraham Lincoln Federal Savings Bank (Pennsylvania): $1.00 par common
Action Savings Bank, S.L.A.: $1.00 par common
Arizona Instrument Corporation: No par common

Cellular Information Systems, Inc.: Class A, $.01 par common
Ceramics Process Systems Corp.: $.01 par common
Charter Federal Savings Bank (Virginia): $.01 par common
Corporate Data Sciences, Inc.: No par common
Critical Industries, Inc.: $.001 par common

Decom Systems, Inc.: No par common
Duratek Corporation: $.01 par common

Empire Financial Corp.: $.01 par common
Environmental Power Corporation: $.01 par common

Financial News Network, Inc.: No par common
First Charter Corporation: $5.00 par common
First Continental Real Estate Investment Trust: $1.00 par shares of beneficial interest

Genex Corporation: $.05 par common, Series B, $.60 par convertible preferred

HEI, Inc.: $.06 par common
Home Federal Savings Bank (South Carolina): $1.00 par common

Ingres Corporation: $.001 par common
Intech Incorporated: No par common
International Consumer Brands, Inc.: $.01 par common
Ironstone Group, Inc.: $.01 par common

JRM Holdings, Inc.: $.01 par common

Kwik Products International Corporation: No par common

Landmark/Community Bancorp, Inc.: $.01 par common
Lexington Precision Corporation: $.25 par common

Meret, Inc.: No par common
Merrimack Bancorp, Inc.: $.10 par common

Nevada Goldfields Corporation: No par common
New Hampshire Savings Bank Corp.: $1.00 par common

One Bancorp, The: $1.00 par common
Overmyer Corporation: No par common

P.C. Quote, Inc.: $.001 par common
Pioneer American Holding Corporation: $10.00 par common
Prab Robots, Inc.: $.10 par common

Ronson Corporation: $1.00 par common

Samna Corporation: $.01 par common
Software Services of America, Inc.: $.01 par common
Southmark Corporation: $.01 par common
Sunresorts Ltd., N.V.: $.01 par common

Traditional Industries, Inc.: $.01 par common
Transnational Industries, Inc.: $.01 par common

Washington Savings Bank, F.S.B. (Maryland): $1.00 par common
Westerbeke Corporation: $.01 par common
Westwood One, Inc.: Warrants (expire 09–04–97)

Xscribe Corporation: No par common

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

American Reliance Group, Inc.: $.01 par common

Barden Corporation, The: $1.00 par common

Cambrex Corporation: $.10 par common
Cheshire Financial Corporation: $1.00 par common
Conner Peripherals, Inc.: No par common
Continental Gold Corporation: No par common

Doctors Rehabilitation Corporation of America: $.001 par common

Environmental Tectonics Corporation: $.10 par common
Exploration Company of Louisiana Inc., The: $.01 par common

First Federal of Western Pennsylvania: $1.00 par common
Frontier Insurance Group, Inc.: $.01 par common

Home Savings Bank, The (New York): $1.00 par common

Laidlaw Inc.: Class A, no par common, Class B, no par common

Mayflower Financial Corporation: $.01 par common
Micron Technology, Inc.: $.10 par common
Mid Maine Savings Bank, F.S.B.: $.01 par common

National Lampoon, Inc.: $.10 par common
Nike, Inc.: Class B, no par common
North Hills Electronics, Inc.: $.01 par common
NWNL Companies, Inc., The: $1.25 par common

Oshap Technologies Ltd.: Warrants (expire 11–25–90)

Phoenix American Incorporated: No par common
Planters Corporation, The: $5.00 par common
POP Radio Corporation: $.01 par common

Sellersville Savings and Loan Association (Pennsylvania): $1.00 par common

Telecredit, Inc.: $.01 par common
Tolland Bank (Connecticut): $1.00 par common
Tony Lama Company, Inc.: $1.00 par common

U.S. Intec, Inc.: $.02 par common
Urcarco, Inc.: $.01 par common

Valley Federal Savings Bank (Indiana): $.01 par common
VISX, Incorporated: No par common

Additions to the List of Marginable OTC Stocks

A.L. Williams Corporation: 7.25% convertible subordinated debentures
ATC Environmental Inc.: $.01 par common

Bank of San Pedro: No par common

Cardinal Distribution, Inc.: 7¼% convertible subordinated debentures
Care Group, Inc., The: $.001 par common, Warrants (expire 04–24–91)
Cathay Bancorp, Inc.: No par common
Chiron Corporation: 7¼% convertible subordinated debentures
Clearly Canadian Beverage Corporation: No par common
Coca-Cola Enterprises, Inc.: Warrants (expire 07–10–91)
Crop Genetics International: $.95 convertible exchangeable preferred

First Bancorp Indiana, Inc.: No par common
First Seismic Corporation: $.01 par common

Great Lakes Bancorp, A Federal Savings Bank: Warrants (expire 07–01–95)

Health Risk Management, Inc.: $.01 par common
Hector Communications Corporation: $.01 par common

In Focus Systems, Inc.: No par common
Israel Land Development Company Limited: American Depository Receipts

Kaiser Steel Resources, Inc.: $.03 par common

Lufkin Industries, Inc.: $1.00 par common

Millfeld Trading Co., Inc.: Class A, Warrants (expire 07-22-92), Warrants (expire 01-22-94)

N.S. Bancorp, Inc.: $.01 par common
Neozyme Corporation: Units (expire 12-31-94)

Palmer Tube Mills Limited: American Depository Receipts

Rada Electronics Industries Limited: $.001 par common
Regional Federal Bancorp, Inc. (Indiana): No par common

SSMC, Inc.: Series B, 15% cumulative preferred

Tandy Brands Accessories, Inc.: $1.00 par common

Universal Holding Corporation: Warrants (expire 06-29-93)

Ventura Motion Picture Group: $.001 par common
Videocart, Inc.: $.01 par common

Wisconsin Pharmacal Company, Inc.: $.01 par common

FINAL RULE—CORRECTION TO REGULATION H

The Board of Governors amended 12 C.F.R. Part 208, its Regulation H (Payment of Dividends by State Bank Members of the Federal Reserve System), and made technical changes to Part 250 by redesignating sections 250.101 through 250.103 as section 208.125 through 208.127 in Part 208. Part 250 was further amended by removing section 250.104. An effective date for the changes to Part 250 was omitted from this document. The changes to Part 250 are effective as of December 20, 1990, the same effective date as for section 208.19(b) of the final rule.

ORDERS ISSUED UNDER BANK HOLDING COMPANY ACT

Orders Issued Under Section 3 of the Bank Holding Company Act

Hayward Bancshares, Inc.
Hayward, Wisconsin

Order Approving Formation of a Bank Holding Company

Hayward Bancshares, Inc., Hayward, Wisconsin ("Hayward"), has applied for the Board's approval, pursuant to section 3(a)(1) of the Bank Holding Company Act ("BHC Act") (12 U.S.C. § 1841 *et seq.*) to become a bank holding company by acquiring 100 percent of the voting shares of Peoples Bancshares of Hayward, Inc., Hayward, Wisconsin ("Peoples"), and thereby indirectly acquiring Peoples's sole subsidiary, The Peoples National Bank of Hayward, Hayward, Wisconsin ("Bank").

Notice of the application, affording interested persons an opportunity to submit comments, has been published (55 *Federal Register* 43,411 (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.

Hayward is a non-operating company formed for the purpose of acquiring Peoples and Bank. Bank is the 80th largest commercial banking organization in Wisconsin, controlling deposits of $66.9 million, representing less than one percent of the total deposits in commercial banking organizations in the state.[1] Principals of Hayward and Bank are not associated with any other banking organizations in the market. Based on the facts of record, consummation of this proposal would not result in any significantly adverse effect on competition or the concentration of banking resources in Wisconsin or in any relevant market. Accordingly, the Board concludes that competitive considerations are consistent with approval of this application.

The financial and managerial resources and future prospects of Hayward and Bank are consistent with approval.[2] In addition, considerations relating to the convenience and needs of the communities to be served also are consistent with approval.

Based on the foregoing and other facts of record, including the commitments made by Hayward, the

1. Banking data are as of September 30, 1990.

2. The Board has received a letter protesting the application from a group of minority shareholders who, under the transaction as proposed, will receive less consideration for their shares than the majority shareholders. Protestants argue that under Wisconsin law, minority shareholders are entitled to the same per share price paid to majority shareholders, which would increase substantially Hayward's acquisition costs. The protestants question whether Hayward has the managerial resources to achieve the growth and earnings assumptions used in Hayward's debt servicing projections. The Board believes, after a review of all the facts of record, that Hayward has demonstrated that it would be able to service the debt incurred under the terms of the transaction as proposed. Any subsequent change in this proposal, such as an increase in the proposed acquisition cost of Peoples and its subsidiary bank, will be subject to prior Board review under all the factors set forth in the BHC Act.

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

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

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

MNC Financial, Inc.
Baltimore, Maryland

The Maybaco Company, a Limited Partnership
Baltimore, Maryland

MBNA America Bank, N.A.
Newark, Delaware

MBNA Corp.
Newark, Delaware

Order Approving Acquisition of a Bank and Formation of Bank Holding Companies

MNC Financial Inc. ("MNC"), and the Maybaco Company ("Maybaco"), a Limited Partnership, both of Baltimore, Maryland, and both bank holding companies within the meaning of the Bank Holding Company Act ("BHC Act"), have applied for the Board's approval under section 3(a)(3) of the BHC Act (12 U.S.C. § 1842(a)(3)), to acquire indirectly 100 percent of the voting shares of MBNA America, N.A., Newark, Delaware ("New MBNA"), a *de novo* bank. In connection with this application, MBNA America Bank, N.A., ("Old MBNA") and MBNA Corp., both of Newark, Delaware, have applied for the Board's approval under section 3(a)(1) of the BHC Act (12 U.S.C. § 1842(a)(1)) to become bank holding companies by acquiring 100 percent of the voting shares of New MBNA.

These applications are required as part of MNC's proposal to sell its credit card operations through an underwritten public sale (Initial Public Offering or "IPO"). To effect the sale, MNC has requested the Board to approve a consolidation of its existing credit card operations into a newly-chartered bank, New MBNA, and parent holding company, MBNA Corp. The corporate reorganizations described in the applications will occur immediately prior to the closing of the IPO.

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 of the holding company's home state, unless such acquisition is "specifically authorized by statute laws of the state in which [the] bank is located, by language to that effect and not merely by implication."[1] MNC's and Maybaco's home state is Maryland, and MBNA Corp.'s and New MBNA's home state is Delaware.

The Delaware interstate banking statute expressly authorizes bank holding companies located in a number of states, including Maryland, to acquire existing Delaware banks, if there is substantial reciprocity between Delaware law and the law of the home state of the acquiring out-of-state bank holding company.[2] Maryland law expressly authorizes the acquisition of a bank in Maryland by a Delaware bank holding company.[3] In light of the foregoing, the Board believes that approval of the proposal is not barred by the Douglas Amendment.

MNC is the largest commercial banking organization in Maryland, controlling one subsidiary bank in Maryland with total deposits of $11.3 billion, representing 26.7 percent of the total deposits in commercial banking organizations in the state.[4] MNC also operates subsidiary banks in Washington, D.C., as well as its credit card bank, Old MBNA, in Delaware. Maybaco is a nonoperating investment partnership that became a bank holding company by virtue of its acquisition of shares of common stock of MNC at the time of its merger with Equitable Bancorporation.[5] This proposal represents a corporate reorganization that will permit the consolidation of MNC's existing credit card operation into New MBNA, a *de novo* national bank, and MBNA Corp., its parent holding company.

The Board has considered the competitive aspects of this reorganization, as well as the financial and managerial resources and future prospects of MNC

1. A bank holding company's home state is that state in which the total deposits of the bank holding company's subsidiary banks were largest on July 1, 1966, or on the date the bank holding company became a bank holding company, whichever date is later.
2. Del. Code Ann. tit. 5, § 842(4) (1990 Supp.).
3. Md. Code Ann. art. 5, § 1003 (1990 Supp.).
4. State banking data are as of September 30, 1990.
5. Maybaco's acquisition of MNC shares was approved by the Board's Order, dated December 19, 1989.

and its subsidiaries. In the context of these applications, the Board believes that these factors are consistent with approval. The Board has also determined that considerations relating to the convenience and needs of the community to be served are consistent with approval.

Based on the foregoing and other facts of record, including certain commitments and representations made during the processing of these applications, the Board has determined that the applications should be, and hereby are, approved. In accordance with sections 3(b) and 11(b) of the BHC Act (12 U.S.C. §§ 1842(b)(1) and 1849(b)(1)),[6] the acquisition of New MBNA and MBNA Corp., shall not be consummated before the fifth calendar day following the effective date of this Order, or later than three months after the effective date of this Order, and New MBNA shall be opened for business within six months after the effective date of this Order, unless such periods are extended for good cause by the Board or by the Federal Reserve Bank of Richmond, acting pursuant to delegated authority.

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

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

Orders Issued Under Section 4 of the Bank Holding Company Act

Bankers Trust New York Corporation New York, New York

Order Approving Application to Engage in Certain Futures Commission Merchant Activities in New Zealand

January 17, 1991

Mr. Robert A. Portnoy
Vice President
Bankers Trust New York Corporation
130 Liberty Street
New York, New York 10006

Dear Mr. Portnoy:

As requested in your letter of July 13, 1990, the Board of Governors grants consent for Bankers Trust New York Corporation ("BTNY"), New York, New York, to retain the shares of its indirect subsidiary, B.T. Futures New Zealand Limited ("BT Futures"), Auckland, New Zealand, after BT Futures acts as a futures commission merchant ("FCM") on the New Zealand Futures and Options Exchange Limited (the "Exchange"), Auckland, New Zealand. BT Futures would act as a FCM with respect to a U.S. dollar futures contract, a five-year New Zealand government stock futures contract, a 90-day bank accepted bills futures contract, a New Zealand dollar futures contract, a five-year government stock options contract, a New Zealand dollar options contract, and futures contracts of the kinds listed in section 225.25(b)(18) of Regulation Y. The Board understood that BT Futures also proposes to provide investment advice in connection with the above activities. In taking this action, the Board relied on BTNY's commitment that BT Futures's FCM and investment advisory activities on the Exchange will be conducted in accordance with the conditions imposed in sections 225.25(b)(18) and (19) of Regulation Y.

The Board has also delegated authority to the Federal Reserve Bank of New York to approve additional financial contracts involving products that the Board has reviewed and approved previously but that are not products specifically covered by Regulation Y. Proposals involving products that have not been reviewed previously by the Board would continue to require the Board's specific consent.

The Reserve Bank should be notified promptly of any prospective substantial changes in the activities of the Exchange that would materially increase the potential liability of the Bankers Trust organization in conducting activities on the Exchange. The Board expects that BTNY will comply with any conditions the Board may impose after reviewing such changes.

Very truly yours,

Jennifer J. Johnson
Associate Secretary of the Board

cc: Vice President Rutledge, Federal Reserve Bank of New York

6. Pursuant to section 225.14(h) of the Board's Regulation Y (12 C.F.R. 225.14(h)), and section 262.3(a) of the Board's Rules of Procedure (12 C.F.R. 262.3(a)), the Board has also dispensed with the public notice and hearing requirements for these applications.

Creditanstalt-Bankverein
Vienna, Austria

Order Approving Application to Act as Agent in the Private Placement of all Types of Securities

Creditanstalt-Bankverein, Vienna, Austria ("Creditanstalt"), 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, Creditanstalt International Advisers, Inc., New York, New York ("Advisers"), to engage *de novo* in the private placement of all types of securities as agent.[1]

Notice of the application, affording interested persons an opportunity to submit comments, has been duly published (55 *Federal Register* 42,768 (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.[2]

Creditanstalt, with consolidated assets equivalent to approximately $49.6 billion, is the largest banking organization in Austria.[3] In the United States, Creditanstalt operates a branch in New York, a subsidiary providing investment advisory services in California, and a subsidiary providing advisory and portfolio management activities, pursuant to the Board's Regulation K, from offices in New York.

The Board has previously determined that, subject to a number of prudential limitations that address the potential for conflicts of interests, unsound banking practices, and other adverse effects, the proposed private placement activity is so closely related to banking as to be a proper incident thereto within the meaning of section 4(c)(8) of the BHC Act.[4] In those Orders, the Board also found that acting as agent in the private placement of securities is consistent with section 20 of the Glass–Steagall Act, and that revenue derived from that activity is not subject to the 10 percent revenue limitation on underwriting and dealing in ineligible securities.[5] In order to address the potential for conflicts of interests, unsound banking practices, or other adverse effects, Creditanstalt has proposed that Advisers conduct this activity consistent with the limitations, methods, and procedures established by the Board in approving this activity, as these limitations have been modified to reflect Creditanstalt's status as a foreign bank.[6]

In order to approve this application, the Board is required to determine that the performance of the proposed activity by Creditanstalt "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 evaluating these factors under section 4 of the BHC Act, the Board considers the financial condition and resources of Creditanstalt and its subsidiaries and the effect of the proposal on these resources.[7] In this case, the Board notes that Creditanstalt meets the 1990 interim risk-based guidelines, and its core capital exceeds the 1992 minimum standard adopted by the Basle Committee. In view of these and other facts of record, the Board has determined that financial factors are consistent with approval of the application. The managerial resources of Creditanstalt and its subsidiaries also are consistent with approval of the application.

Consummation of the proposal would provide added convenience to Creditanstalt's customers. In addition, the Board expects that the *de novo* entry of Creditanstalt into the market for this service in the United States would increase the level of competition among providers of this service. 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 com-

1. Advisers has received authorization from the Board to engage in a variety of nonbanking activities, including providing investment advisory and securities brokerage services on a combined basis ("full service brokerage"), engaging in brokerage services separately, buying and selling all types of securities on the order of investors as a "riskless principal," and providing corporate financial advisory services. *See Creditanstalt–Bankverein*, 76 *Federal Reserve Bulletin* 761 (1990).

2. The Board has received written comments opposing this application from the Investment Company Institute ("ICI"), a trade association of the mutual fund industry. The ICI has objected to Creditanstalt's proposal to the extent that it could be construed to seek approval for Advisers to privately place securities of investment companies sponsored or advised by Creditanstalt or its bank or nonbank affiliates. Creditanstalt has committed that Advisers will not privately place securities of investment companies sponsored or advised by Creditanstalt or its affiliates.

Creditanstalt has further committed that Advisers will not place such securities as part of Advisers's previously approved riskless principal activities. *See supra* note 1.

3. Data are as of December 31, 1989.

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

5. *Id.*

6. *See Bankers Trust New York Corporation*, 73 *Federal Reserve Bulletin* 138 (1987); *J.P. Morgan; Bankers Trust; The Royal Bank of Scotland Group plc*, 76 *Federal Reserve Bulletin* 866 (1990); *Canadian Imperial Bank of Commerce/The Royal Bank of Canada/Barclays PLC*, 76 *Federal Reserve Bulletin* 158 (1990).

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).

petition, conflicts of interests, or unsound banking practices. Accordingly, the Board has determined that the performance of the proposed activity by Creditanstalt can reasonably be expected to produce public benefits that 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 New York, pursuant to delegated authority.

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

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

The Dai-Ichi Kangyo Bank, Limited
Tokyo, Japan

Order Approving Application To Underwrite and Deal in Certain Securities to a Limited Extent, to Act as Agent in the Private Placement of Securities, to Act as "Riskless Principal" in Buying and Selling Securities, to Engage in Full-Service Brokerage, and to Provide Investment and Financial Advisory Services

The Dai-Ichi Kangyo Bank, Limited, Tokyo, Japan ("Dai-Ichi"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) and section 225.23(a) of the Board's Regulation Y (12 C.F.R. 225.23(a)) for its wholly owned subsidiary, DKB Securities Corporation, New York, New York ("Company"):

(1) To underwrite and deal in, to a limited extent, municipal revenue bonds, 1–4 family mortgage-related securities, commercial paper and consumer-receivable-related securities ("ineligible securities");

(2) To act as agent in the private placement of all types of securities, including providing related advisory services;

(3) To buy and sell all types of securities on the order of investors as a "riskless principal";

(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 financial and transaction advice to financial and nonfinancial institutions, including:

(a) advice and assistance in connection with the structuring, financing, and negotiating of domestic and international merger, acquisition, divestiture, joint venture, leveraged buyout, recapitalization, capital structuring, financing and other corporate transactions, including private and public financings;

(b) feasibility studies, principally in the context of determining the financial attractiveness and feasibility of particular corporate transactions and financing transactions;

(c) valuation services in connection with domestic and international merger, acquisition, divestiture, joint venture, leveraged buyout, recapitalization, financing, and other corporate transactions;

(d) fairness opinions in connection with domestic and international merger, acquisition, divestiture, joint venture, leveraged buyout, recapitalization, financing, and other corporate transactions;

(e) advice regarding the structuring, and arranging of swaps, caps and similar transactions relating to factors such as interest rates, currency exchange rates, prices, and economic and financial indices;

(f) ancillary services or functions incidental to the foregoing advisory activities; and

(6) To provide investment advisory and brokerage services on a combined basis ("full-service brokerage") to institutional customers.[1]

1. Dai-Ichi defines an institutional customer as:
(A) a bank (acting in an individual or fiduciary capacity), a savings and loan association, an insurance company, a registered investment company under the Investment Company Act of 1940, or a corporation, partnership, trust, proprietorship, organization or institutional or governmental entity that regularly invests in the type of securities as to which investment advice is given, that regularly engages in transactions in securities, or that has a net worth exceeding $1 million;
(B) an employee benefit plan with assets exceeding $1 million, or whose investment decisions are made by a bank, insurance com-

Notice of the application, affording interested persons an opportunity to submit comments, has been duly published (55 *Federal Register* 48,289 (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.

Dai-Ichi is the largest banking organization in the world, with $435 billion in total consolidated assets.[2] Dai-Ichi owns The Dai-Ichi Kangyo Bank of California, Los Angeles, California, with total assets of $503 million. In addition, Dai-Ichi operates branches in New York, Los Angeles, and Chicago, and agencies in Atlanta and San Francisco. Dai-Ichi also engages in various nonbanking activities through a number of subsidiaries, including Company.

Company is currently authorized to engage in securities brokerage, dealing and underwriting activities pursuant to sections 225.25(b)(15) and (16) of Regulation Y (12 C.F.R. 225.25(b)(15) and (16)). Company is, and will continue to be, a broker-dealer registered with the Securities and Exchange Commission and subject to the record-keeping, reporting, fiduciary standards, and other requirements of the Securities Exchange Act of 1934 and the National Association of Securities Dealers.

Underwriting and Dealing In Ineligible Securities

The proposed ineligible securities underwriting and dealing activity has been determined by the Board to be consistent with section 20 of the Glass–Steagall Act provided the underwriting subsidiary derives no more than 10 percent of its total gross revenue from underwriting and dealing in the approved securities over any two-year period.[3] The Board also found that, subject to the prudential framework of limitations established in those cases to address the potential for conflicts of interests, unsound banking practices or other adverse effects, the proposed underwriting and dealing activities are so closely related to banking as to be a proper incident thereto within the meaning of section 4(c)(8) of the BHC Act. The Board subsequently modified that prudential framework in the case of a foreign banking organization to take into account principles of national treatment and the Board's policy not to extend U.S. bank supervisory standards extraterritorially.[4] Dai-Ichi has committed that Company will conduct its underwriting and dealing activities with respect to bank-ineligible securities subject to the 10 percent revenue test and the prudential limitations established by the Board in its *Sanwa* Order.[5]

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 has also previously 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.[6] Dai-Ichi 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

pany or investment adviser 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 the investment advice or brokerage services exceeds $1 million;

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

(E) an entity of which all of the equity owners are Institutional Customers.

2. Total consolidated asset data are as of March 31, 1990, and asset data for The Dai-Ichi Kangyo Bank of California are as of June 30, 1990.

3. *Citicorp, J.P. Morgan & Co. Incorporated and Bankers Trust New York Corporation*, 73 *Federal Reserve Bulletin* 473 (1987)("*Citicorp/Morgan/Bankers Trust*"), *aff'd sub. nom.*, *Securities Industry Association v. Board of Governors of the Federal Reserve System*, 839 F.2d 47 (2d Cir. 1988), *cert. denied*, 108 S.Ct. 2830 (1988)("*SIA v. Board*"); *Chemical New York Corporation, The Chase Manhattan Corporation, Bankers Trust New York Corporation, Citicorp, Manufacturers Hanover Corporation and Security Pacific Corporation*, 73 *Federal Reserve Bulletin* 731 (1987)("*Chemical*"), as modified by *Order Approving Modifications to Section 20 Orders*, 75 *Federal Reserve Bulletin* 751 (1989)("*Modification Order*").

4. *The Sanwa Bank, Limited*, 76 *Federal Reserve Bulletin* 568 (1990)("*Sanwa*"); *The Toronto-Dominion Bank*, 76 *Federal Reserve Bulletin* 573 (1990)("*Toronto-Dominion*").

5. The Board notes that lending to affiliates by U.S. branches and agencies of foreign banks is not restricted by section 23A of the Federal Reserve Act. In view of the limited nature of these activities, the Board does not believe that the record at this time would require extending the restrictions of section 23A to Dai-Ichi's U.S. branches and agencies. The Board, however, reserves the right to require that Dai-Ichi's U.S. branches and agencies adhere to the restrictions of section 23A should circumstances change to make such a requirement appropriate.

6. *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*").

the *Bankers Trust* and *J.P. Morgan* orders, as modified to reflect Dai-Ichi's status as a foreign bank, consistent with the framework adopted in the *Sanwa* and *Toronto-Dominion* Orders.

Dai-Ichi 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. Dai-Ichi 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 Dai-Ichi 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.[7] 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.

Dai-Ichi 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, Dai-Ichi 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 Dai-Ichi and each of its nonbanking subsidiaries, individually and in the aggregate.[8] These policies and procedures, as well as the purchases themselves, will be reviewed by the Federal Reserve Bank of San Francisco.

Financial and Investment Advisory Services

The Board has previously determined by regulation that the proposed investment advisory activities are closely related to banking under section 4(c)(8) of the BHC Act.[9] The Board has also determined by order that the proposed financial advisory activities are closely related to banking for purposes of section 4(c)(8) of the BHC Act.[10] Company has proposed to conduct the investment and financial advisory activities in accordance with all of the requirements established by the Board in its regulation and orders governing these activities.[11]

Full-Service Brokerage Activities

The Board has previously 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. *See PNC Financial Corporation*, 75 *Federal Reserve Bulletin* 396 (1989); *Bankers Trust New York Corporation*, 74 *Federal Reserve Bulletin* 695 (1988). Dai-Ichi 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.[12] Such discretionary investment management services will not be provided for retail customers.

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 Dai-Ichi "can reasonably be expected to produce benefits to the public . . . that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair com-

7. 12 U.S.C. § 371c-1.

8. The limit established shall not exceed 50 percent of the issue being placed. Additionally, in the development of these policies and procedures, Dai-Ichi will incorporate, with respect to placements of securities, the limitations established by the Board in condition 12 of its Order regarding aggregate exposure of Dai-Ichi'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).

9. *See* Sections 225.25(b)(4)(i)-(v) of Regulation Y, 12 C.F.R. 225.25(b)(4)(i)-(v).

10. *See, e.g., First Regional Bancorp, Inc.*, 76 *Federal Reserve Bulletin* 859 (1990); *Creditanstalt-Bankverein*, 76 *Federal Reserve Bulletin* 761 (1990); *Citicorp*, 76 *Federal Reserve Bulletin* 666 (1990); *The Fuji Bank, Limited*, 75 *Federal Reserve Bulletin* 577 (1989).

11. With respect to the proposed financial advisory services, Dai-Ichi has committed that:

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

(B) Disclosure will be made to each potential customer of each company that Company is an affiliate of Dai-Ichi;

(C) Advice rendered by Company on an explicit fee basis will be without regard to correspondent balances maintained by a customer at any depository institution subsidiary of the holding company; and

(D) Except as authorized by the respective client, no confidential information received from the client will be made available to the holding company or any of its subsidiaries. *See, e.g., Creditanstalt-Bankverein*, 76 *Federal Reserve Bulletin* 761 (1990).

12. *See J.P. Morgan and Company, Inc.*, 73 *Federal Reserve Bulletin* 810 (1987).

petition, 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.[13] In this case, Dai-Ichi is in compliance with the minimum risk-based capital standards currently in effect as implemented by the Japanese banking authorities in conformance with the standards as adopted by the Basle Committee. Accordingly, the Board concludes that financial considerations are consistent with approval of this application. The managerial resources of Dai-Ichi are also consistent with approval.

Consummation of the proposal would provide added convenience to Dai-Ichi's customers. In addition, the Board expects that the *de novo* entry of Dai-Ichi into the market for these 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 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 performance of the proposed activities by Dai-Ichi can reasonably be expected to produce benefits to the public.[14]

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

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

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

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

13. 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).

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

The Sanwa Bank, Limited
Osaka, Japan

Order Approving Application to Engage in Certain Leasing Activities

The Sanwa Bank, Limited, Osaka, Japan ("Sanwa"), 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) of the Board's Regulation Y (12 C.F.R. 225.23(a)) to engage, through its wholly owned subsidiary, Sanwa Business Credit Corporation, Chicago, Illinois ("SBCC"), in the leasing of personal property, and acting as agent, broker, or adviser in leasing such property, including lease transactions in which SBCC may rely for its compensation on an estimated residual value of the leased property at the expiration of the initial lease term of up to 100 percent of the acquisition cost of the property ("higher residual value leasing").

Notice of the application, affording interested persons an opportunity to submit comments, has been duly published (55 *Federal Register* 49,574 (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.

Sanwa, with total consolidated assets equivalent to approximately $387 billion, is the fifth largest banking organization in the world.[1] Sanwa owns Sanwa Bank California, San Francisco, California, with total assets of $7.4 billion as of September 30, 1990. In addition, Sanwa operates branches in New York, New York; Chicago, Illinois; Boston, Massachusetts; San Fran-

1. Asset data are as of March 31, 1990. Ranking is as of July 26, 1990.

cisco, California; and Los Angeles, California; agencies in Atlanta, Georgia; and Dallas, Texas; and representative offices in Houston, Texas; and Lexington, Kentucky. Sanwa engages in various nonbanking activities in the United States pursuant to section 4(c)(8) of the BHC Act.

SBCC currently engages in various personal property leasing and commercial financing activities pursuant to sections 225.25(b)(5) and (b)(1) of the Board's Regulation Y. SBCC had total assets of $2.2 billion as of June 30, 1990.

In order to approve an application under section 4(c)(8) of the BHC Act, the Board must determine that the proposed activity is "so closely related to banking or managing or controlling banks as to be a proper incident thereto . . . ." 12 U.S.C. § 1843(c)(8). The Board has previously determined by order that the activities of engaging in higher residual value leasing and acting as agent, broker, or adviser with respect to such lease transactions are closely related to banking and permissible for bank holding companies subject to certain limitations.[2] SBCC proposes to conduct these activities using the same methods and procedures and subject to the same limitations established by the Board in its previous orders regarding these activities. In this regard, all leases will be non-operating and, with the exception of the residual value calculation, will otherwise conform to all of the requirements provided in the Board's regulation regarding leasing transactions generally.[3] In particular, SBCC would engage in the proposed activities only for leases in which the property to be leased is acquired specifically for the leasing transaction under consideration or was acquired specifically for an earlier leasing transaction. Moreover, Sanwa has committed that the proposed lease transactions engaged in by SBCC would have a minimum initial lease term of one year, that the maximum lease term would be no more than 40 years, and that SBCC would sell or re-lease the property within two years of the expiration of the initial lease.

In acting on an application under section 4(c)(8) of the BHC Act, the Board must also consider whether an applicant's performance of the proposed activities "can reasonably be expected to produce benefits to the public, 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).

Sanwa maintains that approval of the proposed activity would enable SBCC to better respond to the needs of its leasing customers and competitive conditions in the leasing industry by allowing SBCC to offer a broader range of leasing terms.

The Board has considered the potential for adverse effects that might be associated with reliance by SBCC on high residual values in leasing transactions. In this case, Sanwa proposes that SBCC engage in these leasing activities subject to limitations previously relied on by the Board which are designed to minimize the possibility of such effects. Sanwa has also committed to limit the total amount of SBCC's investment in leases with estimated residual values in excess of 25 percent of the acquisition cost of the leased property to no more than 10 percent of Sanwa's total consolidated assets, and to limit the aggregate amount of SBCC's investment in leases with estimated residual values in excess of 70 percent of the acquisition cost of the leased property to the lesser of (i) 0.5 percent of Sanwa's total consolidated assets, or (ii) 10 percent of Sanwa's total consolidated shareholders' equity. In addition, Sanwa has committed to maintain SBCC's capital commensurate with industry standards for comparable leasing activities. The Federal Reserve Bank of San Francisco will monitor the policies and procedures of SBCC to assure that these policies and procedures are consistent with the leasing authority granted under this Order.

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.[4] In this case, Sanwa is in compliance with the minimum risk-based capital standards currently in effect as implemented by the Japanese banking authorities in conformance with the standards as adopted by the Basle Committee. Accordingly, the Board concludes that financial considerations are consistent with approval of this application. The managerial resources of Sanwa are also consistent with approval.

Consummation of the proposal would provide added convenience to Sanwa's leasing customers. In addi-

2. *Security Pacific Corporation*, 76 *Federal Reserve Bulletin* 462 (1990). *See, also, Dai-Ichi Kangyo Bank, Limited*, 76 *Federal Reserve Bulletin* 960 (1990). On May 25, 1990, the Board issued for comment a proposal to make these leasing activities permissible for bank holding companies generally under Regulation Y. 55 *Federal Register* 22,348 and 23,446. Sanwa has committed to conform SBCC's leasing activities to any final rule adopted by the Board.

3. *See* 12 C.F.R. 225.25(b)(5).

4. 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).

tion, the Board expects that the *de novo* entry of Sanwa into the market for this activity would increase the level of competition among providers of this service. Accordingly, the Board has determined that the performance of the proposed activity by Sanwa can reasonably be expected to produce benefits to the public.

For these reasons, and in reliance on the commitments offered in this case, the Board believes that 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. Based on the foregoing and other facts of record, the Board concludes that the balance of the public interest factors that it is required to consider under section 4(c)(8) is favorable in this case. Accordingly, subject to the conditions in this Order and the commitments made by Sanwa in this case, the Board has determined that the proposed application should be, and hereby is, approved. This determination is subject to all of the conditions set forth in the Board's Regulation Y, including sections 225.4(d) and 225.23(b) (12 C.F.R. 225.4(d) and 225.23(b)), 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.

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 January 7, 1991.

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

William W. Wiles
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 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, the capital adequacy of foreign banking organizations should be scrutinized without giving them the benefit of adjustments not available for 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.

January 7, 1991

STICHTING PRIORITEIT ABN AMRO HOLDING
Amsterdam, The Netherlands

Stichting Administratiekantoor ABN AMRO HOLDING
Amsterdam, The Netherlands

ABN AMRO Holding N.V.
Amsterdam, The Netherlands

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

Order Denying Proposal to Engage in Clearing Securities Options and Other Financial Instruments for the Accounts of Professional Floor Traders

STICHTING PRIORITEIT ABN AMRO HOLDING, Stichting Administratiekantoor ABN AMRO HOLDING, and ABN AMRO Holding N.V., all of Amsterdam, The Netherlands, foreign banking organizations subject to the Bank Holding Company Act ("BHC Act"), and Amsterdam-Rotterdam Bank N.V., Amsterdam, The Netherlands ("Amro"), a bank holding company with respect to a U.S. bank (collectively, "Applicants"), have applied for the Board's approval under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) to engage *de novo* through their subsidiary, International Clearing Services (U.S.) Inc., Chicago, Illinois ("Company"), in the execution and clearance of:

(1) exchange-traded securities options and other securities, and

(2) futures and options on futures that relate to financial instruments.

Company's proposed customer base would consist primarily of market makers and other professional floor traders dealing for their own accounts.[1]

Company proposes to register as a broker-dealer with the Securities and Exchange Commission and as a futures commission merchant with the Commodity Futures Trading Commission. Company will become a clearing member of the CBOE, the Chicago Board of Trade, the New York Stock Exchange and the American Stock Exchange.

Notice of the application, affording interested persons an opportunity to submit comments, has been duly published (55 *Federal Register* 39,210 (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.[2]

Amro, with consolidated assets equivalent to approximately $92.9 billion, is the second largest banking organization in The Netherlands.[3] In the United States, Amro maintains, in addition to European American Bank, Uniondale, New York, a branch in New York and representative offices in Chicago, Houston, and Los Angeles.[4] Accordingly, Amro is subject to the nonbanking restrictions of section 4 of the BHC Act as a bank holding company.

The Board has previously approved the execution and clearance of financial instruments as a permissible nonbanking activity.[5] Under Board precedent,[6] the nonbanking subsidiary engaged in such services has generally serviced a broad range of retail and/or institutional customers. Company proposes to clear trades for a specialized customer base comprised primarily of professional floor traders who execute trades for their own accounts.

In addition, nonbank subsidiaries of bank holding companies operating pursuant to prior Board approvals have generally performed both execution and clearance services.[7] By performing both services, the subsidiary is able to control risk because it executes the majority of the transactions that it clears. The nonbank subsidiary may either refuse to execute an order that it deems inappropriate or require more funds or collateral from the customer *in advance* of and as a condition to executing the transaction.

Unlike prior cases approved by the Board, however, Company plans to provide primarily clearing—as opposed to clearing and execution—services. As a clearing agent, Company will guarantee the financial performance of its customers to the clearing organizations of the exchanges on which it operates.[8] After the start of trading on any given day, Company is obligated to settle each trade entered into by its customers, even in the event that a customer does not have the financial resources to honor its obligation. Because trades have already been executed at the time they are presented to Company by these professional floor traders, Company will be unable to decline transactions that represent unacceptable risk. On an intraday basis, professional traders, who are not employees of Company and who trade in relatively volatile instruments, could expose Company to financial risks beyond the trader's capacity to repay and beyond Company's resources.

1. Most of the professional traders will be market makers and specialists, including individuals, small partnerships, or small corporations, that will trade primarily on the Chicago Board Options Exchange (the "CBOE"). Market makers on the CBOE are floor traders that perform a dealer function by trading for their own accounts, at their own risk, and for their own profit. Market makers compete with other market makers assigned to the same class of options. In contrast, floor brokers on the CBOE generally act only as an agent, executing customer and firm proprietary orders.

2. The Board has received written comments opposing the application from the Investment Company Institute ("ICI"), a trade association of the mutual fund industry. The ICI has objected to the Applicants's proposal to the extent that it can be construed to seek approval for Company to broker securities issued by investment companies that are sponsored or advised by Applicants, their bank and nonbank affiliates, or subsidiaries of their bank affiliates. The Applicants have not requested approval to broker such securities.

3. Data are as of December 31, 1989.

4. One of the Applicants, ABN/AMRO Holding, N.V., is also subject to the BHC Act through its ownership of Algemene Bank Nederland N.V. ("ABN"), another bank in the Netherlands. ABN operates in the U.S. through five branches, five agencies and ABN/LaSalle North America Inc., a bank holding company located in Chicago that has ten bank subsidiaries.

5. *See, e.g.*, sections 225.25(b)(3) (trust companies engaging in agency activities related to the clearing of securities); 225.25(b)(15) (securities brokerage activities); and 225.25(b)(18) (execution and clearance of futures and options on futures) of the Board's Regulation Y. The Board has also recognized that clearing activities are incidental to securities brokerage activities. *See BankAmerica Corporation*, 69 *Federal Reserve Bulletin* 105 (1983), *petition for review denied, Securities Industry Association v. Board of Governors of the Federal System*, 716 F.2d 92 (2d Cir. 1983), *aff'd* 468 U.S. 207 (1984), and *The Bank of New York Company, Inc.*, 74 *Federal Reserve Bulletin* 257, 261 (1988); *see also* 48 *Federal Register* 37,003, 37,004 (1983)).

6. *See id.*

7. Execution is the initial step in the process by which a security, future or option is bought and sold on an exchange. Clearing is the second step in this process and basically involves the settlement of the transaction. Buyers and sellers usually deal with each other through a clearing agent rather than directly. The "middleman" in each trade, the clearing firm, assumes the obligations of the underlying parties and provides the short-term credit that the floor traders need to meet margin requirements imposed on these traders by the various exchanges.

8. Clearing firms also may be liable for the obligations of other members of the exchange. Generally, losses of a failed member firm are covered in the following order:

(1) by the assets of the failed firm;
(2) by the excess capital of the clearing organization;
(3) by the guarantee fund of the clearing organization; and
(4) by direct assessments made on surviving member firms. Because member clearing firms are the ultimate source of capital for both the clearing association and the guarantee fund, the surviving firms will ultimately bear the burden of any loss.

Applicants propose to limit the exposure created by Company's clearing activities by establishing risk guidelines and procedures to monitor the intraday trading activities of Company's floor traders. At present, however, there is no system generally available to the industry for monitoring the intraday activities of floor traders on a real-time basis.[9] The lack of a mechanism to monitor intraday trading presents the possibility that a professional floor trader could greatly exceed Company's risk limits and incur substantial losses before Company could act to mitigate its credit risk exposure.[10]

These circumstances potentially expose clearing firms to substantial losses. Moreover, if the clearing firm has exhausted all or most of its capital by funding the obligations of floor traders who have lost substantial amounts of money in trading, parent companies of the clearing firm may be required to cover the firm's remaining liabilities.[11] While the Board recognizes that these risks may be acceptable for nonbanking institutions currently providing these services, the application raises the issue of whether these risks are appropriate for banking organizations in the United States.

In order to approve an application submitted pursuant to section 4(c)(8) of the BHC Act, the Board is required to determine that the proposed activity is "so closely related to banking . . . as to be a proper incident thereto."[12] In considering whether a proposed new activity would be a proper incident to banking, the Board is required to determine that the performance of the proposed activity by Applicants, "can reasonably be expected to produce benefits to the public, 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."[13]

The Board has carefully considered the possible benefits associated with this proposal, including the entry of Applicants into a relatively concentrated market, Applicants's experience with similar activities on foreign exchanges, and Company's proposed risk management systems. Having considered all of the facts of record, however, the Board believes that the proposal, as currently structured and given the absence of an effective means to monitor and limit the potential credit risk exposure to the parent bank holding company, involves potential adverse effects that outweigh the potential public benefits.

Based on the foregoing, the Board has determined that the balance of public interest factors the Board is required to consider under section 4(c)(8) of the BHC Act is not favorable. Accordingly, the application is denied.

By order of the Board of Governors, effective January 9, 1991.

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

WILLIAM W. WILES
Secretary of the Board

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

Whitcorp Financial Company
Leoti, Kansas

Order Approving the Acquisition of a Bank and Nonbanking Subsidiary

Whitcorp Financial Company, Leoti, Kansas ("Whitcorp"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied for the Board's approval under section 3(a)(3) of the BHC Act (12 U.S.C. § 1842(a)(3)), to acquire 52.03 percent of the voting shares of First National Bank in Lamar, Lamar, Colorado ("Lamar Bank").

Whitcorp has also applied for the Board's approval under section 4(c)(8) of the BHC Act to acquire Securities Investment Company, Lamar, Colorado ("Securities Investment"), and through Securities Investment, engage in holding and servicing consumer loans and selling credit-related life, accident, and health insurance pursuant to sections 225.25(b)(1) and

9. Company's traders will operate for the most part on exchanges using an open outcry system as opposed to an electronic trading system. As a result, Company may not know, until the end of the trading day, the positions to which it has been committed on a real-time basis.

10. Professional floor traders generally operate with much higher levels of leverage than the average brokerage customer of a securities firm. Moreover, since most of Company's customers will be market makers, these traders may at times be inclined to take positions contrary to the market.

11. As a consequence of the stock market break of October 1987, nearly 35 percent of the clearing members of the Options Clearing Corporation required capital contributions from parent firms to cover their losses. *See* U.S. General Accounting Office report "Clearance and Settlement Reform," GAO/GGD-90-33, p. 30 (April 1990). Such events have exposed some bank holding companies to substantial financial liabilities. In particular, First Options of Chicago, Inc. ("FOC"), a clearing subsidiary of Continental Bank N.A. ("CBNA"), lost approximately $90 million dollars in the course of one week. When FOC could not meet margin calls, CBNA and its parent holding companies had to infuse funds into FOC to avoid its default. The Applicants have stated that they propose to provide the same type of clearing and execution services that FOC offers, and become a member of the same exchanges and clearing corporations to which FOC belongs.

12. 12 U.S.C. § 1843(c)(8).

13. *Id.*

(b)(8)(i) of the Board's Regulation Y (12 C.F.R. 225.25(b)(1) and (b)(8)(i)). In addition, Whitcorp has requested approval to continue to engage in general insurance agency activities in Leoti, Kansas, pursuant to section 225.25(b)(8)(iii) of Regulation Y (12 C.F.R. 225.25(b)(8)(iii)).

Notice of the applications, affording interested persons an opportunity to submit comments, has been duly published (55 *Federal Register* 42,478 and 49,343 (1990)). The time for filing comments has expired, and the Board has considered the applications and all the 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 (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 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." Whitcorp's home state is Kansas and Lamar Bank's home state is Colorado.[1]

Effective January 1, 1991, Colorado law specifically authorizes any out-of-state bank holding company to acquire banks located in Colorado if:

> (i) the bank to be acquired has been in operation since January 1, 1988, or at least five years when acquired;
> (ii) the out-of-state company will not control more than 25 percent of the aggregate deposits in Colorado financial institutions as a result of the acquisition; and
> (iii) the acquiring out-of-state company will have in the aggregate a ratio of total capital to total assets of at least 6 percent immediately before the acquisition.[2]

Lamar Bank has been in operation since 1934 and controls less than 1 percent of the total deposits held by commercial banks in Colorado. In addition, Whitcorp's consolidated total capital to total assets ratio exceeds 6 percent. Accordingly, the Board believes that the proposed acquisition is specifically authorized by the statute laws of Colorado and is not barred by the Douglas Amendment.[3]

Whitcorp operates only one subsidiary bank, which is located in Kansas and controls deposits of approximately $36.5 million, representing less than 1 percent of the total deposits in commercial banks in Kansas.[4] Lamar Bank controls deposits of $57.6 million, representing less than 1 percent of the total deposits in commercial banking organizations in Colorado. Consummation of this proposal would not result in an adverse effect on the concentration of banking resources in Kansas or Colorado.

Whitcorp and Lamar Bank do not compete in any banking market. Accordingly, consummation of this proposal would not have a significantly adverse effect upon existing competition in any relevant banking market.

In connection with this proposal, the Board has received comments from certain individuals ("Protestants") requesting denial of the application. The primary concerns of the Protestants were:

> (i) a possible violation of the Change in Bank Control Act ("CIBC Act") by Whitcorp's principal shareholder through acquisition of an option permitting control of over 10 percent of the voting shares of Lamar Bank without prior regulatory approval; and
> (ii) whether an out-of-state bank holding company possesses the managerial ability to meet the needs of the local Lamar community.[5]

In regard to Protestants' first concern, the Board has reviewed the option agreement and has determined that no CIBC Act violation occurred. In that regard, the Board has previously determined under the BHC Act that similar option agreements regarding voting shares do not raise a rebuttable presumption of control over those shares.[6] Under the provisions of the Board's Regulation Y implementing the BHC Act, a rebuttable presumption of control does not apply to agreements for the acquisition of shares that continue only for the time necessary to obtain approval from the Board on an application.[7] The option involved in this case falls within those standards as it does not exceed one year in duration and, moreover, Whitcorp filed these applications within a reasonably prompt period following the execution of the option agreement.

1. 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.
2. Colo. Rev. Stat. §§ 11-6.4-103(3), 4-103(6), and 4-103(7) (Supp. 1990).
3. The Colorado Bank Board approved Whitcorp's application to acquire Lamar Bank on January 17, 1991.
4. Banking and market share data are as of September 30, 1990.
5. In addition, Protestants filed comments that concerned:
(i) the inequitable treatment of some Lamar Bank shareholders, including unequal prices for shares purchased;
(ii) the appropriateness of the lack of notification to minority shareholders regarding the acquisition;
(iii) whether Whitcorp intends to purchase the remaining shares held by the minority shareholders; and
(iv) whether Whitcorp intends to retain the present staff at Lamar Bank.
6. *See, e.g., Suburban Bancorp, Inc.*, 71 *Federal Reserve Bulletin* 581 (1985).
7. 12 C.F.R. 225.31(d)(1)(ii)(c).

The Office of the Comptroller of the Currency, the primary regulator of Lamar Bank, has also reviewed the alleged CIBC Act violation and has stated that under its regulations the transaction as proposed does not require the filing of a notice with that office under the CIBC Act.[8]

In response to Protestants' second concern regarding Whitcorp's ability to meet local community needs, Whitcorp has stated that it will continue to operate Lamar Bank so as to meet the needs of its community, and points to its experience with community banking in Kansas including, in particular, agricultural communities.[9]

The Board has carefully reviewed Protestants' comments and concerns in light of the record and believes that they do not raise issues under section 3(c) of the BHC Act that reflect so adversely on Whitcorp's managerial resources as to warrant denial of the applications.

On the basis of all the facts of record, the Board believes that the financial and managerial resources and future prospects of Whitcorp, its subsidiary bank, and Lamar Bank are consistent with approval. Considerations relating to the convenience and needs of the community to be served also are consistent with approval.

Whitcorp has also applied under section 4(c)(8) of the BHC Act to acquire 50.37 percent of the voting shares of Securities Investment. Securities Investment engages in holding and servicing consumer loans and selling credit-related life, accident, and health insurance. The Board previously has determined that such activities are permissible for bank holding companies under sections 225.25(b)(1) and (b)(8)(i) of the Board's Regulation Y (12 C.F.R. 225.25(b)(1) and (b)(8)(i)).[10]

In addition, Whitcorp has applied under section 4(c)(8) to continue to conduct general insurance agency activities in Leoti, Kansas (where Whitcorp is located), a town with a population not exceeding 5,000. The Board previously has determined that such activities are permissible for bank holding companies under section 225.25(b)(8)(iii) of the Board's Regulation Y (12 C.F.R. 225.25(b)(8)(iii)).[11]

In order to approve the section 4 application, the Board is also required to determine that the performance of the proposed activities by Whitcorp "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 light of the facts of record, the Board concludes that Whitcorp's acquisition of Securities Investment would not significantly affect competition in any relevant market. In addition, Whitcorp's general insurance agency activities would continue to provide a source for insurance for its customers in the Leoti, Kansas, market. Accordingly, consummation of this proposal would not have a significantly adverse effect on competition in any relevant market. There also 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 of Whitcorp's application to acquire Securities Investment and to engage in general insurance agency activities.[12]

Based on the foregoing and other facts of record, the Board has determined that the applications under sections 3 and 4 of the BHC Act should be, and hereby are, approved. The Lamar Bank acquisition shall not be consummated before the thirtieth calendar day following the effective date of this Order, and the proposed bank and nonbank acquisitions shall not be consummated later than three months after the effective date of this Order, 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. The determinations as to the nonbanking activities are subject to all of the conditions contained in the Board's Regulation Y, including those in sections 225.4(d) and 225.23(b)(3) (12 C.F.R. 225.4(d) and 225.23(b)(3)), and to the Board's authority to require

8. 12 C.F.R 5.50.

9. In that regard, the Board notes that Whitcorp's subsidiary banks all received satisfactory ratings in their most recent examinations for performance under the Community Reinvestment Act.

10. Whitcorp has also expressed its intention to cease these nonbanking activities shortly after consummation of the proposal. Securities Investment would continue to hold two real estate parcels located adjacent to Lamar Bank, which Whitcorp intends to use for future bank operations pursuant to section 225.22(a)(2)(vi) of Regulation Y (12 C.F.R. 225.22(a)(2)(vi)).

11. Whitcorp currently engages in general insurance agency activities in Leoti pursuant to its grandfather rights under section 4(a)(2) of the BHC Act (12 U.S.C. § 1843(a)(2)). After consummation, Whitcorp intends to conduct its general insurance agency activities exclusively under the provisions of section 4(c)(8) of the BHC Act and section 225.25(b)(8)(iii) of the Board's Regulation Y.

12. Whitcorp also has requested a review of its grandfather rights, pursuant to section 4(a)(2) of the BHC Act (12 U.S.C. § 1843(a)(2)), to continue to engage in certain cattle feeding operations. Under that section, the Board is required to review grandfathered activities conducted pursuant to these provisions when a company controls bank assets in excess of $60 million. After consummation, Whitcorp would control in excess of $60 million in bank assets. Upon a review of the record, the Board believes that continued conduct of these activities by Whitcorp at this time is inconsistent with the standards set forth in section 4(a)(2) of the BHC Act.

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 January 22, 1991.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

Orders Issued Under Bank Merger Act

Isabella Bank and Trust
Mount Pleasant, Michigan

Order Approving Acquisition of Certain Assets and Assumption of Certain Liabilities of a Bank and the Establishment of a Branch

Isabella Bank and Trust, Mount Pleasant, Michigan ("Isabella"), a member bank, has applied for the Board's approval under section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. § 1828(c)) (the "Bank Merger Act") to purchase certain assets from and assume certain liabilities of the Beal City Branch of First of America Bank - Mount Pleasant, Mount Pleasant, Michigan ("Beal City Branch") and thereby to establish a branch pursuant to section 9 of the Federal Reserve Act (12 U.S.C. § 321).

Notice of the applications, affording interested persons an opportunity to submit comments, has been given in accordance with the Bank Merger Act and the Board's Rules of Procedure (12 C.F.R. 262.3(b)). 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 the comments received in light of the factors set forth in the Bank Merger Act (12 U.S.C. § 1828(c)(5)).

Isabella, the only subsidiary of IBT Bancorp, Inc., Mount Pleasant, Michigan, is the 32nd largest commercial banking organization in Michigan, controlling deposits of approximately $148.3 million, representing less than 1 percent of the total deposits in commercial banking organizations in the state.[1] Beal City Branch controls deposits of approximately $2.5 million, representing less than 1 percent of total deposits in commercial banks in the state.[2] Upon consummation of this proposal, Isabella would remain the 32nd largest commercial banking organization in Michigan, controlling deposits of approximately $150.8 million, representing less than 1 percent of the total deposits in commercial banks in the state. Accordingly, consummation of the proposal would not have a significantly adverse effect on the concentration of banking resources in Michigan.

Isabella and Beal City Branch compete directly in the Mount Pleasant banking market.[3] Isabella is the largest of five commercial banking organizations in the market, controlling deposits of $135.8 million, representing 39.1 percent of total deposits in commercial banking organizations in the market. Beal City Branch controls deposits of $2.5 million, representing less than 1 percent of the total deposits in commercial banking organizations in the market.[4] Upon consummation of the proposal, Isabella would control $138.3 million in deposits, representing 39.8 percent of the total deposits in commercial banking organizations in the market. The Mount Pleasant market is considered highly concentrated. Upon consummation of the proposal, the Herfindahl–Hirschman Index ("HHI") would increase by 30 points, to a level of 2644.[5]

Although consummation of this proposal would result in an increase in market concentration, five commercial banking organizations, including FOA, and three savings associations would continue to operate

1. Commercial bank deposit data are as of June 30, 1988. Savings association data are as of June 30, 1987.

2. Beal City Branch is a branch of First of America Bank - Mount Pleasant, Mount Pleasant, Michigan ("First of America"), a subsidiary of First of America Corporation, Kalamazoo, Michigan ("FOA"). FOA is the fifth largest commercial banking organization in Michigan, controlling deposits of approximately $6.1 billion, representing 8.9 percent of the total commercial bank deposits in the state.

3. The Mount Pleasant banking market is approximated by Isabella County, plus the southern half of Clare County, Michigan.

4. FOA is the third largest commercial banking organization in the market, controlling deposits of approximately $63.7 million, representing 18.3 percent of total deposits in commercial banking organizations in the market.

5. Under the revised Department of Justice Merger Guidelines, 49 *Federal Register* 26,823 (June 29, 1984), a market in which the post-merger HHI is above 1800 is considered highly concentrated, 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.

in the market upon consummation of the proposal.[6] Accordingly, based on the facts of record in this case, the Board has determined that consummation of the proposal would not have a significantly adverse effect on existing competition in the Mount Pleasant banking market.[7]

The financial and managerial resources and future prospects of Isabella and Beal City Branch are consistent with approval. Considerations relating to the convenience and needs of the community to be served also are consistent with approval. Isabella also has applied under section 9 of the Federal Reserve Act (12 U.S.C. § 321 *et seq.*), to establish a branch at the present site of the Beal City Branch. The Board has considered the factors it is required to consider when approving 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.

Based on the foregoing and other facts of record, the Board has determined that the applications should be, and hereby are, approved. 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 Chicago, acting pursuant to delegated authority.

By order of the Board of Governors, effective January 14, 1991.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

6. 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). If 50 percent of the deposits held by thrift institutions were included in the calculation of market concentration, Isabella would control approximately 36.5 percent of market deposits. The HHI would increase by 26 points, to a level of 2254.

7. The Department of Justice has notified the Board that, in its opinion, consummation of the transaction would not have a significantly adverse effect on competition.

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
BankAmerica Corporation, San Francisco, California	The Benjamin Franklin Savings and Loan Association, Portland, Oregon	Seafirst Bank Oregon, Woodburn, Oregon	January 16, 1991
First Fidelity Bancorporation, Newark, New Jersey	City Savings, F.S.B., Somerset, New Jersey (Essex County, Middlesex County, Morris County, Ocean County, and Union County Branches)	First Fidelity Bank, N.A., Newark, New Jersey	January 11, 1991

FIRREA Orders—Continued

Bank Holding Company	Acquired Thrift	Surviving Bank(s)	Approval Date
Republic Banking Corporation of Florida, Miami, Florida	Rebank Netherlands Antilees, N.V., Miami, Florida	General Federal Savings Bank, Miami, Florida Republic National Bank of Miami, Miami, Florida	January 11, 1991
Southwest Georgia Financial Corporation, Moultrie, Georgia	Moultrie Savings Bank, F.S.B., Moultrie, Georgia	Moultrie National Bank, Moultrie, Georgia	January 4, 1991
Valley Bancorporation, Appleton, Wisconsin	Valley Bank Thiensville Mequon, Thiensville, Wisconsin	Great American Savings Bank, FSB, Milwaukee, Wisconsin	January 23, 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 3

Applicant(s)	Bank(s)	Effective date
BankAmerica Corporation, San Francisco, California	Bank of America Idaho, Coeur D'Alene, Idaho	January 11, 1991

Section 4

Applicant(s)	Bank(s)	Effective date
Fleet/Norstar Financial Group, Inc., Providence, Rhode Island Fleet/Norstar New York, Inc., Albany, New York	John Dawson & Associates, Inc., Chicago, Illinois	January 16, 1991
Republic Banking Corporation of Florida, Miami, Florida Rebank Netherlands Antilles, N.V., Miami, Florida	Republic Federal Interim Savings Bank, Miami, Florida	January 11, 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
Adairsville Bancshares, Inc., Adairsville, Georgia	The Peoples Bank, Crawfordville, Georgia	Atlanta	December 28, 1990
Arneson Bancshares, Inc., Clear Lake, Iowa	Clear Lake Bank and Trust Company, Clear Lake, Iowa	Chicago	January 3, 1991
Banc One Corporation, Columbus, Ohio	Marine Bank Chicago, Chicago, Illinois	Cleveland	January 9, 1991
Bank of North America Bancorp, Inc., Miami, Florida	Bank of North America, Miami, Florida	Atlanta	January 18, 1991
Blackshear Bancshares, Inc., Blackshear, Georgia	The Blackshear Bank, Blackshear, Georgia	Atlanta	December 19, 1990
Brooke Holdings, Inc., Jewell, Kansas	Gypsum Valley Agency, Inc., Jewell, Kansas	Kansas City	December 21, 1990
CNB Bancorp, Inc., Independence, Kansas	The Citizens National Bank in Independence, Independence, Kansas	Kansas City	January 4, 1991
CNB Bancorp, Inc. Employees Stock Ownership Plan, Independence, Kansas	CNB Bancorp, Inc., Independence, Kansas	Kansas City	January 4, 1991
CNB Financial Corporation, Clewiston, Florida	Clewiston National Bank, Clewiston, Florida	Atlanta	December 18, 1990
Community Independent Bancorp, Inc., West Salem, Ohio	The Farmers State Bank of West Salem, West Salem, Ohio	Cleveland	January 22, 1991
Ellsworth Bancshares, Inc., Ellsworth, Minnesota	Ellsworth State Bank, Ellsworth, Minnesota	Minneapolis	January 10, 1991
Fidelity Bancorporation, Inc., Dover, Delaware	Fidelity Bank, Forth Worth, Texas	Dallas	December 24, 1990
First Bancshares of Stevenson, Inc., Stevenson, Alabama	The First National Bank of Stevenson, Stevenson, Alabama	Atlanta	December 18, 1990
First Commercial Bancshares, Inc., Jasper, Alabama	Citizens Independent Bancorp, Huntsville, Alabama	Atlanta	January 15, 1991
First McKinley Corporation, Evanston, Wyoming	Wyoming National Bank Kemmerer, Kemmerer, Wyoming	Kansas City	January 18, 1991

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective date
First Neighborhood Bancshares, Inc., Toledo, Illinois	The First National Bank in Toledo, Toledo, Illinois	Chicago	December 21, 1990
Grygla Financial Corporation, Grygla, Minnesota	American State Bank of Grygla, Grygla, Minnesota	Minneapolis	January 11, 1991
Haviland Bancshares, Inc., Haviland, Kansas	Banco Insurance Agency, Inc., Haviland, Kansas	Kansas City	January 10, 1991
Hettinger Holding Company, Inc., Hettinger, North Dakota	First National Bank, Hettinger, North Dakota	Minneapolis	December 27, 1990
INB Financial Corporation, Indianapolis, Indiana	Homestate Bancorp, Inc., Salem, Indiana	Chicago	December 21, 1990
InterWest National Bancorp, Reno, Nevada	Fallon National Bank of Nevada, Fallon, Nevada	San Francisco	January 11, 1991
Jacob Schmidt Company and American Bancorporation, Inc., St. Paul, Minnesota	Farmers State Bank of Rothsay, Rothsay, Minnesota	Minneapolis	December 26, 1990
Kislak Financial Corporation, Miami Lakes, Florida	Kislak National Bank, North Miami, Florida	Atlanta	January 14, 1991
Minowa Banshares, Inc., Decorah, Iowa	Decorah State Bank, Decorah, Iowa The First National Bank of Mabel, Mabel, Minnesota	Chicago	January 23, 1991
Norwest Corporation, Minneapolis, Minnesota	Blackhawk Bancorporation, Waterloo, Iowa	Minneapolis	December 28, 1990
Phelps County Bank Employee Stock Ownership Plan, Rolla, Missouri	Phelps County Bancshares, Inc., Rolla, Missouri	St. Louis	December 24, 1990
Plainview Holding Company, Plainview, Nebraska	Cones State Bank, Pierce, Nebraska	Kansas City	December 28, 1990
RCB Holding Co., Roseville, Minnesota	Roseville Community Bank, N.A., Roseville, Minnesota	Minneapolis	January 22, 1991
Readlyn Bancshares, Inc., St. Paul, Minnesota Tripoli Bancshares, Inc., St. Paul, Minnesota Britt Bancshares, St. Paul, Minnesota	Ashton Bancshares, Inc., Ashton, Iowa	Chicago	December 27, 1990

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective date
Rice Lake Bancorp, Inc., Rice Lake, Wisconsin	Prairie Farm Bank Shares, Inc., Prairie Farm, Wisconsin	Minneapolis	January 3, 1991
Security Corporation, Duncan, Oklahoma	Security Exchange Bancorp, Inc., Duncan, Oklahoma Exchange Financial Corporation, Ardmore, Oklahoma Charter Bancshares, Inc., Oklahoma City, Oklahoma	Kansas City	December 26, 1990
Security State Bank Holding Company, Hannaford, North Dakota	First State Bank of New Rockford, New Rockford, North Dakota	Minneapolis	January 24, 1991
Shipman Bancorp, Inc., Shipman, Illinois	Citizens State Bank of Shipman, Shipman, Illinois	St. Louis	December 20, 1990
STAR Financial Group, Inc., Marion, Indiana	Trustcorp Bank, Indianapolis, Indianapolis, Indiana	Chicago	December 21, 1990
Synovus Financial Corp., Columbus, Georgia TB&C Bancshares, Inc., Columbus, Georgia	Sea Island Bankshares, Inc., Statesboro, Georgia	Atlanta	January 10, 1991
VB&T Bancshares Corp., Valdosta, Georgia	Valdosta Bank & Trust, Valdosta, Georgia	Atlanta	January 18, 1991
Wilmington Trust Corporation, Wilmington, Delaware	Wilmington Trust Company, Wilmington, Delaware	Philadelphia	January 3, 1991

Section 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective date
ANB Corporation, Muncie, Indiana	Muncie Federal Savings Bank, Muncie, Indiana	Chicago	January 14, 1991
BB&T Financial Corporation, Wilson, North Carolina	Home Savings and Loan Association, Inc., Durham, North Carolina	Richmond	January 18, 1991

Section 4—Continued

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective date
Carolina First Corporation, Greenville, South Carolina	Carolina Interim Savings Bank, F.S.B., Greenville, South Carolina	Richmond	December 28, 1990
Chambers Bancshares, Inc., Danville, Arkansas	Petit Jean Insurance Agency, Danville, Arkansas	St. Louis	January 9, 1991
Osterreichische Landerbank Aktiengesellschaft, Vienna, Austria	Roley, Nichols Capital Group, Inc., Los Angeles, California	New York	December 24, 1990
Valley Bancorporation, Appleton, Wisconsin	Great American Savings Bank, FSB, Milwaukee, Wisconsin Western Federal Savings and Loan Association, Sparta, Wisconsin	Chicago	January 23, 1991

Applications Approved Under Bank Merger Act

By Federal Reserve Banks

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

Applicant(s)	Bank(s)	Reserve Bank	Effective date
First of America Bank-Northern Michigan, Traverse City, Michigan	First of America Bank-Manistee, Manistee, Michigan	Chicago	January 8, 1991
Montana Bank of Billings, Billings, Montana	Montana Bancsystem, Inc., Billings, Montana	Minneapolis	December 27, 1990

Bank Merger Act Applications Approved—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective date
Trust Company Bank, Atlanta, Georgia	Trust Company Bank of Carroll County, Bowdon, Georgia Trust Company Bank of Clayton County, Jonesboro, Georgia Trust Company Bank of Cobb County, N.A., Atlanta, Georgia Trust Company Bank of Gwinnett, Lawrenceville, Georgia Trust Company Bank of Henry County, N.A., McDonough, Georgia Trust Company Bank of Rockdale, Conyers, Georgia	Atlanta	December 18, 1990

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.

State of Illinois v. Board of Governors, No. 90-C-6863 (N.D. Illinois, filed November 27, 1990). Action seeking to restrain the Board from providing state examination materials in response to a Congressional subpoena. On December 28, 1990, the court issued a preliminary injunction preventing the Board and the Chicago Reserve Bank from providing documents relating to the state examination in response to the subpoena. The House Committee on Banking, Finance and Urban Affairs has appealed the injunction.

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. Oral argument is scheduled for February 7, 1991.

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.

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. Oral argument is scheduled for February 15, 1991.

May v. Board of Governors, No. 90-1316 (D.C. Cir., filed July 27, 1990). Appeal of District Court order dismissing plaintiff's action under Freedom of Information and Privacy Acts. 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. Awaiting scheduling of oral argument.

BancTEXAS Group, Inc. v. Board of Governors, No. CA 3-90-0236-R (N.D. Texas, filed February 2, 1990). Suit for preliminary injunction enjoining the Board from enforcing a temporary order to cease and desist requiring injection of capital into plaintiff's subsidiary banks under the Board's source of strength doctrine. District court granted preliminary injunction on June 5, 1990, in light of *MCorp v. Board of Governors*, 900 F.2d 852 (5th Cir. 1990). On December 20, settlement of the administrative action.

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. Awaiting scheduling of oral argument.

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. Oral argument scheduled for February 20, 1991.

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 December 10, both parties filed petitions for *certiorari* in the Supreme Court, Nos. 90–913, 90–914. The petitions are pending.

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

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

Written Agreements Approved by Federal Reserve Banks

Fairfield County Bancorp, Inc.
Stamford, Connecticut

The Federal Reserve Board announced on January 18, 1991, the execution of a Written Agreement between the Federal Reserve Bank of New York, Banking Commissioner, State of Connecticut, and Fairfield County Bancorp, Inc., Stamford, Connecticut.

Financial and Business Statistics

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

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

Monetary and credit aggregates	1990				1990				
	Q1	Q2	Q3	Q4	Aug.	Sept.	Oct.	Nov.[r]	Dec.
Reserves of depository institutions[2]									
1 Total	2.4	−1.4	−1.4	1.7	8.6	6.7	−9.4	3.1	15.6
2 Required	2.5	−.9	−1.5	−.2	8.6	6.0	−8.3	1.1	.9
3 Nonborrowed	−3.9	−1.0	2.0	4.8	5.2	13.0	−5.2	6.8	13.8
4 Monetary base[3]	8.5	7.0	8.8	8.8	13.1	14.6	6.9	4.4	7.1
Concepts of money, liquid assets, and debt[4]									
5 M1	4.8	3.5	4.1	3.4	10.2	9.3[r]	−3.1	3.7	4.2
6 M2	6.4	3.0[r]	3.0[r]	2.2	6.4	5.2[r]	.6[r]	−.4	2.0
7 M3	2.9	1.0[r]	1.6[r]	.5	4.6	.8	−.5[r]	−.3	.6
8 L	2.7	.9[r]	2.3[r]	n.a.	2.7[r]	6.1[r]	−1.1[r]	2.1	n.a.
9 Debt	6.1	6.9	7.4	6.2	8.6	6.7	4.8[r]	6.7	n.a.
Nontransaction components									
10 In M2[5]	6.9	2.9[r]	2.6[r]	1.8	5.1[r]	3.8[r]	1.8[r]	−1.8	1.3
11 In M3 only[6]	−10.4	−7.2	−4.3	−6.6	−2.6	−17.8[r]	−5.4[r]	.6	−5.9
Time and savings deposits									
Commercial banks									
12 Savings	9.5	5.1	3.9	4.3	1.2	4.9	7.9	−.6	4.9
13 MMDAs	9.1	10.6	9.4	3.1	12.0	4.5	1.3	1.3	1.0
14 Small-denomination time[7]	7.8	12.0	15.3	12.2	6.5	8.2	20.4	3.1	18.0
15 Large-denomination time[8,9]	−1.1	−2.7	−.8	−8.1	−10.2	−13.9	−7.7	−2.2	−7.7
Thrift institutions									
16 Savings	1.3	.5	−2.2[r]	−8.2	−.5[r]	−7.1[r]	−13.7	−5.0	−8.9
17 MMDAs	5.7	2.6	−10.4	−5.1	−5.5	1.8	−10.1	.9	−15.7
18 Small-denomination time[7]	−3.3	−7.1	−12.6[r]	−8.4	−2.7[r]	−5.4[r]	−15.0[r]	−2.3	−12.9
19 Large-denomination time[8]	−24.7	−30.2	−31.3	−34.4	−29.3	−26.3	−37.4	−39.6	−46.1
Money market mutual funds									
20 General purpose and broker-dealer	19.8	−.6[r]	11.6[r]	11.6	29.5[r]	16.6[r]	9.6[r]	−1.1	14.8
21 Institution-only	10.2	11.7	21.9	32.3	56.2	22.1	38.2	3.0	63.9
Debt components[4]									
22 Federal	6.8	9.7	14.3	11.6	18.6	11.1	6.2	16.2	n.a.
23 Nonfederal	6.0	6.1	5.3	4.6	5.5	5.3	4.3[r]	3.7	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			1990						
	Oct.	Nov.	Dec.	Nov. 14	Nov. 21	Nov. 28	Dec. 5	Dec. 12	Dec. 19	Dec. 26
SUPPLYING RESERVE FUNDS										
1 **Reserve Bank credit**	**284,920**	**288,202**	**291,223**	**287,417**	**287,829**	**288,500**	**291,863**	**289,049**	**286,446**	**291,339**
U.S. government securities[1, 2]										
2 Bought outright-system account	234,588	238,788	239,499	238,618	238,323	238,368	241,823	241,660	239,302	238,901
3 Held under repurchase agreements	1,050	2,405	3,144	784	3,719	3,799	2,381	648	0	3,587
Federal agency obligations[2]										
4 Bought outright	6,366	6,343	6,342	6,343	6,343	6,343	6,342	6,342	6,342	6,342
5 Held under repurchase agreements	284	163	121	121	146	232	341	3	0	9
6 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions[2]										
7 Adjustment credit	62	43	212	86	7	51	15	23	52	754
8 Seasonal credit	331	163	78	177	147	133	97	76	81	76
9 Extended credit	18	25	23	25	24	25	25	24	22	22
10 Float	704	482	1,727	502	365	328	1,380	496	606	1,267
11 Other Federal Reserve assets	41,517	39,791	40,077	40,762	38,757	39,221	39,458	39,777	40,041	40,381
12 Gold stock	11,061	11,060	11,058	11,060	11,059	11,059	11,059	11,058	11,058	11,058
13 Special drawing rights certificate account	8,566	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018
14 Treasury currency outstanding	20,254	20,321	20,368	20,314	20,325	20,337	20,348	20,358	20,368	20,378
ABSORBING RESERVE FUNDS										
15 Currency in circulation	274,662	278,216	283,000	277,697	278,922	280,094	279,855	281,153	282,470	284,928
16 Treasury cash holdings	529	552	552	551	556	555	548	551	553	553
Deposits, other than reserve balances, with Federal Reserve Banks										
17 Treasury	5,544	5,543	5,809	5,471	5,375	4,894	5,651	4,148	5,406	6,810
18 Foreign	250	250	251	313	229	213	245	230	234	236
19 Service-related balances and adjustments	2,024	1,948	2,078	1,884	1,929	1,960	1,935	2,007	2,202	1,983
20 Other	309	240	226	227	254	238	222	224	246	201
21 Other Federal Reserve liabilities and capital	9,375	9,380	9,170	9,103	9,014	9,228	9,488	9,412	8,947	9,093
22 Reserve balances with Federal Reserve Banks[3]	32,108	33,472	31,582	33,562	32,952	32,732	35,345	32,759	27,833	28,990

Factors	End-of-month figures			Wednesday figures						
	1990			1990						
	Oct.	Nov.	Dec.	Nov. 14	Nov. 21	Nov. 28	Dec. 5	Dec. 12	Dec. 19	Dec. 26
SUPPLYING RESERVE FUNDS										
23 **Reserve Bank credit**	**288,586**	**291,580**	**301,882**	**293,685**	**286,528**	**290,979**	**291,075**	**292,786**	**288,414**	**294,198**
U.S. government securities[1, 2]										
24 Bought outright-system account	237,763	242,633	235,090	238,423	238,258	238,849	241,340	240,830	240,854	237,937
25 Held under repurchase agreements	0	2,352	17,013	5,490	2,519	5,167	2,006	4,537	0	3,632
Federal agency obligations[2]										
26 Bought outright	6,343	6,342	6,342	6,343	6,343	6,342	6,342	6,342	6,342	6,342
27 Held under repurchase agreements	0	270	1,341	846	91	453	376	21	0	10
28 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions[2]										
29 Adjustment credit	297	97	112	407	8	29	19	107	39	4,880
30 Seasonal credit	262	7	55	163	138	128	87	81	79	74
31 Extended credit	33	26	23	28	22	26	24	25	20	25
32 Float	918	486	2,222	1,084	215	433	1,298	825	1,071	694
33 Other Federal Reserve assets	42,972	39,367	39,685	40,902	38,934	39,551	39,582	40,018	40,008	40,605
34 Gold stock	11,060	11,059	11,058	11,059	11,059	11,059	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	20,279	20,348	20,388	20,314	20,325	20,337	20,348	20,358	20,368	20,378
ABSORBING RESERVE FUNDS										
37 Currency in circulation	275,043	279,507	286,949	278,525	279,991	280,137	280,461	281,934	283,471	286,167
38 Treasury cash holdings	544	552	561	556	555	552	544	552	554	553
Deposits, other than reserve balances, with Federal Reserve Banks										
39 Treasury	7,607	5,495	8,960	5,334	3,272	4,742	5,879	4,515	6,656	11,375
40 Foreign	297	264	369	198	215	242	217	256	246	180
41 Service-related balances and adjustments	2,039	1,935	2,253	1,884	1,929	1,960	1,934	2,007	2,202	1,983
42 Other	1,777	213	242	234	210	229	214	227	324	240
43 Other Federal Reserve liabilities and capital	9,995	9,515	8,147	8,818	8,832	9,082	9,276	8,910	8,610	8,826
44 Reserve balances with Federal Reserve Banks[3]	32,642	35,525	35,866	39,526	32,925	35,448	33,976	35,819	27,796	26,330

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	Monthly averages[9]									
	1988	1989	1990	1990						
	Dec.	Dec.	Dec.	June	July	Aug.	Sept.	Oct.	Nov.[r]	Dec.
1 Reserve balances with Reserve Banks[2]	37,837	35,436	30,252	33,878	32,946	32,448	33,303	32,127	33,382	30,252
2 Total vault cash[3]	28,204	29,812	31,776	29,632	30,457	30,843	30,622	31,515[r]	31,085	31,776
3 Applied vault cash[4]	25,909	27,374	28,884	27,318	27,996	28,280	28,149	28,925	28,663	28,884
4 Surplus vault cash[5]	2,295	2,439	2,892	2,314	2,460	2,563	2,473	2,590[r]	2,422	2,892
5 Total reserves[6]	63,746	62,810	59,136	61,197	60,943	60,728	61,452	61,052	62,045	59,136
6 Required reserves	62,699	61,888	57,455	60,423	60,081	59,860	60,544	60,206	61,099	57,455
7 Excess reserve balances at Reserve Banks[7]	1,047	922	1,680	774	862	868	909	847	947	1,680
8 Total borrowings at Reserve Banks	1,716	265	326	881	757	927	624	410	230	326
9 Seasonal borrowings at Reserve Banks	130	84	76	311	389	430	418	335	162	76
10 Extended credit at Reserve Banks[8]	1,244	20	23	346	280	127	6	18	24	23
	Biweekly averages of daily figures for weeks ending									
	1990									1991
	Sept. 5	Sept. 19	Oct. 3	Oct. 17	Oct. 31	Nov. 14	Nov. 28[r]	Dec. 12[r]	Dec. 26	Jan. 9
11 Reserve balances with Reserve Banks[2]	32,477	34,316	32,389	32,833	31,365	33,821	32,848	34,046	28,413	26,291
12 Total vault cash[3]	30,229	30,291	31,222	31,673	31,421[r]	30,652[r]	31,632	30,293	32,689	32,782
13 Applied vault cash[4]	27,720	27,976	28,565	29,171	28,756	28,293	29,125	28,027	29,621	28,878
14 Surplus vault cash[5]	2,509	2,315	2,657	2,502	2,665[r]	2,360[r]	2,508	2,266	3,068	3,905
15 Total reserves[6]	60,197	62,292	60,954	62,004	60,121	62,114	61,972	62,073	58,034	55,168
16 Required reserves	59,304	61,546	59,832	61,021	59,471	61,132	61,006	61,513	56,113	51,477
17 Excess reserve balances at Reserve Banks[7]	893	746	1,122	984	650	982	966	561	1,922	3,691
18 Total borrowings at Reserve Banks	638	705	516	401	397	282	193	130	504	295
19 Seasonal borrowings at Reserve Banks	430	410	424	345	307	195	140	87	79	41
20 Extended credit at Reserve Banks[8]	8	5	9	13	26	25	25	25	22	22

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]								
	Sept. 17	Sept. 24	Oct. 1	Oct. 8	Oct. 15	Oct. 22	Oct. 29	Nov. 5	Nov. 12
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	91,246	79,956	81,974	91,217	86,843	78,536	75,748	82,906	83,216
2 For all other maturities	18,103	17,796	16,572	15,376	17,561	18,933	20,036	19,286	19,113
From other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies									
3 For one day or under continuing contract	38,249	37,308	31,985	36,441	37,361	34,698	34,674	38,560	36,566
4 For all other maturities	17,425	16,585	16,960	19,050	19,576	19,784	20,107	20,656	21,600
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	14,524	16,336	15,586	19,495	18,854	16,492	16,691	15,620	15,314
6 For all other maturities	23,224	21,774	19,072	20,207	21,599	22,747	23,144	22,952	23,366
All other customers									
7 For one day or under continuing contract	32,726	31,776	29,621	31,139	32,559	31,762	30,612	30,586	29,738
8 For all other maturities	13,415	12,863	13,021	12,308	12,002	12,526	13,302	13,818	13,370
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	51,336	46,590	49,163	50,017	47,434	45,415	47,006	49,786	45,086
10 To all other specified customers[3]	17,243	17,230	14,620	15,420	15,690	16,937	16,645	16,663	15,976

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 1/29/91	Effective date	Previous rate	On 1/29/91	Effective date	Previous rate	On 1/29/91	Effective date	Previous rate	Effective date
Boston	6½	12/19/90	7	6½	12/19/90	7	7.55	1/24/91	7.65	1/10/91
New York		12/19/90			12/19/90			1/24/91		1/10/91
Philadelphia		12/19/90			12/19/90			1/24/91		1/10/91
Cleveland		12/19/90			12/19/90			1/24/91		1/10/91
Richmond		12/19/90			12/19/90			1/24/91		1/10/91
Atlanta		12/19/90			12/19/90			1/24/91		1/10/91
Chicago		12/19/90			12/19/90			1/24/91		1/10/91
St. Louis		12/19/90			12/19/90			1/24/91		1/10/91
Minneapolis		12/19/90			12/19/90			1/24/91		1/10/91
Kansas City		12/19/90			12/19/90			1/24/91		1/10/91
Dallas		12/19/90			12/19/90			1/24/91		1/10/91
San Francisco	6½	12/19/90	7	6½	12/19/90	7	7.55	1/24/91	7.65	1/10/91

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

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

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
1980—July 28	10–11	10
29	10	10
Sept. 26	11	11
Nov. 17	12	12
Dec. 5	12–13	13
1981—May 5	13–14	14
8	14	14
Nov. 2	13–14	13
6	13	13
Dec. 4	12	12
1982—July 20	11½–12	11½
23	11½	11½
Aug. 2	11–11½	11
3	11	11
16	10½	10½
27	10–10½	10
30	10	10
Oct. 12	9½–10	9½
13	9½	9½
Nov. 22	9–9½	9
26	9	9
Dec. 14	8½–9	9
15	8½–9	8½
17	8½	8½

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
1984—Apr. 9	8½–9	9
13	9	9
Nov. 21	8½–9	8½
26	8½	8½
Dec. 24	8	8
1985—May 20	7½–8	7½
24	7½	7½
1986—Mar. 7	7–7½	7
10	7	7
Apr. 21	6½–7	6½
July 11	6	6
Aug. 21	5½–6	5½
22	5½	5½
1987—Sept. 4	5½–6	6
11	6	6
1988—Aug. 9	6–6½	6½
11	6½	6½
1989—Feb. 24	6½–7	7
27	7	7
1990—Dec. 19	6½	6½
In effect Jan. 29, 1991	6½	6½

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	1987	1988	1989	1990 May	1990 June	1990 July	1990 Aug.	1990 Sept.	1990 Oct.	1990 Nov.
U.S. TREASURY SECURITIES										
Outright transactions (*excluding matched transactions*)										
Treasury bills										
1 Gross purchases	18,983	8,223	14,284	3,365	1,732	287	4,264	631	933	6,658
2 Gross sales	6,051	587	12,818	0	0	0	68	0	0	0
3 Exchange	239,740	241,876	231,211	22,894	16,279	16,159	21,912	19,041	19,271	25,981
4 Redemptions	9,029	2,200	12,730	0	0	0	0	0	0	0
Others within 1 year										
5 Gross purchases	3,659	2,176	327	0	50	0	0	0	0	325
6 Gross sales	300	0	0	0	0	0	0	0	0	0
7 Maturity shift	21,504	23,854	28,848	4,387	1,314	1,321	3,235	1,010	1,934	3,531
8 Exchange	−20,388	−24,588	−25,783	−2,771	0	−3,577	−4,550	0	0	−4,315
9 Redemptions	70	0	500	0	0	0	0	0	0	0
1 to 5 years										
10 Gross purchases	10,231	5,485	1,436	0	0	0	0	0	0	0
11 Gross sales	452	800	490	0	0	0	0	0	0	0
12 Maturity shift	−17,975	−17,720	−25,534	−3,607	−1,314	−1,234	−2,188	−1,010	−1,677	−3,258
13 Exchange	18,938	22,515	23,250	2,521	0	3,577	4,200	0	0	3,915
5 to 10 years										
14 Gross purchases	2,441	1,579	287	0	0	0	0	0	0	0
15 Gross sales	0	175	29	0	0	0	0	0	0	0
16 Maturity shift	−3,529	−5,946	−2,231	−530	0	−87	−697	0	−256	127
17 Exchange	950	1,797	1,934	0	0	0	0	0	0	0
Over 10 years										
18 Gross purchases	1,858	1,398	284	0	0	0	0	0	0	0
19 Gross sales	0	0	0	0	0	0	0	0	0	0
20 Maturity shift	0	−188	−1,086	−250	0	0	−350	0	0	−400
21 Exchange	500	275	600	250	0	0	350	0	0	400
All maturities										
22 Gross purchases	37,170	18,863	16,617	3,365	1,782	287	4,264	631	933	6,983
23 Gross sales	6,803	1,562	13,337	0	0	0	68	0	0	0
24 Redemptions	9,099	2,200	13,230	0	0	0	0	0	0	0
Matched transactions										
25 Gross sales	950,923	1,168,484	1,323,480	121,596	107,896	95,144	113,647	120,036	127,265	116,601
26 Gross purchases	950,935	1,168,142	1,326,542	121,218	110,042	95,787	110,635	120,280	129,722	114,488
Repurchase agreements[2]										
27 Gross purchases	314,621	152,613	129,518	3,959	11,242	13,106	26,700	31,996	19,844	36,457
28 Gross sales	324,666	151,497	132,688	3,959	11,242	11,447	23,764	34,932	19,844	34,105
29 Net change in U.S. government securities	11,234	15,872	−10,055	2,987	3,928	2,590	4,121	−2,060	3,390	7,222
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	276	587	442	0	0	33	37	0	34	0
Repurchase agreements[2]										
33 Gross purchases	80,353	57,259	38,835	2,314	3,221	4,697	7,130	7,394	5,913	2,774
34 Gross sales	81,350	56,471	40,411	2,314	3,221	4,137	5,944	8,580	5,913	2,504
35 Net change in federal agency obligations	−1,274	198	−2,018	0	0	527	1,149	−1,186	−34	270
36 Total net change in System Open Market Account	**9,961**	**16,070**	**−12,073**	**2,987**	**3,928**	**3,117**	**5,270**	**−3,247**	**3,356**	**7,492**

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		
	1990					1990		
	Nov. 28	Dec. 5	Dec. 12	Dec. 19	Dec. 26	Oct. 31	Nov. 30	Dec. 31
	Consolidated condition statement							
ASSETS								
1 Gold certificate account	11,059	11,058	11,058	11,058	11,058	11,060	11,059	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	533	531	549	559	546	551	532	535
Loans								
4 To depository institutions	183	130	212	139	4,979	591	131	190
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	6,343	6,342	6,342
8 Held under repurchase agreements	453	376	21	0	10	0	270	1,341
U.S. Treasury securities								
Bought outright								
9 Bills	116,204	118,471	117,961	118,285	115,367	115,218	119,763	112,520
10 Notes	91,482	91,707	91,707	91,407	91,407	91,582	91,707	91,407
11 Bonds	31,163	31,163	31,163	31,163	31,163	30,963	31,163	31,163
12 Total bought outright[2]	238,849	241,340	240,830	240,854	237,937	237,763	242,633	235,090
13 Held under repurchase agreements	5,167	2,006	4,537	0	3,632	0	2,352	17,013
14 Total U.S. Treasury securities	244,016	243,346	245,367	240,854	241,569	237,763	244,985	252,103
15 **Total loans and securities**	**250,994**	**250,195**	**251,943**	**247,335**	**252,899**	**244,697**	**251,728**	**259,975**
16 Items in process of collection	5,565	7,084	6,354	7,101	4,043	5,992	6,235	6,106
17 Bank premises	860	861	865	866	870	853	862	872
Other assets								
18 Denominated in foreign currencies[2]	33,360	33,580	33,620	33,701	33,802	35,669	33,579	32,633
19 All other[3]	5,160	5,119	5,493	5,253	5,954	6,227	4,859	6,376
20 **Total assets**	**317,550**	**318,446**	**319,900**	**315,891**	**319,191**	**315,067**	**318,871**	**327,573**
LIABILITIES								
21 Federal Reserve notes	260,885	261,187	262,677	264,216	266,887	255,860	260,243	267,657
Deposits								
22 To depository institutions	37,570	35,715	37,845	30,154	28,639	34,546	37,359	38,658
23 U.S. Treasury—General account	4,742	5,879	4,515	6,656	11,375	7,607	5,495	8,960
24 Foreign—Official accounts	242	217	256	246	180	297	264	369
25 Other	229	214	227	324	240	1,777	213	242
26 **Total deposits**	**42,784**	**42,025**	**42,843**	**37,380**	**40,433**	**44,226**	**43,331**	**48,228**
27 Deferred credit items	4,799	5,958	5,469	5,686	3,044	6,481	5,783	3,540
28 Other liabilities and accrued dividends[4]	3,850	3,679	3,657	3,291	3,575	3,569	3,807	3,301
29 **Total liabilities**	**312,318**	**312,849**	**314,647**	**310,573**	**313,939**	**308,641**	**313,163**	**322,727**
CAPITAL ACCOUNTS								
30 Capital paid in	2,407	2,409	2,416	2,418	2,423	2,402	2,404	2,423
31 Surplus	2,243	2,243	2,243	2,243	2,243	2,243	2,243	2,423
32 Other capital accounts	582	945	594	657	586	1,781	1,062	0
33 **Total liabilities and capital accounts**	**317,550**	**318,446**	**319,900**	**315,891**	**319,191**	**315,067**	**318,871**	**327,573**
34 MEMO: Marketable U.S. Treasury securities held in custody for foreign and international accounts	244,045	249,625	248,006	246,384	246,713	240,993	246,728	247,521
	Federal Reserve note statement							
35 Federal Reserve notes outstanding issued to bank	304,187	305,939	306,737	306,481	305,635	300,234	304,591	304,829
36 LESS: Held by bank	43,302	44,752	44,060	42,265	38,748	44,375	44,349	37,172
37 Federal Reserve notes, net	260,885	261,187	262,677	264,216	266,887	255,860	260,243	267,657
Collateral held against notes net:								
38 Gold certificate account	11,059	11,058	11,058	11,058	11,058	11,060	11,059	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	0	0	0	0	0	0	0
41 U.S. Treasury and agency securities	239,808	240,111	241,601	243,139	245,811	234,782	239,166	246,581
42 **Total collateral**	**260,885**	**261,187**	**262,677**	**264,216**	**266,887**	**255,860**	**260,243**	**267,657**

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		
	1990					1990		
	Nov. 28	Dec. 5	Dec. 12	Dec. 19	Dec. 26	Oct. 31	Nov. 30	Dec. 31
1 Loans—Total	183	130	212	139	4,979	429	131	190
2 Within 15 days	175	74	154	135	4,979	379	80	186
3 16 days to 90 days	8	56	58	4	1	51	50	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	244,015	243,346	245,367	240,854	241,569	237,763	242,633	235,090
10 Within 15 days[1]	13,450	11,571	13,037	11,952	11,489	13,747	3,841	5,516
11 16 days to 90 days	57,634	56,978	57,623	57,490	56,882	54,970	63,974	57,538
12 91 days to 1 year	74,625	77,267	77,178	74,182	75,968	71,899	77,288	75,428
13 Over 1 year to 5 years	60,349	59,572	59,572	59,372	59,372	59,484	59,572	58,749
14 Over 5 years to 10 years	13,221	13,221	13,221	13,121	13,121	13,126	13,221	13,121
15 Over 10 years	24,736	24,736	24,736	24,736	24,736	24,536	24,736	24,736
16 Federal agency obligations—Total	6,795	6,718	6,363	6,342	6,352	6,343	6,342	6,342
17 Within 15 days[1]	714	376	66	245	210	99	261	200
18 16 days to 90 days	604	907	862	662	737	705	604	737
19 91 days to 1 year	1,668	1,618	1,648	1,648	1,639	1,710	1,668	1,639
20 Over 1 year to 5 years	2,595	2,603	2,573	2,573	2,555	2,516	2,595	2,555
21 Over 5 years to 10 years	1,025	1,025	1,025	1,025	1,022	1,125	1,025	1,022
22 Over 10 years	188	188	188	188	188	188	188	188

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

NOTE: Components may not add 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 May	June	July	Aug.	Sept.	Oct.	Nov.[r]	Dec.
	Seasonally adjusted											
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[2]												
1 **Total reserves**[3]	**58.59**	**60.59**	**60.03**	**60.54**	**59.78**	**59.73**	**59.32**	**59.75**	**60.08**	**59.61**	**59.76**	**60.54**
2 Nonborrowed reserves[4]	57.82	58.88	59.77	60.22	58.45	58.85	58.56	58.82	59.46	59.20	59.53	60.22
3 Nonborrowed reserves plus extended credit[5]	58.30	60.12	59.79	60.24	59.32	59.20	58.84	58.95	59.46	59.22	59.56	60.24
4 Required reserves	57.55	59.55	59.11	58.86	58.82	58.96	58.46	58.88	59.17	58.76	58.82	58.86
5 Monetary base[6]	258.06	275.24	284.95	309.50	294.40	296.28	297.86	301.12	304.78	306.55	307.68	309.50
	Not seasonally adjusted											
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[2]												
6 **Total reserves**[7]	**60.07**	**62.22**	**61.67**	**62.20**	**58.74**	**59.61**	**59.47**	**59.21**	**59.81**	**59.24**	**60.02**	**62.20**
7 Nonborrowed reserves	59.30	60.50	61.40	61.87	57.41	58.73	58.71	58.29	59.19	58.83	59.79	61.87
8 Nonborrowed reserves plus extended credit[5]	59.78	61.75	61.42	61.90	58.28	59.07	58.99	58.41	59.20	58.85	59.82	61.90
9 Required reserves[8]	59.03	61.17	60.75	60.52	57.78	58.84	58.61	58.34	58.90	58.40	59.08	60.52
10 Monetary base[9]	262.00	279.54	289.45	314.04	293.52	297.37	299.90	301.46	303.56	305.00	308.71	314.04
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[10]												
11 **Total reserves**[11]	**62.14**	**63.75**	**62.81**	**59.14**	**60.23**	**61.20**	**60.94**	**60.73**	**61.45**	**61.05**	**62.05**	**59.14**
12 Nonborrowed reserves	61.36	62.03	62.54	58.81	58.90	60.32	60.19	59.80	60.83	60.64	61.82	58.81
13 Nonborrowed reserves plus extended credit[5]	61.85	63.27	62.56	58.83	59.77	60.66	60.47	59.93	60.83	60.66	61.84	58.83
14 Required reserves	61.09	62.70	61.89	57.46	59.27	60.42	60.08	59.86	60.54	60.21	61.10	57.46
15 Monetary base[12]	266.06	283.00	292.55	313.71	297.03	300.99	303.39	304.99	307.21	308.85	312.69	313.71
16 Excess reserves[13]	1.05	1.05	.92	1.68	.96	.77	.86	.87	.91	.85	.95	1.68
17 Borrowings from the Federal Reserve	.78	1.72	.27	.33	1.33	.88	.76	.93	.62	.41	.23	.33

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 Sept.	1990 Oct.	1990 Nov.	1990 Dec.
				Seasonally adjusted				
1 M1	750.4	787.5	794.8	825.5	822.2r	820.1r	822.6	825.5
2 M2	2,913.2	3,072.4	3,221.6	3,323.1	3,317.1r	3,318.8r	3,317.6r	3,323.1
3 M3	3,678.7	3,918.3	4,044.3	4,092.7	4,093.5r	4,091.7r	4,090.9r	4,092.7
4 L	4,338.9	4,676.1	4,881.2	n.a.	4,951.8r	4,947.1r	4,955.6	n.a.
5 Debt	8,345.1	9,107.6	9,790.4	n.a.	10,313.6	10,354.7r	10,412.4	n.a.
M1 components								
6 Currency[3]	196.7	211.8	221.9	245.9	241.6r	244.0	244.7r	245.9
7 Travelers checks[4]	7.0	7.5	7.4	8.4	8.3	8.4	8.4	8.4
8 Demand deposits[5]	287.0	287.0	279.7	277.5	279.7	276.8	277.2	277.5
9 Other checkable deposits[6]	259.7	281.3	285.7	293.8	292.7r	290.9	292.3r	293.8
Nontransactions components								
10 In M2[7]	2,162.8	2,284.9	2,426.8	2,497.6	2,494.9r	2,498.7r	2,494.9r	2,497.6
11 In M3 only[8]	765.5	845.9	822.7r	769.5	776.4r	772.9r	773.3r	769.5
Time and Savings accounts								
Commercial banks								
12 Savings deposits	178.3	192.0	188.5	198.6	196.6	197.9	197.8	198.6
13 Money market deposit accounts	356.4	350.2	351.5	377.1	376.0	376.4	376.8r	377.1
14 Small time deposits[9]	388.1	447.5	528.6	595.2	575.1	584.9	586.4r	595.2
15 Large time deposits[10, 11]	326.9	368.2	401.5	386.0	391.7	389.2	388.5r	386.0
Thrift institutions								
16 Savings deposits	236.6	235.9	220.5	214.3	219.3	216.8	215.9	214.3
17 Money market deposit accounts	167.4	150.1	132.2	128.5	131.2	130.1	130.2	128.5
18 Small time deposits[9]	529.7	583.5	613.7	563.3	577.7r	570.5r	569.4r	563.3
19 Large time deposits[10]	161.9	172.9	156.8	112.6	125.0	121.1	117.1	112.6
Money market mutual funds								
20 General purpose and broker-dealer	222.0	240.9	312.4	344.5	337.9r	340.6r	340.3r	344.5
21 Institution-only	89.0	87.1	102.3	126.5	116.1	119.8	120.1	126.5
Debt components								
22 Federal debt	1,957.9	2,114.2	2,268.1	n.a.	2,461.5	2,474.3	2,507.7	n.a.
23 Nonfederal debt	6,387.2	6,993.4	7,522.3	n.a.	7,852.1	7,880.4r	7,904.7	n.a.
				Not seasonally adjusted				
24 M1	766.4	804.5	812.1	843.2	818.1	816.7	825.1	843.2
25 M2	2,925.6	3,085.2	3,234.5	3,336.5	3,309.6r	3,315.4r	3,321.7r	3,336.5
26 M3	3,692.7	3,932.5	4,058.3	4,107.2	4,089.6r	4,091.0r	4,100.7r	4,107.2
27 L	4,355.2	4,692.9	4,898.9	n.a.	4,946.3r	4,946.7r	4,965.0	n.a.
28 Debt	8,329.1	9,093.2	9,775.9	n.a.	10,263.3	10,315.9r	10,382.9	n.a.
M1 components								
29 Currency[3]	199.3	214.8	225.3	249.4	240.8	242.6	245.6	249.4
30 Travelers checks[4]	6.5	6.9	6.9	7.8	8.8	8.4	8.0	7.8
31 Demand deposits[5]	298.6	298.9	291.6	289.4	277.9	277.6	280.0	289.4
32 Other checkable deposits[6]	262.0	283.8	288.4	296.6	290.6	288.0	291.5	296.6
Nontransactions components								
33 In M2[7]	2,159.2	2,280.7	2,422.4	2,493.3	2,491.5r	2,498.7r	2,496.6r	2,493.3
34 In M3 only[8]	767.0	847.3	823.8	770.7	780.0r	775.6r	779.1r	770.7
Time and Savings accounts								
Commercial banks								
35 Savings deposits	176.9	190.6	187.2	197.4	196.0	197.9	197.7	197.4
36 Money market deposit accounts	359.0	353.2	355.0	381.0	374.4	375.2	379.1	381.0
37 Small time deposits[9]	387.3	446.0	526.4	592.7	575.6	584.4	584.9r	592.7
38 Large time deposits[10, 11]	325.8	366.9	399.8	384.4	393.0r	390.4	389.0r	384.4
Thrift institutions								
39 Savings deposits	234.9	234.2	219.0	212.9	219.1r	217.7	215.8	212.9
40 Money market deposit accounts	167.5	150.6	132.8	129.3	131.2	130.3	130.7	129.3
41 Small time deposits[9]	529.1	582.4	612.3	562.0	576.7r	570.6r	569.4r	562.0
42 Large time deposits[10]	162.9	174.2	158.3	113.6	125.2	122.3	118.8	113.6
Money market mutual funds								
43 General purpose and broker-dealer	221.5	240.5	312.2	344.3	337.0r	338.8r	341.3r	344.3
44 Institution-only	89.6	87.6	102.9	127.3	113.2	117.0	121.3	127.3
Repurchase agreements and Eurodollars								
45 Overnight	83.2	83.3	77.4	73.7	81.5r	83.7r	77.6r	73.7
46 Term	197.1	227.7	178.0	159.1	164.0r	162.4r	164.0r	159.1
Debt components								
47 Federal debt	1,955.6	2,111.8	2,265.9	n.a.	2,444.5	2,459.3	2,498.8	n.a.
48 Nonfederal debt	6,373.5	6,981.4	7,509.9	n.a.	7,818.8	7,856.6r	7,884.1	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	1987	1988	1989	1990 May	1990 June	1990 July	1990 Aug.	1990 Sept.	1990 Oct.
Debits to	Seasonally adjusted								
Demand deposits[3]									
1 All insured banks	217,116.2	226,888.4	272,793.1	273,186.2	301,578.2	301,589.9	309,441.0	287,546.5	294,431.1
2 Major New York City banks	104,496.3	107,547.3	121,894.2	123,314.6	131,042.7	130,590.7	133,491.9	131,920.3	137,315.9
3 Other banks	112,619.8	119,341.2	150,898.9	149,871.6	170,535.5	170,999.2	175,949.1	155,626.2	157,115.2
4 ATS–NOW accounts[4]	2,402.7	2,757.7	3,501.8	4,165.6	4,004.2	4,163.7	4,478.9	3,763.3	4,229.5
5 Savings deposits[5]	526.5	579.2	636.6	601.1	566.6	608.8	592.0	543.7	638.6
Deposit Turnover									
Demand deposits[3]									
6 All insured banks	612.1	641.2	781.0	791.9	866.2	865.5	888.6	826.2	852.0
7 Major New York City banks	2,670.6	2,903.5	3,401.6	3,590.9	3,742.8	3,838.3	3,777.5	3,827.6	4,100.4
8 Other banks	357.0	376.8	481.5	482.5	544.6	543.8	562.3	496.3	503.4
9 ATS–NOW accounts[4]	13.8	14.7	18.3	20.5	19.5	20.5	21.9	18.3	20.6
10 Savings deposits[5]	3.1	3.1	3.5	3.2	2.9	3.1	3.1	2.8	3.3
Debits to	Not seasonally adjusted								
Demand deposits[3]									
11 All insured banks	217,125.1	227,010.7	271,957.3	282,747.7	302,181.4	302,826.4	321,168.8	263,881.4	304,854.0
12 Major New York City banks	104,518.8	107,565.0	122,241.8	125,532.4	130,332.7	130,100.1	137,460.3	121,343.4	142,664.0
13 Other banks	112,606.2	119,445.7	149,715.5	157,215.3	171,848.6	172,726.3	183,708.4	142,538.0	162,190.0
14 ATS–NOW accounts[4]	2,404.8	2,754.7	3,496.5	4,066.2	4,098.2	4,108.9	4,274.0	3,868.9	4,207.4
15 MMDA[6]	1,954.2	2,430.1	2,790.6	3,016.4	2,992.1	3,033.8	3,171.1	2,786.5	3,138.8
16 Savings deposits[5]	526.8	578.0	635.8	592.6	567.8	640.3	598.1	538.5	662.6
Deposit Turnover									
Demand deposits[3]									
17 All insured banks	612.3	641.7	779.0	834.7	866.5	864.8	938.3	760.6	887.5
18 Major New York City banks	2,674.9	2,901.4	3,415.4	3,796.3	3,797.6	3,777.5	4,109.2	3,607.3	4,376.5
19 Other banks	356.9	377.1	477.8	514.3	546.6	547.1	594.8	454.9	521.7
20 ATS–NOW accounts[4]	13.8	14.7	18.3	20.3	20.1	20.4	21.1	19.0	20.7
21 MMDA[6]	5.3	6.9	8.3	8.4	8.2	8.3	8.6	7.5	8.4
22 Savings deposits[5]	3.1	3.1	3.5	3.1	2.9	3.3	3.1	2.8	3.4

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 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Seasonally adjusted											
1 **Total loans and securities**[2]	**2,594.4**	**2,614.3**	**2,635.6**	**2,646.7**	**2,653.8**	**2,669.4**	**2,684.7**	**2,707.8**	**2,708.5**	**2,710.9**	**2,714.2**	**2,719.8**
2 U.S. government securities	404.7	414.5	422.3	427.3	430.6	438.5	440.6	441.3	447.1	451.6	452.0	447.7
3 Other securities	180.4	180.5	180.1	180.0	178.3	177.9	177.8	179.2	179.4	176.9	175.2	175.4
4 Total loans and leases[2]	2,009.3	2,019.4	2,033.2	2,039.4	2,045.0	2,053.0	2,066.4	2,087.3	2,082.0	2,082.5	2,087.0	2,096.7
5 Commercial and industrial	637.9	638.8	644.4	649.0	648.6	651.6	651.7	653.1	651.6	649.5	652.4	654.5
6 Bankers acceptances held[3]	7.3	7.6	7.6	7.5	7.6	7.9	7.6	7.3	7.7	7.6	7.9	8.2
7 Other commercial and industrial	630.6	631.2	636.8	641.5	641.0	643.7	644.2	645.7	643.9	641.9	644.5	646.3
8 U.S. addressees[4]	623.1	625.4	630.6	635.5	636.4	638.8	641.6	643.2	641.1	638.8	640.1	640.9
9 Non-U.S. addressees[4]	7.6	5.8	6.2	6.0	4.5	4.9	2.6	2.5	2.8	3.1	4.4	5.4
10 Real estate	765.9	774.7	781.8	786.9	794.6	800.1	808.0	811.9	814.7	820.7	824.1	829.2
11 Individual	378.3	379.5	379.9	378.8	379.8	378.4	378.3	380.1	381.1	381.2	380.3	381.9
12 Security	39.3	40.0	37.1	36.1	34.8	35.3	38.8	46.0	43.1	41.4	39.9	41.3
13 Nonbank financial institutions	32.5	32.9	33.8	33.9	33.9	34.4	34.8	35.7	36.1	36.1	35.5	35.8
14 Agricultural	30.9	30.8	30.6	30.4	30.0	29.5	29.3	29.2	29.1	29.2	29.5	29.9
15 State and political subdivisions	38.6	38.9	38.4	38.2	37.9	37.4	36.5	35.9	35.2	34.6	34.3r	33.9
16 Foreign banks	8.1	7.8	8.4	8.8	8.7	7.4	7.0	8.0	7.9	8.9	8.2	7.6
17 Foreign official institutions	3.2	3.1	3.0	3.2	3.2	3.2	3.2	3.2	3.2	3.1	3.1	3.1
18 Lease financing receivables	32.1	32.1	32.4	32.4	32.7	32.4	32.8	32.9	32.9	33.3	33.0	32.7
19 All other loans	42.5	40.7	43.3	41.8	40.7	43.3	46.0	51.4	47.1	44.5	46.6	46.9
	Not seasonally adjusted											
20 **Total loans and securities**[2]	**2,600.1**	**2,616.7**	**2,629.9**	**2,647.0**	**2,653.4**	**2,669.5**	**2,678.9**	**2,701.4**	**2,707.1**	**2,711.0**	**2,716.0**	**2,727.3**
21 U.S. government securities	406.4	419.0	423.8	427.2	429.6	435.6	438.1	442.1	446.1	448.6	452.1	449.1
22 Other securities	180.9	180.3	179.7	179.4	177.7	177.2	176.4	179.3	179.6	177.7	176.3r	176.0
23 Total loans and leases[2]	2,012.8	2,017.3	2,026.4	2,040.4	2,046.1	2,056.7	2,064.4	2,080.0	2,081.4	2,084.7	2,087.7	2,102.2
24 Commercial and industrial	636.4	639.5	646.0	653.3	652.7	654.0	652.1	650.6	647.7	647.1	649.6	654.0
25 Bankers acceptances held[3]	7.4	7.7	7.4	7.3	7.5	7.8	7.3	7.4	7.8	7.8	8.0	8.2
26 Other commercial and industrial	629.1	631.8	638.6	645.9	645.2	646.2	644.8	643.1	639.9	639.3	641.7	645.8
27 U.S. addressees[4]	624.1	627.0	633.9	641.3	640.6	641.8	640.3	638.7	635.3	634.6	636.7	640.6
28 Non-U.S. addressees[4]	4.9	4.8	4.7	4.6	4.6	4.4	4.5	4.5	4.6	4.7	5.0	5.2
29 Real estate	766.0	772.1	779.1	784.9	793.5	800.0	808.7	813.6	816.9	822.1	826.0	830.0
30 Individual	381.8	378.7	376.6	376.0	377.3	376.7	376.7	380.3	383.0	382.3	381.7	386.4
31 Security	37.8	39.5	38.1	38.5	35.3	37.4	38.8	45.3	42.1	40.5	38.7r	40.1
32 Nonbank financial institutions	33.2	32.5	33.0	33.7	33.9	34.7	35.0r	35.5	35.6	35.7	35.8	36.9
33 Agricultural	30.4	29.9	29.5	29.5	29.7	29.8	30.0	30.0	30.0	30.0	29.8	29.8
34 State and political subdivisions	39.5	39.3	38.6	38.2	37.8	37.2	36.2	35.7	35.2	34.6	34.2	33.6
35 Foreign banks	8.2	7.8	7.8	8.4	8.7	7.6	7.1	7.9	8.1	9.2	8.3	7.5
36 Foreign official institutions	3.2	3.1	3.0	3.2	3.2	3.2	3.2	3.2	3.2	3.1	3.1	3.1
37 Lease financing receivables	32.5	32.3	32.4	32.5	32.7	32.3	32.5	32.7	32.8	33.2	33.0	32.8
38 All other loans	43.9	42.7	42.2	42.3	41.4	43.8	44.0	45.3	46.7	47.0	47.5	48.1

1. 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											
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Seasonally adjusted												
1 Total nondeposit funds[2]	258.1	267.6	271.4	267.8	269.6	271.2	282.4	283.4	281.5	290.8	292.9r	286.3
2 Net balances due to related foreign offices[3]	10.9	14.7	17.4	16.6r	24.6	14.9	17.0r	16.9	19.4	28.4	28.6	33.3
3 Borrowings from other than commercial banks in United States[4]	247.2	252.9	254.0	251.1	245.0	256.2	265.4r	266.5r	262.1	262.4	264.3r	253.0
4 Domestically chartered banks	196.9	201.4	198.4	192.9	187.8	197.8	203.4	202.8	198.5r	197.0r	196.1	187.7
5 Foreign-related banks	50.4	51.5	55.6	58.2	57.3	58.5	62.0	63.8	63.5	65.4r	68.2	65.3
Not seasonally adjusted												
6 Total nondeposit funds[2]	254.6	270.8	277.2	270.5r	278.2	276.0r	277.8r	282.5	277.8r	285.8	290.7	279.4
7 Net balances due to related foreign offices[3]	10.5	14.3	16.2	14.4	26.4	15.6	14.9	17.1	20.2r	28.0r	29.5	35.7
8 Domestically chartered banks	−14.5	−11.1	−11.5	−10.6	−1.3	−6.1	−5.8r	−3.4r	−4.2r	−.9r	.7	−4.2
9 Foreign-related banks	25.0	25.4	27.7	25.0	27.7	21.7	20.8	20.5	24.3r	28.9	28.8	40.0
10 Borrowings from other than commercial banks in United States[4]	244.1	256.4	261.0	256.2	251.7	260.5	262.9r	265.4r	257.6	257.8r	261.2	243.6
11 Domestically chartered banks	192.9	203.3	204.3	197.0	193.6	199.5	200.4r	202.3	195.4r	194.0r	196.1r	181.6
12 Federal funds and security RP borrowings[5]	190.3	199.6	199.8	193.3	190.2	196.4	197.6	198.7	191.5	190.8	193.2	178.8
13 Other[6]	2.7	3.7	4.5	3.7	3.4	3.2	2.9	3.6	4.0	3.2r	2.9	2.8
14 Foreign-related banks[6]	51.2	53.1	56.8	59.2	58.2	61.0	62.5	63.2	62.2r	63.8	65.1r	62.1
MEMO												
Gross large time deposits[7]												
15 Seasonally adjusted	462.7	460.6	457.3	455.1	454.7	452.7	454.0	450.7	445.5	441.5	439.5	435.9
16 Not seasonally adjusted	460.4	460.3	460.2	455.1	455.2	452.2	451.8	451.4	446.9	442.7	440.0r	434.3
U.S. Treasury demand balances at commercial banks[8]												
17 Seasonally adjusted	20.2	17.8	19.2	21.2	18.6	20.4	14.9	33.2	28.2	21.9	26.8r	24.8
18 Not seasonally adjusted	23.2	22.0	16.7	20.0	25.2	20.9	15.2	23.5	31.0	20.9	19.2r	23.0

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

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

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

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

4. Other borrowings are borrowings through any instrument, such as a promissory note or due bill, given for the purpose of borrowing money for the banking business. This includes borrowings from Federal Reserve Banks and from foreign banks, term federal funds, loan RPs, and sales of participations in pooled loans.

5. Based on daily average data reported weekly by approximately 120 large banks and quarterly or annual data reported by other banks.

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

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

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

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

Billions of dollars

Account	1990										
	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
ALL COMMERCIAL BANKING INSTITUTIONS[2]											
1 Loans and securities	2,809.2	2,821.2	2,838.3	2,845.9	2,870.9	2,876.4	2,895.8	2,885.6	2,924.3	2,918.6	2,931.1
2 Investment securities	571.2	576.8	582.5	585.9	587.7	587.5	595.8	600.4	602.8	601.0	602.8
3 U.S. government securities	398.0	405.9	412.6	416.9	419.9	420.1	427.1	432.2	436.2	435.7	436.9
4 Other	173.2	170.8	169.9	169.0	167.8	167.4	168.7	168.2	166.6	165.3	165.9
5 Trading account assets	30.2	26.0	23.9	21.4	23.7	27.2	29.2	21.3	27.3	24.8	22.0
6 Total loans	2,207.8	2,218.5	2,231.9	2,238.7	2,259.6	2,261.6	2,270.7	2,263.9	2,294.2	2,292.8	2,306.4
7 Interbank loans	187.5	191.6	190.6	192.8	202.7	199.9	198.4	188.8	205.0	204.7	201.5
8 Loans excluding interbank	2,020.3	2,026.9	2,041.3	2,045.9	2,056.9	2,061.7	2,072.4	2,075.1	2,089.1	2,088.2	2,104.9
9 Commercial and industrial	642.4	646.2	653.3	650.9	654.1	648.7	646.3	646.7	649.0	649.8	656.8
10 Real estate	774.0	781.6	786.7	796.7	801.3	810.2	813.3	817.4	823.7	825.9	830.6
11 Individual	378.6	375.5	377.5	377.3	378.5	377.7	382.2	383.9	382.3	382.5	387.1
12 All other	225.3	223.6	223.8	220.9	222.9	225.0	230.6	227.1	234.1	230.0	230.3
13 Total cash assets	224.9	212.9	211.6	239.9	222.9	214.1	211.0	217.6	224.2	220.1	221.6
14 Reserves with Federal Reserve Banks	29.5	32.0	31.6	27.8	32.0	30.1	30.3	33.9	29.9	33.2	23.7
15 Cash in vault	27.8	27.7	28.5	29.9	28.9	28.7	30.2	29.2	29.3	32.7	31.9
16 Cash items in process of collection	91.6	80.0	80.0	100.6	86.1	79.5	77.4	80.9	85.4	78.4	86.0
17 Demand balances at U.S. depository institutions	30.8	27.4	26.3	32.0	27.6	27.4	27.5	27.2	28.6	28.6	29.7
18 Other cash assets	45.2	45.8	45.2	49.7	48.3	48.4	45.6	46.4	50.9	47.2	50.2
19 Other assets	212.9	209.1	206.0	199.5	211.1	207.1	216.3	216.9	223.8	220.5	237.7
20 Total assets/total liabilities and capital	**3,247.0**	**3,243.2**	**3,255.9**	**3,285.4**	**3,304.9**	**3,297.5**	**3,323.1**	**3,320.1**	**3,372.4**	**3,359.2**	**3,390.5**
21 Deposits	2,262.4	2,251.3	2,257.3	2,293.1	2,280.6	2,289.7	2,295.2	2,298.1	2,327.9	2,316.2	2,359.4
22 Transaction deposits	616.6	594.3	601.0	618.4	599.6	591.5	590.5	596.3	613.2	599.1	638.1
23 Savings deposits	546.3	551.8	548.7	554.4	556.3	561.3	565.7	563.5	570.1	572.8	572.9
24 Time deposits	1,099.5	1,105.3	1,107.5	1,120.3	1,124.7	1,136.8	1,139.0	1,138.3	1,144.6	1,144.3	1,148.3
25 Borrowings	542.2	545.4	564.7	548.2	578.7	564.4	576.2	564.7	586.2	566.0	545.6
26 Other liabilities	229.3	230.8	218.0	227.8	227.2	224.3	231.7	236.8	238.2	257.3	265.0
27 Residual (assets less liabilities)	213.2	215.7	215.8	216.2	218.4	219.1	220.0	220.5	220.0	219.6	220.4
MEMO											
28 U.S. government securities (including trading account)	421.2	423.8	427.8	430.0	433.8	438.9	444.3	442.9	452.4	450.0	448.4
29 Other securities (including trading account)	180.2	179.0	178.6	177.2	177.6	175.9	180.8	178.9	177.7	175.8	176.3
DOMESTICALLY CHARTERED COMMERCIAL BANKS[3]											
30 Loans and securities	2,566.3	2,570.5	2,581.8	2,585.1	2,602.9	2,610.3	2,627.6	2,616.0	2,649.6	2,636.8	2,646.5
31 Investment securities	543.1	547.2	551.5	557.5	557.3	556.8	565.5	568.7	569.7	568.6	568.9
32 U.S. government securities	384.4	391.2	397.6	404.0	405.5	405.5	413.0	416.9	419.6	420.2	420.4
33 Other	158.7	156.0	154.0	153.5	151.9	151.4	152.5	151.8	150.0	148.4	148.4
34 Trading account assets	30.2	26.0	23.9	21.4	23.7	27.2	29.2	21.3	27.3	24.8	22.0
35 Total loans	1,993.0	1,997.3	2,006.4	2,006.2	2,021.9	2,026.3	2,032.9	2,026.0	2,052.6	2,043.4	2,055.7
36 Interbank loans	148.5	148.3	149.1	144.4	153.6	151.6	151.3	142.4	160.6	154.6	157.5
37 Loans excluding interbank	1,844.6	1,849.0	1,857.3	1,861.7	1,868.3	1,874.7	1,881.6	1,883.6	1,892.0	1,888.8	1,898.2
38 Commercial and industrial	518.3	519.4	523.4	520.4	519.2	516.9	513.4	513.3	514.1	511.6	511.2
39 Real estate	741.1	747.8	751.8	761.2	765.3	773.5	776.1	780.2	785.8	787.6	792.5
40 Individual	378.6	375.5	377.5	377.3	378.5	377.7	382.2	383.9	382.3	382.5	387.1
41 All other	206.5	206.3	204.6	202.8	205.3	206.7	209.9	206.1	209.8	207.1	207.4
42 Total cash assets	199.9	187.3	186.8	210.7	194.8	186.5	184.2	190.4	192.1	190.7	191.4
43 Reserves with Federal Reserve Banks	27.5	29.8	29.8	26.6	30.8	28.8	28.1	32.2	28.5	31.4	23.0
44 Cash in vault	27.8	27.7	28.5	29.8	28.8	28.7	30.2	29.2	29.3	32.7	31.9
45 Cash items in process of collection	90.2	78.5	78.7	99.2	84.1	78.1	75.8	78.9	83.7	76.5	83.9
46 Demand balances at U.S. depository institutions	28.7	25.6	24.6	30.0	25.9	25.6	25.1	25.2	26.7	26.2	27.7
47 Other cash assets	25.7	25.7	25.2	25.1	25.2	25.3	25.0	25.0	23.9	23.9	24.9
48 Other assets	140.2	136.4	133.8	136.3	141.8	138.4	144.3	149.1	151.7	153.0	165.2
49 Total assets/liabilities and capital	**2,906.5**	**2,894.2**	**2,902.4**	**2,932.0**	**2,939.6**	**2,935.3**	**2,956.1**	**2,955.5**	**2,993.4**	**2,980.6**	**3,003.0**
50 Deposits	2,179.9	2,169.4	2,174.6	2,210.6	2,197.8	2,207.7	2,213.3	2,218.1	2,249.6	2,239.6	2,279.5
51 Transaction deposits	606.3	584.5	591.2	608.3	589.0	581.1	579.9	585.1	602.3	588.5	626.8
52 Savings deposits	543.4	548.8	545.7	551.4	553.3	558.3	562.7	560.4	567.0	569.5	569.6
53 Time deposits	1,030.2	1,036.1	1,037.6	1,050.9	1,055.4	1,068.2	1,070.7	1,072.5	1,080.3	1,081.6	1,083.1
54 Borrowings	394.2	393.1	405.4	391.7	409.9	395.6	403.5	395.0	399.6	393.3	376.2
55 Other liabilities	123.1	119.9	110.5	117.3	117.2	116.8	123.2	125.8	128.0	132.0	130.8
56 Residual (assets less liabilities)	209.3	211.8	212.0	212.3	214.6	215.3	216.1	216.7	216.2	215.8	216.6
MEMO											
57 Real estate loans, revolving	51.4	52.0	53.1	54.0	55.0	56.1	57.4	58.1	60.4	60.9	61.4
58 Real estate loans, other	689.7	695.8	698.7	707.2	710.3	717.4	718.8	722.1	725.4	726.7	731.1

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[1]

Millions of dollars, Wednesday figures

Account	1990								
	Oct. 31	Nov. 7	Nov. 14	Nov. 21	Nov. 28	Dec. 5	Dec. 12	Dec. 19	Dec. 26
1 Cash and balances due from depository institutions	106,680	98,474	124,953	106,130	107,639r	107,019	106,643	107,105	105,231
2 **Total loans, leases, and securities, net**	**1,316,233**	**1,305,927**	**1,311,348**	**1,305,215r**	**1,299,570r**	**1,308,365**	**1,301,990**	**1,303,670**	**1,300,989**
3 U.S. Treasury and government agency	184,040	184,961	183,743	183,668	180,844	182,165	179,635	176,340	174,400
4 Trading account	16,141	16,783	15,538	16,186	14,279	16,000	14,185	12,596	11,547
5 Investment account	167,899	168,178	168,205	167,482	166,565	166,165	165,450	163,743	162,852
6 Mortgage-backed securities[2]	82,075	82,237r	82,126r	82,251r	81,521r	81,523	80,703	79,303	78,995
All other maturing in									
7 One year or less	15,149	15,159	15,020	15,254	15,271	15,678	15,956	16,264	15,810
8 Over one through five years	41,599	41,685	41,855	41,420	41,281	40,148	40,112	39,627	39,367
9 Over five years	29,076	29,096r	29,204r	28,557r	28,492r	28,815	28,679	28,549	28,680
10 Other securities	61,046	60,533	60,421	60,108	60,107	59,762	59,275	59,176	59,442
11 Trading account	1,376	1,364	1,406	1,406	1,529	1,355	910	1,064	1,242
12 Investment account	59,670	59,170	59,015	58,702	58,578	58,407	58,366	58,112	58,200
13 States and political subdivisions, by maturity	31,480	31,170	30,958	30,648	30,465r	30,102	29,937	29,520	29,459
14 One year or less	3,792	3,797	3,752	3,646	3,649	3,650	3,628	3,589	3,560
15 Over one year	27,689	27,373	27,206	27,002	26,816	26,452	26,309	25,931	25,899
16 Other bonds, corporate stocks, and securities	28,189	28,000	28,057	28,054	28,113	28,306	28,428	28,592	28,740
17 Other trading account assets	9,497r	9,557r	9,178	8,368	8,729	8,617	8,292	9,004	8,749
18 Federal funds sold[3]	80,832	74,018	77,276	72,837	71,300	76,716	76,078	75,711	76,078
19 To commercial banks	58,260r	50,193r	55,265r	50,127r	48,111	54,392	50,972	50,775	52,782
20 To nonbank brokers and dealers in securities	17,973r	18,613r	17,690r	18,158r	19,054	18,173	21,252	20,299	19,048
21 To others	4,599	5,212	4,320	4,552	4,134	4,150	3,853	4,636	4,248
22 Other loans and leases, gross	1,020,850r	1,016,970r	1,020,866	1,020,413r	1,018,709r	1,021,299	1,018,922	1,023,606	1,022,259
23 Other loans, gross	993,464r	989,630r	993,458	993,060r	991,382r	993,968	991,638	996,531	995,166
24 Commercial and industrial	319,426r	319,592r	319,017r	319,400r	317,822r	319,262	317,646	316,592	316,609
25 Bankers acceptances and commercial paper	1,574	1,520	1,488	1,338	1,384	1,493	1,380	1,315	1,363
26 All other	317,852r	318,071r	317,529r	318,061r	316,438r	317,769	316,266	315,278	315,246
27 U.S. addressees	316,294r	316,609r	315,886r	316,601r	315,017r	316,327	314,838	313,902	313,802
28 Non-U.S. addressees	1,558	1,462	1,643	1,460	1,421	1,442	1,428	1,376	1,444
29 Real estate loans	382,718r	383,252r	384,187	384,903r	383,952r	386,994	387,157	388,401	387,106
30 Revolving, home equity	32,695	32,676	32,803	32,864	32,939	33,323	32,946	33,198	33,205
31 All other	350,023r	350,576r	351,384	352,039r	351,013r	353,671	354,211	355,203	353,902
32 To individuals for personal expenditures	173,631	172,654	172,754	172,993	173,366r	173,785	174,448	175,727	175,844
33 To depository and financial institutions	51,704r	50,624r	51,612r	51,300r	51,242r	51,192	49,879	51,465	50,537
34 Commercial banks in the United States	23,092r	22,571r	22,943r	23,632r	23,740r	22,719	21,551	23,297	22,186
35 Banks in foreign countries	4,555	3,993	4,378	4,159	4,208	4,326	4,344	4,038	4,180
36 Nonbank depository and other financial institutions	24,056r	24,060r	24,292r	23,510r	23,294r	24,146	23,984	24,130	24,172
37 For purchasing and carrying securities	14,407	12,958	14,020	13,062	14,020	12,062	12,721	13,344	12,990
38 To finance agricultural production	6,127	6,065	6,046	5,930	5,858	5,822	5,817	5,848	5,910
39 To states and political subdivisions	21,743	21,611	21,611r	21,490r	21,415	21,256	21,112	20,950	20,940
40 To foreign governments and official institutions	1,310	1,352	1,431	1,492	1,402	1,489	1,563	1,280	1,424
41 All other	22,398r	21,522r	22,778r	22,490r	22,306r	22,106	21,295	22,924	23,804
42 Lease financing receivables	27,386r	27,341r	27,408	27,354	27,326	27,331	27,285	27,075	27,093
43 LESS: Unearned income	4,249	4,232	4,224	4,214	4,196	4,154	4,146	4,128	4,129
44 Loan and lease reserve[4]	35,785	35,881	35,910	35,965	35,923r	36,039	36,066	36,038	35,810
45 Other loans and leases, net	980,816r	976,857r	980,731	980,234r	978,590r	981,105	978,710	983,439	982,320
46 All other assets	140,046	139,382	139,846	141,369r	142,960r	144,959	144,443	148,448	153,457
47 **Total assets**	**1,562,959**	**1,543,784**	**1,576,148**	**1,552,714**	**1,550,169r**	**1,560,343**	**1,553,076**	**1,559,223**	**1,559,677**
48 Demand deposits	224,812	213,880	234,321	221,678	217,214	226,104	224,606	230,851	238,449
49 Individuals, partnerships, and corporations	179,827	173,796	188,752	178,123	173,928	182,170	181,317	184,995	191,867
50 States and political subdivisions	6,844	5,825	5,757	7,201	6,427	6,796	6,640	6,882	7,441
51 U.S. government	2,117	1,427	1,593	2,070	1,038	1,661	1,448	1,909	1,623
52 Depository institutions in the United States	20,547	18,678	23,771	19,568	19,915	20,469	19,542	21,847	21,169
53 Banks in foreign countries	6,069	5,668	6,024	5,769	5,335	5,145	6,455	5,538	5,735
54 Foreign governments and official institutions	565	648	538	590	638	769	502	790	557
55 Certified and officers' checks	8,842	7,839	7,886	8,356	9,934	9,093	8,701	8,890	10,057
56 Transaction balances other than demand deposits	79,396	80,723	79,712	79,698	78,354	83,298	81,456	82,670	82,642
57 Nontransaction balances	755,116	756,352	756,440	754,987	753,989	759,755	758,667	757,988	756,632
58 Individuals, partnerships, and corporations	718,860	720,373	720,510	718,959	717,988	724,031	722,715	722,887	721,980
59 States and political subdivisions	28,352	28,476	28,471	28,642	28,675	28,512	28,750	27,979	27,526
60 U.S. government	1,018	1,009	1,003	1,014	1,019	1,014	1,008	1,007	1,004
61 Depository institutions in the United States	6,086	6,056	6,007	5,925	5,862	5,756	5,744	5,646	5,598
62 Foreign governments, official institutions, and banks	799	439	450	447	445	442	450	469	524
63 Liabilities for borrowed money	295,929	287,438	300,180	288,497	290,571	281,352	277,685	278,501	272,666
64 Borrowings from Federal Reserve Banks	179	0	227	0	0	0	90	0	4,281
65 Treasury tax-and-loan notes	23,601	9,345	9,558	13,132	16,243	4,767	4,850	23,381	25,424
66 All other liabilities for borrowed money[5]	272,150	278,093	290,395	275,365r	274,328	276,585	272,745	255,120	242,960
67 Other liabilities and subordinated notes and debentures	103,011	100,993	100,736	103,750	105,445r	105,305	105,499	104,492	103,931
68 **Total liabilities**	**1,458,265**	**1,439,386**	**1,471,389**	**1,448,610**	**1,445,573r**	**1,455,814**	**1,447,913**	**1,454,502**	**1,454,319**
69 Residual (total assets minus total liabilities)[6]	104,695	104,397	104,759	104,104	104,596r	104,529	105,162	104,721	105,358
MEMO									
70 Total loans and leases (gross) and investments adjusted[7]	1,274,914r	1,273,277r	1,273,275r	1,271,635r	1,267,838r	1,271,447	1,269,680	1,269,764	1,265,960
71 Total loans and leases (gross) adjusted[7]	1,020,330r	1,018,225r	1,019,933r	1,019,492r	1,018,158r	1,020,902	1,022,477	1,025,245	1,023,370
72 Time deposits in amounts of $100,000 or more	209,051r	208,704r	207,538	206,728	206,049	205,508	204,806	202,167	201,087
73 U.S. Treasury securities maturing in one year or less	15,268r	15,421	15,376	15,224	15,104	15,245	15,426	14,264	14,112
74 Loans sold outright to affiliates—total[8]	280	277	281	278	263	250	259	262	267
75 Commercial and industrial	138	136	150	152	140	135	135	138	151
76 Other	142	140	131	125	123	115	124	124	116
77 Nontransaction savings deposits (including MMDAs)	288,629	290,268	291,347	290,208	289,582	292,945	292,352	291,425	290,943

1. Beginning Jan. 6, 1988, the "Large bank" reporting group was revised somewhat, eliminating some former reporters with less than $2 billion of assets and adding some new reporters with assets greater than $3 billion.
2. Includes U.S. government-issued or guaranteed certificates of participation in pools of residential mortgages.
3. Includes securities purchased under agreements to resell.
4. Includes allocated transfer risk reserve.
5. Includes federal funds purchased and securities sold under agreements to repurchase; for information on these liabilities at banks with assets of $1 billion or more on Dec. 31, 1977, see table 1.13.
6. This is not a measure of equity capital for use in capital-adequacy analysis or for other analytic uses.
7. Exclusive of loans and federal funds transactions with domestic commercial banks.
8. Loans sold are those sold outright to a bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company.

1.28 ASSETS AND LIABILITIES OF LARGE WEEKLY REPORTING COMMERCIAL BANKS IN NEW YORK CITY[1]

Millions of dollars, Wednesday figures

Account	1990								
	Oct. 31	Nov. 7	Nov. 14	Nov. 21	Nov. 28	Dec. 5	Dec. 12	Dec. 19	Dec. 26
1 Cash balances due from depository institutions	21,704	22,020	26,393	20,970	23,816	20,642	21,815	24,567	20,398
2 Total loans, leases, and securities, net[2]	**220,234**	**214,241**	**217,372**	**214,147**	**213,274**	**215,993**	**217,660**	**216,877**	**214,789**
Securities									
3 U.S. Treasury and government agency[3]	0	0	0	0	0	0	0	0	0
4 Trading account[3]	0	0	0	0	0	0	0	0	0
5 Investment account	24,195	24,249	24,189	23,299	22,785	23,138	23,182	22,936	22,992
6 Mortgage-backed securities[4]	11,850	11,841	11,968	11,789	11,425	11,448	11,444	11,151	11,232
All other maturing in									
7 One year or less	2,338	2,361	2,297	2,319	2,335	2,662	2,675	2,691	2,632
8 Over one through five years	5,017	5,076	4,923	4,196	4,034	3,891	3,922	3,951	3,974
9 Over five years	4,990	4,971	5,000	4,995	4,990	5,136	5,141	5,143	5,153
10 Other securities[3]	0	0	0	0	0	0	0	0	0
11 Trading account[3]	0	0	0	0	0	0	0	0	0
12 Investment account	12,781	12,569	12,438	12,234	12,160	12,187	12,173	12,128	12,108
13 States and political subdivisions, by maturity	5,859	5,632	5,528	5,307	5,254	5,227	5,214	5,189	5,173
14 One year or less	616	607	606	592	597	599	601	579	572
15 Over one year	5,242	5,025	4,922	4,715	4,658	4,627	4,613	4,611	4,600
16 Other bonds, corporate stocks, and securities	6,922	6,936	6,911	6,927	6,905	6,960	6,958	6,938	6,935
17 Other trading account assets[3]	0	0	0	0	0	0	0	0	0
Loans and leases									
18 Federal funds sold[5]	19,082	16,102	17,323	16,022	15,229	18,166	20,425	17,145	16,573
19 To commercial banks	13,450	9,289	11,743	9,403	9,273	11,932	13,196	11,220	11,529
20 To nonbank brokers and dealers in securities	5,136	5,792	4,970	5,912	5,306	5,582	6,431	5,448	4,656
21 To others	496	1,021	609	706	650	651	798	477	388
22 Other loans and leases, gross	180,168	177,349	179,504	178,682	179,167	178,534	177,920	180,707	179,049
23 Other loans, gross	174,436	171,628	173,760	172,930	173,429	172,796	172,197	174,968	173,318
24 Commercial and industrial	58,210	57,715	58,052	57,837	57,158	58,316	57,396	56,594	56,608
25 Bankers acceptances and commercial paper	153	145	138	141	142	142	117	109	108
26 All other	58,056	57,571	57,914	57,696	57,016	58,174	57,279	56,485	56,500
27 U.S. addressees	57,430	56,961	57,169	57,103	56,474	57,563	56,676	55,926	55,879
28 Non-U.S. addressees	626	609	745	594	542	611	602	558	621
29 Real estate loans	62,369	62,498	62,626	62,912	62,696	62,787	62,963	63,137	62,356
30 Revolving, home equity	4,364	4,359	4,363	4,371	4,372	4,322	4,333	4,342	4,346
31 All other	58,005	58,139	58,263	58,541	58,325	58,465	58,630	58,795	58,010
32 To individuals for personal expenditures	19,969	19,956	20,013	20,011	19,886	19,787	19,812	19,932	19,474
33 To depository and financial institutions	18,572	17,566	17,917	17,756	18,228	17,749	17,724	19,453	19,191
34 Commercial banks in the United States	6,438	5,818	5,741	5,960	6,596	5,784	5,780	7,802	7,709
35 Banks in foreign countries	3,642	3,098	3,323	3,261	3,347	3,516	3,602	3,409	3,490
36 Nonbank depository and other financial institutions	8,492	8,649	8,852	8,535	8,285	8,449	8,341	8,242	7,992
37 For purchasing and carrying securities	5,284	4,327	4,952	4,112	4,951	3,972	4,245	4,801	4,403
38 To finance agricultural production	153	169	168	172	172	176	176	166	156
39 To states and political subdivisions	4,343	4,318	4,337	4,331	4,328	4,346	4,288	4,232	4,232
40 To foreign governments and official institutions	199	232	308	367	276	375	436	321	466
41 All other	5,336	4,845	5,386	5,433	5,734	5,288	5,158	6,332	6,432
42 Lease financing receivables	5,732	5,722	5,744	5,752	5,738	5,738	5,723	5,739	5,730
43 LESS: Unearned income	1,810	1,810	1,809	1,810	1,809	1,790	1,768	1,767	1,769
44 Loan and lease reserve	14,183	14,217	14,273	14,281	14,258	14,241	14,272	14,272	14,163
45 Other loans and leases, net[6]	164,176	161,322	163,422	162,592	163,100	162,502	161,881	164,668	163,117
46 All other assets[7]	56,300	56,490	56,951	57,408	59,626	58,468	57,599	60,749	63,902
47 Total assets	**298,238**	**292,751**	**300,716**	**292,525**	**296,716**	**295,103**	**297,075**	**302,194**	**299,089**
Deposits									
48 Demand deposits	45,437	43,309	47,383	44,282	46,534	46,414	46,767	50,992	49,981
49 Individuals, partnerships, and corporations	31,968	31,030	34,376	31,332	32,590	33,429	32,847	36,533	35,609
50 States and political subdivisions	641	632	536	626	777	532	620	741	664
51 U.S. government	294	121	179	235	102	202	174	237	161
52 Depository institutions in the United States	4,482	3,729	4,392	3,692	4,009	4,015	3,935	5,189	4,721
53 Banks in foreign countries	4,752	4,442	4,839	4,628	4,119	3,920	5,315	4,327	4,356
54 Foreign governments and official institutions	419	510	390	454	494	614	368	659	430
55 Certified and officers' checks	2,882	2,846	2,670	3,315	4,443	3,702	3,509	3,306	4,040
56 Transaction balances other than demand deposits (ATS, NOW, Super NOW, telephone transfers)	8,406	8,589	8,528	8,598	8,376	8,836	8,676	8,879	8,979
57 Nontransaction balances	112,559	112,428	113,004	112,350	112,076	112,952	112,641	111,837	111,977
58 Individuals, partnerships, and corporations	104,752	104,926	105,448	104,749	104,444	105,497	105,241	104,778	105,064
59 States and political subdivisions	5,631	5,695	5,753	5,916	5,980	5,813	5,764	5,469	5,372
60 U.S. government	119	117	112	112	118	124	122	112	108
61 Depository institutions in the United States	1,527	1,526	1,523	1,404	1,362	1,350	1,347	1,315	1,252
62 Foreign governments, official institutions, and banks	530	164	167	170	170	168	166	163	180
63 Liabilities for borrowed money	62,290	63,075	66,637	59,714	61,164	58,318	58,685	61,010	57,631
64 Borrowings from Federal Reserve Banks	0	0	0	0	0	0	0	0	3,345
65 Treasury tax-and-loan notes	5,010	1,979	2,074	2,489	3,158	871	937	5,120	6,093
66 All other liabilities for borrowed money[8]	57,279	61,096	64,563	57,224	58,006	57,448	57,748	55,889	48,192
67 Other liabilities and subordinated notes and debentures	44,093	40,220	40,048	42,603	43,764	43,397	44,986	44,446	44,961
68 Total liabilities	**272,785**	**267,623**	**275,601**	**267,548**	**271,914**	**269,917**	**271,756**	**277,165**	**273,528**
69 Residual (total assets minus total liabilities)[9]	25,452	25,128	25,115	24,977	24,802	25,186	25,319	25,029	25,560
MEMO									
70 Total loans and leases (gross) and investments adjusted[2,10]	216,338	215,162	215,969	214,874	213,472	214,308	214,723	213,894	211,483
71 Total loans and leases (gross) adjusted[10]	179,362	178,344	179,342	179,341	178,527	178,984	179,369	178,830	176,384
72 Time deposits in amounts of $100,000 or more	35,893	35,415	35,244	34,950	34,817	35,289	34,945	34,384	34,316
73 U.S. Treasury securities maturing in one year or less	1,791	2,051	2,235	2,386	2,191	2,175	2,089	1,935	1,884

1. These data also appear in the Board's H.4.2 (504) release. For address, see inside front cover.
2. Excludes trading account securities.
3. Not available due to confidentiality.
4. Includes U.S. government-issued or guaranteed certificates of participation in pools of residential mortgages.
5. Includes securities purchased under agreements to resell.
6. Includes allocated transfer risk reserve.
7. Includes trading account securities.
8. Includes federal funds purchased and securities sold under agreements to repurchase.
9. Not a measure of equity capital for use in capital adequacy analysis or for other analytic uses.
10. Exclusive of loans and federal funds transactions with domestic commercial banks.

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

Millions of dollars, Wednesday figures

Account	1990								
	Oct. 31	Nov. 7	Nov. 14	Nov. 21	Nov. 28	Dec. 5	Dec. 12	Dec. 19	Dec. 26
1 Cash and due from depository institutions	17,374	16,515	17,455	14,711	15,292	15,044	15,853	14,774	16,332
2 Total loans and securities	163,623r	162,182r	167,122	164,017r	167,730r	165,969	170,051	169,302	169,948
3 U.S. Treasury and government agency securities	11,296	11,752	12,068	11,157	11,161	11,330	12,631	12,481	11,778
4 Other securities	7,480	7,599	7,626	7,618	7,639	7,787	7,856	7,878	7,938
5 Federal funds sold[2]	7,600	4,304	9,174	6,078	8,905	4,984	6,949	6,205	6,511
6 To commercial banks in the United States	4,334	2,267	6,449	4,471	6,418	2,618	4,105	3,445	3,980
7 To others	3,266	2,037	2,725	1,607	2,487	2,366	2,844	2,760	2,531
8 Other loans, gross	137,247r	138,527r	138,254	139,164r	140,025r	141,868	142,615	142,738	143,721
9 Commercial and industrial	77,625r	77,901r	78,208r	78,950r	79,554r	80,669	80,975	81,864	83,871
10 Bankers acceptances and commercial paper	2,579	2,682	2,694	2,895	3,020	3,123	2,739	2,827	3,038
11 All other	75,046r	75,219r	75,514r	76,055r	76,534r	77,546	78,236	79,037	80,833
12 U.S. addressees	73,626r	73,684r	73,949r	74,519r	74,870r	75,880	76,550	77,295	79,111
13 Non-U.S. addressees	1,420	1,535	1,565	1,536	1,664	1,666	1,686	1,742	1,722
14 Loans secured by real estate[3]	25,482r	25,691r	25,575r	25,760r	25,994r	26,229	26,041	26,015	26,071
15 To financial institutions	30,376	30,787	30,539	30,277	30,274	30,491	31,130	30,028	29,343
16 Commercial banks in the United States	22,374	23,195	23,424	23,343	23,293	23,460	23,924	22,851	22,238
17 Banks in foreign countries	2,730	2,416	1,828	1,769	1,697	1,445	1,476	1,300	1,208
18 Nonbank financial institutions	5,272	5,176	5,287	5,165	5,284	5,586	5,730	5,877	5,897
19 To foreign governments and official institutions	199	204	213	216	207	210	218	216	203
20 For purchasing and carrying securities	1,561	1,582	1,371	1,581	1,609	1,768	1,698	2,148	1,583
21 All other[3]	2,004	2,362	2,348	2,380	2,387	2,501	2,553	2,467	2,650
22 Other assets (claims on nonrelated parties)	33,200	33,593	33,227	33,917	33,742	33,877	34,624	34,346	34,060
23 Net due from related institutions	12,980	13,286	12,766	12,985	10,456	12,770	12,345	12,778	11,907
24 Total assets	227,178r	225,578r	230,570	225,629	227,221	227,664	232,873	231,202	232,250
25 Deposits or credit balances due to other than directly related institutions	45,456r	45,374r	45,048	44,907r	44,701	44,313	44,682	45,696	46,934
26 Transaction accounts and credit balances[4]	3,983r	3,928r	3,999	4,266r	4,405	4,295	4,597	4,334	4,603
27 Individuals, partnerships, and corporations	2,664r	2,700r	2,690	2,957r	2,929	2,907	2,775	2,916	3,001
28 Other	1,319r	1,228	1,309	1,309r	1,476	1,388	1,822	1,418	1,602
29 Nontransaction accounts[5]	41,473	41,446	41,049	40,641r	40,296	40,018	40,085	41,362	42,331
30 Individuals, partnerships, and corporations	32,040	31,902	31,566	31,245r	30,961	30,908	30,998	32,476	33,134
31 Other	9,433	9,544	9,483	9,396	9,335	9,110	9,087	8,886	9,197
32 Borrowings from other than directly related institutions	118,298	116,939	117,215	116,206	110,249	115,015	111,101	111,615	106,986
33 Federal funds purchased[6]	55,695	52,248	52,394	44,106	44,281	48,309	42,987	45,902	42,491
34 From commercial banks in the United States	29,047	25,429r	23,475r	22,070	21,228	22,558	19,588	20,491	22,520
35 From others	26,648	26,819r	28,919r	22,036	23,053	25,751	23,399	25,411	19,971
36 Other liabilities for borrowed money	62,603	64,691	64,821	72,100	65,968	66,706	68,114	65,713	64,495
37 To commercial banks in the United States	35,334	36,065	35,830	38,703	38,432	38,625	38,005	37,374	35,039
38 To others	27,269	28,626	28,991	33,397	27,536	28,081	30,109	28,339	29,456
39 Other liabilities to nonrelated parties	32,964	33,096	33,056	33,458r	33,598	33,366	34,296	33,467	33,459
40 Net due to related institutions	30,459r	30,168r	35,250	31,058r	38,672	34,971	42,794	40,422	44,871
41 Total liabilities	227,178r	225,578r	230,570	225,629	227,221	227,664	232,873	231,202	232,250
MEMO									
42 Total loans (gross) and securities adjusted[7]	136,915r	136,720r	137,249	136,203r	138,019r	139,891	142,022	143,006	143,730
43 Total loans (gross) adjusted[7]	118,139r	117,369r	117,555	117,428r	119,219r	120,774	121,535	122,647	124,014

1. Effective Jan. 4, 1989, the reporting panel includes a new group of large U.S. branches and agencies of foreign banks. Earlier data included 65 U.S. branches and agencies of foreign banks that included those branches and agencies with assets of $750 million or more on June 30, 1980, plus those branches and agencies that had reached the $750 million asset level on Dec. 31, 1984. These data also appear in the Board's H.4.2 (504) release. For address, see inside front cover.
2. Includes securities purchased under agreements to resell.
3. Effective Jan. 4, 1989, loans secured by real estate are being reported as a separate component of Other loans, gross. Formerly, these loans were included in "All other", line 21.
4. Includes credit balances, demand deposits, and other checkable deposits.
5. Includes savings deposits, money market deposit accounts, and time deposits.
6. Includes securities sold under agreements to repurchase.
7. Exclusive of loans to and federal funds sold to commercial banks in the United States.

1.31 GROSS DEMAND DEPOSITS Individuals, Partnerships, and Corporations[1]

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

Type of holder	Commercial banks									
	1986 Dec.	1987 Dec.	1988 Dec.	1989 Dec.	1989		1990			
					Sept.	Dec.	Mar.	June	Sept.	Dec.
1 **All holders—Individuals, partnerships, and corporations**	**363.6**	**343.5**	**354.7**	**352.2**	**337.3**	**352.2**	**328.7**	**334.3**		
2 Financial business	41.4	36.3	38.6	33.8	33.7	33.8	34.1	34.9		
3 Nonfinancial business	202.0	191.9	201.2	202.5	190.4	202.5	183.3	186.5	n.a.	n.a.
4 Consumer	91.1	90.0	88.3	90.3	87.9	90.3	86.6	86.4		
5 Foreign	3.3	3.4	3.7	3.1	2.9	3.1	3.0	3.1		
6 Other	25.8	21.9	22.8	22.5	22.4	22.5	21.7	23.5		

Type of holder	Weekly reporting banks									
	1986 Dec.	1987 Dec.	1988 Dec.	1989 Dec.	1989		1990			
					Sept.	Dec.	Mar.	June	Sept.	Dec.
7 **All holders—Individuals, partnerships, and corporations**	**195.1**	**183.8**	**198.3**	**196.7**	**186.6**	**196.7**	**183.7**	**186.3**	**185.1**	
8 Financial business	32.5	28.6	30.5	27.6	26.3	27.6	25.6	25.0	27.0	
9 Nonfinancial business	106.4	100.0	108.7	108.8	101.6	108.8	100.1	101.7	100.0	n.a.
10 Consumer	37.5	39.1	42.6	44.1	43.0	44.1	42.4	43.3	43.1	
11 Foreign	3.3	3.3	3.6	3.0	2.8	3.0	2.8	2.9	2.8	
12 Other	15.4	12.7	12.9	13.2	12.9	13.2	12.8	13.3	12.3	

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

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

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

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

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

NOTE. This is the last month in which this table will appear because data are no longer available.

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Instrument	1985 Dec.	1986 Dec.	1987 Dec.	1988 Dec.	1989 Dec.	1990 June	July	Aug.	Sept.	Oct.	Nov.
	Commercial paper (seasonally adjusted unless noted otherwise)										
1 All issuers	**298,779**	**329,991**	**358,056**	**457,297**	**529,055**	**537,023**	**545,849**	**546,691**	**559,593**	**557,731**	**561,448**
Financial companies[1]											
Dealer-placed paper[2]											
2 Total	78,443	101,072	102,844	160,094	187,084	191,463	199,466	199,099	205,093	203,987	214,199
3 Bank-related (not seasonally adjusted)[3]	1,602	2,265	1,428	1,248	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Directly placed paper[4]											
4 Total	135,320	151,820	173,980	194,537	212,210	202,101	202,829	202,217	204,065	204,273	203,289
5 Bank-related (not seasonally adjusted)[3]	44,778	40,860	43,173	43,155	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
6 Nonfinancial companies[5]	85,016	77,099	81,232	102,666	129,761	143,459	143,554	145,375	150,435	149,471	143,960
	Bankers dollar acceptances (not seasonally adjusted)[6]										
7 Total	**68,413**	**64,974**	**70,565**	**66,631**	**62,972**	**53,750**	**52,006**	**52,324**	**50,469**	**52,093**	**53,968**
Holder											
8 Accepting banks	11,197	13,423	10,943	9,086	9,433	9,972	9,628	9,944	9,366	9,189	8,751
9 Own bills	9,471	11,707	9,464	8,022	8,510	8,639	8,395	7,895	7,944	7,868	7,535
10 Bills bought	1,726	1,716	1,479	1,064	924	1,332	1,233	2,049	1,421	1,321	1,217
Federal Reserve Banks											
11 Own account	0	0	0	0	0	0	0	0	0	0	0
12 Foreign correspondents	937	1,317	965	1,493	1,066	1,507	1,571	1,560	1,333	1,145	8,800
13 Others	56,279	50,234	58,658	56,052	52,473	42,271	40,806	40,821	39,770	41,760	44,337
Basis											
14 Imports into United States	15,147	14,670	16,483	14,984	15,651	14,801	13,691	13,188	12,723	12,408	12,758
15 Exports from United States	13,204	12,960	15,227	14,410	13,683	12,511	12,186	12,221	11,889	13,238	13,865
16 All other	40,062	37,344	38,855	37,237	33,638	26,438	26,129	26,915	25,856	26,447	26,447

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				
		Oct.	10.00			1991— Jan.	9.52
		Nov.	10.05				
		Dec.	10.50				

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

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				1990, week ending				
				Sept.	Oct.	Nov.	Dec.	Nov. 30	Dec. 7	Dec. 14	Dec. 21	Dec. 28
MONEY MARKET RATES												
1 Federal funds[1,2,3]	7.57	9.21	8.10	8.20	8.11	7.81	7.31	7.56	7.60	7.25	7.29	7.16
2 Discount window borrowing[2,11]	6.20	6.93	6.98	7.00	7.00	7.00	6.79	7.00	7.00	7.00	6.93	6.50
Commercial paper[3,4,5]												
3 1-month	7.58	9.11	8.15	8.09	8.04	7.84	8.28	7.81	8.23	7.79	8.23	9.01
4 3-month	7.66	8.99	8.06	7.96	7.98	7.91	7.80	8.06	7.94	7.48	7.73	8.14
5 6-month	7.68	8.80	7.95	7.83	7.81	7.74	7.49	7.83	7.71	7.27	7.39	7.66
Finance paper, directly placed[3,4,6]												
6 1-month	7.44	8.99	8.00	7.98	7.92	7.64	7.62	7.49	7.92	7.39	7.64	7.59
7 3-month	7.38	8.72	7.87	7.74	7.80	7.75	7.32	7.77	7.64	7.17	7.30	7.14
8 6-month	7.14	8.16	7.53	7.50	7.50	7.42	6.95	7.38	7.30	6.91	6.81	6.73
Bankers acceptances[3,4,7]												
9 3-month	7.56	8.87	7.93	7.83	7.85	7.82	7.60	7.99	7.68	7.33	7.60	7.95
10 6-month	7.60	8.67	7.80	7.70	7.67	7.58	7.25	7.72	7.40	7.11	7.18	7.38
Certificates of deposit, secondary market[3,8]												
11 1-month	7.59	9.11	8.15	8.08	8.03	7.92	8.27	8.04	8.22	7.79	8.22	9.17
12 3-month	7.73	9.09	8.15	8.06	8.06	8.03	7.82	8.23	7.96	7.54	7.79	8.13
13 6-month	7.91	9.08	8.17	8.06	8.05	7.95	7.64	8.08	7.85	7.46	7.54	7.78
14 Eurodollar deposits, 3-month[3,9]	7.85	9.16	8.16	8.07	8.06	8.04	7.87	8.14	8.19	7.69	7.74	8.19
U.S. Treasury bills												
Secondary market[3,4]												
15 3-month	6.67	8.11	7.50	7.36	7.17	7.06	6.74	7.04	6.99	6.83	6.66	6.48
16 6-month	6.91	8.03	7.46	7.32	7.16	7.03	6.70	7.00	6.88	6.71	6.64	6.59
17 1-year	7.13	7.92	7.35	7.24	7.06	6.85	6.61	6.83	6.78	6.64	6.53	6.51
Auction average[3,4,12]												
18 3-month	6.68	8.12	7.51	7.38	7.19	7.07	6.81	7.02	7.06	6.86	6.78	6.52
19 6-month	6.92	8.04	7.47	7.33	7.20	7.04	6.76	6.96	6.96	6.74	6.77	6.57
20 1-year	7.17	7.91	7.36	7.25	7.01	6.81	6.58	n.a.	n.a.	n.a.	6.58	n.a.
CAPITAL MARKET RATES												
U.S. Treasury notes and bonds												
Constant maturities[13]												
21 1-year	7.65	8.53	7.89	7.76	7.55	7.31	7.05	7.30	7.24	7.08	6.96	6.95
22 2-year	8.10	8.57	8.16	8.08	7.88	7.60	7.31	7.54	7.45	7.28	7.27	7.28
23 3-year	8.26	8.55	8.26	8.27	8.07	7.74	7.47	7.68	7.57	7.40	7.42	7.49
24 5-year	8.47	8.50	8.37	8.51	8.33	8.02	7.73	7.93	7.80	7.65	7.69	7.79
25 7-year	8.71	8.52	8.52	8.79	8.59	8.28	8.00	8.20	8.08	7.90	7.96	8.08
26 10-year	8.85	8.49	8.55	8.89	8.72	8.39	8.08	8.29	8.16	7.97	8.03	8.15
27 30-year	8.96	8.45	8.61	9.03	8.86	8.54	8.24	8.44	8.32	8.13	8.20	8.31
Composite[14]												
28 Over 10 years (long-term)	8.98	8.58	8.74	9.11	8.93	8.60	8.31	8.50	8.37	8.19	8.27	8.41
State and local notes and bonds												
Moody's series[15]												
29 Aaa	7.36	7.00	6.96	7.18	7.23	6.75	6.63	6.78	6.81	6.52	6.60	6.60
30 Baa	7.83	7.40	7.29	7.48	7.43	7.22	7.10	7.20	7.12	7.09	7.10	7.10
31 *Bond Buyer* series[16]	7.68	7.23	7.27	7.43	7.49	7.18	7.09	7.08	7.06	7.05	7.11	7.14
Corporate bonds												
Seasoned issues[17]												
32 All industries	10.18	9.66	9.77	10.02	10.03	9.85	9.63	9.76	9.68	9.58	9.62	9.65
33 Aaa	9.71	9.26	9.32	9.56	9.53	9.30	9.05	9.20	9.13	9.03	9.02	9.04
34 Aa	9.94	9.46	9.56	9.77	9.77	9.59	9.39	9.52	9.45	9.33	9.38	9.40
35 A	10.24	9.74	9.82	10.09	10.06	9.88	9.64	9.78	9.68	9.58	9.62	9.67
36 Baa	10.83	10.18	10.36	10.64	10.74	10.62	10.43	10.53	10.46	10.37	10.44	10.47
37 A-rated, recently offered utility bonds[18]	10.20	9.79	10.01	10.28	10.23	10.07	9.95	10.03	9.91	9.92	9.96	9.99
MEMO: Dividend/price ratio[19]												
38 Preferred stocks	9.23	9.05	n.a.	9.05	9.10	8.88	8.72	8.92	8.80	8.72	8.67	8.68
39 Common stocks	3.64	3.45	n.a.	3.85	4.01	3.91	3.74	3.87	3.74	3.74	3.75	3.74

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 Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	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	185.61	191.35	196.68	196.61	181.45	173.22	168.05	172.21	179.57
2 Industrial	180.83	228.04	225.81	226.86	234.85	242.42	245.86	226.73	216.81	208.58	212.81	221.86
3 Transportation	134.09	174.90	158.64	173.54	173.53	177.37	173.18	147.41	136.95	131.99	132.96	141.31
4 Utility	72.22	94.33	90.61	91.92	93.29	93.65	89.85	85.81	83.30	87.27	89.69	91.56
5 Finance	127.41	162.01	133.23	138.57	142.94	147.93	143.11	128.14	118.59	108.01	113.76	122.18
6 Standard & Poor's Corporation (1941–43 = 10)[1]	265.88	323.05	334.63	338.18	350.25	360.39	360.03	330.75	315.41	307.12	315.29	328.75
7 American Stock Exchange (Aug. 31, 1973 = 50)[2]	295.08	356.67	338.36	353.32	353.82	361.62	359.09	333.49	318.53	296.67	294.88	305.54
Volume of trading (thousands of shares)												
8 New York Stock Exchange	161,386	165,568	156,842	140,062	163,486	153,634	160,490	174,446	142,054	159,590	149,916	155,836
9 American Stock Exchange	9,955	13,124	13,155	13,961	14,005	12,421	12,529	15,881	11,668	11,294	10,368	11,620
	Customer financing (end-of-period balances, in millions of dollars)											
10 Margin credit at broker-dealers[3]	**32,740**	**34,320**	**28,315**	**31,060**	**31,600**	**31,720**	**32,130**	**30,350**	**29,640**	**28,650**	**27,820**	**28,315**
Free credit balances at brokers[4]												
11 Margin-account[5]	5,660	7,040	8,050	6,465	6,215	6,490	6,385	7,140	7,285	7,245	7,300	8,050
12 Cash-account	16,595	18,505	19,390	15,375	15,470	15,625	17,035	16,745	16,185	15,820	17,025	19,390

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 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
			SAIF-insured institutions									
1 **Assets**	**1,350,500**	**1,249,055**	**1,236,517**	**1,225,087**	**1,223,350**	**1,210,351**	**1,197,828**	**1,174,632**	**1,162,605**	**1,140,300**		
2 Mortgages	764,513	733,729	727,559	721,450	717,687	715,416	708,538	691,244	689,700	677,217		
3 Mortgage-backed securities	214,587	170,532	169,414	167,260	167,683	166,167	165,725	159,172	157,113	155,499		
4 Contra-assets to mortgage assets[1]	37,950	25,457	24,162	22,729	23,073	21,991	21,977	20,344	23,390	0		
5 Commercial loans	33,889	32,150	31,911	31,770	31,069	30,931	30,352	28,753	28,482	20,100		
6 Consumer loans	61,922	58,685	57,321	56,821	56,805	56,639	55,658	55,171	54,655	53,200		
7 Contra-assets to nonmortgage loans[2]	3,056	3,592	2,251	2,279	2,476	2,229	1,766	1,976	1,966	0	n.a.	n.a.
8 Cash and investment securities	186,986	166,053	160,519	157,314	162,313	153,346	152,393	155,688	149,368	152,700		
9 Other[3]	129,610	116,955	116,206	115,480	113,341	112,071	108,904	106,924	108,643	0		
10 **Liabilities and net worth**	**1,350,500**	**1,249,055**	**1,236,517**	**1,225,087**	**1,223,350**	**1,210,351**	**1,197,828**	**1,174,632**	**1,162,605**	**1,140,300**		
11 Savings capital	971,700	945,656	933,835	926,439	929,910	916,069	902,642	890,497	884,963	864,800		
12 Borrowed money	299,400	252,230	252,942	248,135	246,875	246,646	241,983	230,169	222,441	219,500		
13 FHLBB	134,168	124,577	121,732	120,633	117,489	115,620	114,047	109,733	106,127	104,200		
14 Other	165,232	127,653	131,210	127,502	129,386	131,026	127,936	120,436	116,314	115,300		
15 Other	24,216	27,556	26,987	28,096	25,997	27,352	28,767	25,166	26,746	n.a.		
16 Net worth	n.a.	23,612	22,754	22,417	20,568	20,296	24,361	28,805	28,455	0		
			SAIF-insured federal savings banks									
17 **Assets**	**425,966**	**498,522**	**583,063**	**581,983**	**595,644**	**593,345**	**570,795**	**583,392**	**587,521**			
18 Mortgages	230,734	283,844	331,503	330,366	332,995	333,300	317,985	323,516	327,330			
19 Mortgage-backed securities	64,957	70,499	76,765	77,016	80,059	81,030	77,781	78,001	78,033			
20 Contra-assets to mortgage assets[1]	13,140	13,548	12,309	11,615	11,844	11,590	10,798	10,200	13,849			
21 Commercial loans	16,731	18,143	20,310	20,244	20,366	20,324	19,713	19,683	19,815			
22 Consumer loans	24,222	28,212	20,310	20,244	20,365	20,324	32,407	32,745	33,308			
23 Contra-assets to nonmortgage loans[2]	889	1,193	949	986	1,001	908	707	970	999	n.a.	n.a.	n.a.
24 Finance leases plus interest	880	1,101	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
25 Cash and investment	61,029	64,538	70,742	70,054	76,158	72,618	70,999	75,081	71,795			
26 Other	35,412	39,981	45,444	46,238	46,371	46,180	44,840	47,723	45,996			
27 **Liabilities and net worth**	**425,966**	**498,522**	**583,063**	**581,983**	**595,644**	**593,345**	**570,795**	**583,392**	**587,521**			
28 Savings capital	298,197	360,547	418,555	419,246	433,000	429,469	413,009	427,379	432,387			
29 Borrowed money	99,286	108,448	126,398	124,171	126,253	126,240	123,415	121,721	119,998			
30 FHLBB	46,265	57,032	63,516	63,026	63,550	63,120	61,057	60,666	61,442			
31 Other	53,021	51,416	62,882	61,145	62,703	63,120	62,358	61,055	58,556			
32 Other	8,075	9,041	9,770	10,347	9,435	9,982	10,307	8,889	9,508			
33 Net worth	20,218	22,716	25,986	25,723	24,169	23,505	21,138	21,944	22,373			

1.37—Continued

Account	1988	1989	1990 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
			Credit unions[4]									
34 **Total assets/liabilities and capital**	**174,593**	**183,688**	**183,301**	**186,119**	**192,718**	**193,208**	**195,020**	**195,302**	**194,523**	**196,625**	**197,272**	
35 Federal	114,566	120,666	120,489	122,885	126,690	127,250	128,648	128,142	127,564	128,715	129,086	
36 State	60,027	63,022	62,812	63,234	66,028	65,958	66,372	67,160	66,959	67,910	68,186	
37 Loans outstanding	113,191	122,608	122,332	121,968	121,660	122,616	123,205	123,968	124,343	126,156	127,341	n.a.
38 Federal	73,766	80,272	80,041	79,715	79,407	80,205	80,550	81,063	81,063	82,040	82,823	
39 State	39,425	42,336	42,291	42,253	42,253	42,411	42,655	42,905	43,280	44,116	44,518	
40 Savings	159,010	167,371	166,629	168,609	175,942	175,745	176,701	178,127	176,360	178,081	177,532	
41 Federal	104,431	109,653	109,818	111,246	115,714	115,554	116,402	116,717	115,305	116,411	115,469	
42 State	54,579	57,718	56,811	57,363	60,228	60,191	60,299	61,408	61,056	61,670	62,063	
			Life insurance companies[5]									
43 **Assets**	**1,166,870**	**1,299,756**										
Securities												
44 Government	84,051	77,297										
45 United States[6]	58,564	52,517										
46 State and local	9,136	9,028										
47 Foreign[7]	16,351	15,752										
48 Business	660,416	764,521	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
49 Bonds	556,043	638,907										
50 Stocks	104,373	125,614										
51 Mortgages	232,863	254,215										
52 Real estate	37,371	39,908										
53 Policy loans	54,236	57,439										
54 Other assets	93,358	106,376										

1. Contra-assets are credit-balance accounts that must be subtracted from the corresponding gross asset categories to yield net asset levels. Contra-assets to mortgage loans, contracts, and pass-through securities include loans in process, unearned discounts and deferred loan fees, valuation allowances for mortgages "held for sale," and specific reserves and other valuation allowances.
2. Contra-assets are credit-balance accounts that must be subtracted from the corresponding gross asset categories to yield net asset levels. Contra-assets to nonmortgage loans include loans in process, unearned discounts and deferred loan fees, and specific reserves and valuation allowances.
3. Holding of stock in Federal Home Loan Bank and Finance leases plus interest are included in "Other" (line 9).
4. Data include all federally insured credit unions, both federal and state chartered, serving natural persons.
5. Data are no longer available on a monthly basis for life insurance companies.
6. Direct and guaranteed obligations. Excludes federal agency issues not guaranteed, which are shown in the table under "Business" securities.
7. Issues of foreign governments and their subdivisions and bonds of the International Bank for Reconstruction and Development.

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

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

Credit unions: Estimates by the National Credit Union Administration for federally chartered and federally insured state-chartered credit unions serving natural persons.

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

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year 1988	Fiscal year 1989	Fiscal year 1990	Calendar year 1990 July	Aug.	Sept.	Oct.	Nov.	Dec.
U.S. budget[1]									
1 Receipts, total	908,166	990,701	1,031,463	72,357	78,486	102,874	78,711	72,819	102,266
2 On-budget	666,675	727,035	749,809	50,446	56,284	78,542	58,751	47,843	82,425
3 Off-budget	241,491	263,666	281,654	21,911	22,202	24,332	19,960	24,976	19,841
4 Outlays, total	1,063,318	1,144,020	1,251,850	98,280	131,206	82,026	110,172[r]	120,871[r]	109,650
5 On-budget	860,627	933,109	1,026,785	79,833	89,717	80,613	91,260[r]	99,423[r]	95,118
6 Off-budget	202,691	210,911	225,065	18,447	41,489	1,413	18,912	21,448	14,532
7 Surplus, or deficit (−), total	−155,152	−153,319	−220,387	−25,924	−52,719	20,848	−31,461[r]	−48,052[r]	−7,384
8 On-budget	−193,952	−206,074	−276,976	−29,388	−33,432	−2,071	−32,509[r]	−51,580[r]	−12,693
9 Off-budget	38,800	52,755	56,589	3,464	−19,287	22,919	1,048	3,528	5,309
Source of financing (total)									
10 Borrowing from the public	166,139	141,806	264,453	24,230	47,329	−2,595	32,265	46,776	19,700
11 Operating cash (decrease, or increase (−))	−7,962	3,425	818	9,862	2,433	17,832	4,720	12,533	−9,286
12 Other[2]	−3,025	8,088	−44,884	−8,168	2,957	−421	−5,524[r]	−11,257[r]	−3,030
MEMO									
13 Treasury operating balance (level, end of period)	44,398	40,973	40,155	24,756	22,323	40,155	35,435	22,902	32,188
14 Federal Reserve Banks	13,023	13,452	7,638	6,369	4,453	7,638	7,607	5,495	8,960
15 Tax and loan accounts	31,375	27,521	32,517	18,387	17,869	32,517	27,828	17,406	23,228

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		
			H1	H2	H1	H2	Oct.	Nov.	Dec.
RECEIPTS									
1 **All sources**	**990,701**	**1,031,462**	**527,574**	**470,329**	**548,977**	**507,513**	**78,711**	**72,819**	**102,266**
2 Individual income taxes, net	445,690	466,884	233,572	218,706	243,087	230,745	40,691	27,156	46,471
3 Withheld	361,386	390,480	174,230	193,296	190,219	207,469	37,777	27,505	44,560
4 Presidential Election Campaign Fund	32	32	28	3	30	3	0	0	0
5 Nonwithheld	154,839	149,189	121,563	33,303	117,675	31,728	3,863	1,606	2,605
6 Refunds	70,567	72,817	62,251	7,898	64,838	8,455	950	1,956	694
Corporation income taxes									
7 Gross receipts	117,015	110,017	61,585	52,269	58,830	54,044	3,691	2,132	23,425
8 Refunds	13,723	16,510	7,259	6,842	8,326	7,603	2,077	837	902
9 Social insurance taxes and contributions, net	359,416	380,047	200,127	162,574	210,476	178,468	26,598	33,723	25,480
10 Employment taxes and contributions[2]	332,859	353,891	184,569	152,407	195,269	167,224	25,144	31,209	24,918
11 Self-employment taxes and contributions[3]	18,504	21,795	16,371	1,947	19,017	2,638	0	0	0
12 Unemployment insurance	22,011	21,635	13,279	7,909	12,929	8,996	1,082	2,098	217
13 Other net receipts[4]	4,546	4,522	2,277	2,260	2,278	2,249	373	416	345
14 Excise taxes	34,386	35,345	16,814	16,799	18,153	17,535	3,011	2,953	3,005
15 Customs deposits	16,334	16,707	7,918	8,667	8,096	8,568	1,528	1,354	1,281
16 Estate and gift taxes	8,745	11,500	4,583	4,451	6,442	5,333	1,065	845	741
17 Miscellaneous receipts[5]	22,839	27,470	10,235	13,704	12,222	20,423	4,203	5,494	2,765
OUTLAYS									
18 **All types**	**1,144,020**	**1,251,850**	**565,425**	**587,448**	**640,982**	**652,205**	**110,172r**	**120,871r**	**109,650**
19 National defense	303,559	299,335	148,098	149,613	152,733	153,757	24,990	29,868	26,021
20 International affairs	9,574	13,760	6,567	5,971	6,770	8,878	779	4,994	81
21 General science, space, and technology	12,838	14,420	6,238	7,091	6,974	8,081	1,616	1,231	1,486
22 Energy	3,702	2,470	2,221	1,449	1,216	979	505	269	190
23 Natural resources and environment	16,182	17,009	7,022	9,183	7,343	9,930	1,409	3,103	1,138
24 Agriculture	16,948	11,998	9,619	4,132	7,450	6,878	1,651	1,903	2,742
25 Commerce and housing credit	29,091	67,495	4,129	22,295	38,672	38,154	8,590	4,276	5,083
26 Transportation	27,608	29,495	12,953	14,982	13,754	16,218	2,780	2,494	2,919
27 Community and regional development	5,361	8,466	1,833	4,879	3,987	3,939	912	1,325	−37
28 Education, training, employment, and social services	36,694	37,479	18,083	18,663	19,537	18,988	3,660	3,120	3,863
29 Health	48,390	58,101	24,078	25,339	29,488	31,424	5,491	5,235	5,206
30 Social security and medicare	317,506	346,383	162,195	162,322	175,997	176,353	28,339	29,973	29,301
31 Income security	136,031	148,299	70,937	67,950	78,475	75,948	12,819	13,758	13,904
32 Veterans benefits and services	30,066	29,112	14,891	14,864	15,217	15,479	2,899	4,033	2,446
33 Administration of justice	9,422	10,076	4,801	4,963	4,983	5,397	983	1,050	860
34 General government	9,124	10,822	3,858	4,760	4,916	6,982	1,227	1,875	976
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	14,744	15,138	16,362
37 Undistributed offsetting receipts[7]	−37,212	−36,615	−18,131	−18,935	−17,688	−19,829	−3,222	−2,775	−2,891

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

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

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**	n.a.
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	2,141.8r	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	98.7r	n.a.	102.2r	112.1	114.6	n.a.
22 State and local Treasurys	284.6	313.6	337.1		342.0r	n.a.	n.a.	
Individuals								
23 Savings bonds	101.1	109.6	117.7		119.9	121.9r	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	593.4r	672.5r		749.5r	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 Sept.	1990 Oct.	1990 Nov.	1990, week ending Oct. 31	Nov. 7	Nov. 14	Nov. 21	Nov. 28	Dec. 5	Dec. 12	Dec. 19	Dec. 26
IMMEDIATE TRANSACTIONS[2]												
By type of security												
U.S. government securities												
1 Bills	31,487r	31,703r	32,259	41,215r	31,843r	32,252	33,315	33,373	27,897	34,951	38,353	27,373
Coupon securities												
2 Maturing in less than 3.5 years	29,379	29,840r	33,722	35,995r	41,958	34,487	28,980	31,268	29,207	30,842	34,040	22,107
3 Maturing in 3.5 to 7.5 years	22,872	25,896r	25,249	21,988	22,988	26,240	24,388	25,146	30,839	33,550	28,773	12,353
4 Maturing in 7.5 to 15 years	9,707	11,386	15,451	10,381	20,113r	20,286	12,856	9,189	13,845	15,248	13,104	7,169
5 Maturing in 15 years or more	10,850	13,365	15,364	10,897	15,097	20,230	15,643	10,697	14,837	18,638	15,853	6,898
Federal agency securities												
Debt												
6 Maturing in less than 3.5 years	4,535	4,397	4,562	4,784	4,677	4,498	4,598	3,915	5,966	5,203	5,194	3,811
7 Maturing in 3.5 to 7.5 years	449	534	626	481	789	765	471	461	672	719	583	312
8 Maturing in 7.5 years or more	531	836	605	364	660	819	717	283	460	1,064	653	379
Mortgage-backed												
9 Pass-throughs	9,146	9,005	8,646	9,557	10,145	7,323	7,194	9,209	10,428	14,447	15,097	10,793
10 All others[3]	1,149	1,247	1,440	1,590	1,171	1,512	1,648	1,482	1,304	2,263	1,262	1,020
By type of counterparty												
Primary dealers and brokers												
11 U.S. government securities	66,099r	70,998r	74,510	73,852r	80,226r	81,041	71,264	66,286	72,565	82,641	81,552	43,555
Federal agency												
12 Debt securities	1,773	2,007	1,900	1,705	2,027	2,062	1,885	1,519	2,163	2,336	2,012	1,169
13 Mortgage backed securities	5,081	4,834	5,036	5,792	5,550	3,946	4,409	5,921	5,829	8,149	8,397	7,333
Customers												
14 U.S. government securities	38,197	41,193r	47,535	46,624r	51,774r	52,453	43,918	43,386	44,060	50,588	48,570	32,344
Federal agency												
15 Debt securities	3,742	3,760	3,894	3,923	4,099	4,020	3,901	3,139	4,934	4,649	4,417	3,332
16 Mortgage-backed securities	5,214	5,418	5,050	5,356	5,766	4,889	4,433	4,770	5,904	8,560	7,962	4,480
FUTURE AND FORWARD TRANSACTIONS[4]												
By type of deliverable security												
U.S. government securities												
17 Bills	4,237	3,694	5,402	4,826	4,187	4,582	5,182	6,801	7,540	8,577	4,009	1,852
Coupon securities												
18 Maturing in less than 3.5 years	1,198	1,306	1,556	1,003	2,048	1,651	1,467	1,126	1,384	1,197	1,241	934
19 Maturing in 3.5 to 7.5 years	463	523	797	345	629	646	625	1,169	1,093	1,114	928	399
20 Maturing in 7.5 to 15 years	925	873	1,295	698	1,171	2,031	917	1,137	1,111	1,249	1,177	745
21 Maturing in 15 years or more	7,731	8,957	10,185	6,902	10,420	12,866	10,013	7,724	9,472	10,689	9,377	4,572
Federal agency securities												
Debt												
22 Maturing in less than 3.5 years	31	81	47	45	24	47	110	6	46	95	133	210
23 Maturing in 3.5 to 7.5 years	113	53	57	11	22	93	24	100	38	14	85	26
24 Maturing in 7.5 years or more	45	96	36	87	26	72	27	17	41	62	32	38
Mortgage-backed												
25 Pass-throughs	7,607	8,427	9,025	7,350	7,717	13,008	9,531	6,793	6,651	9,302	8,057	4,226
26 All others[3]	999	721	1,151	567	1,541	1,270	604	1,142	1,276	917	791	542
OPTION TRANSACTIONS[6]												
By type of underlying securities												
U.S. government securities												
27 Bills	3	60	63	63	21	25	55	177	0	104	0	50
Coupon securities												
28 Maturing in less than 3.5 years	956	715	661	798	600	774	673	634	574	696	754	453
29 Maturing in 3.5 to 7.5 years	309	223	240	234	183	345	174	279	187	630	167	94
30 Maturing in 7.5 to 15 years	190	182	202	72	225	304	91	212	136	564	201	100
31 Maturing in 15 years or more	1,918	2,152	2,299	1,417	2,206	2,410	2,067	2,956	1,195	1,829	1,676	1,872
Federal agency securities												
Debt												
32 Maturing in less than 3.5 years	3	6	5	5	14	7	0	0	0	1	2	0
33 Maturing in 3.5 to 7.5 years	0	0	0	0	0	0	0	0	0	1	1	0
34 Maturing in 7.5 years or more	6	0	1	0	0	3	0	0	0	0	0	0
Mortgage-backed												
35 Pass-throughs	383	482	370	390	289	653	354	178	386	815	277	110
36 All others[3]	7	1	0	2	0	0	0	0	0	0	0	0

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

Dealers report cumulative transactions for each week ending Wednesday.

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

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

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

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

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

Millions of dollars

Item	1990			1990, week ending								
	Sept.	Oct.	Nov.	Oct. 31	Nov. 7	Nov. 14	Nov. 21	Nov. 28	Dec. 5	Dec. 12	Dec. 19	Dec. 26
	Positions[2]											
NET IMMEDIATE[3]												
By type of security												
U.S. government securities												
1 Bills	3,664	3,258	11,077	6,284	7,055	13,564	11,531	12,165	11,048	14,720	16,256	12,751
Coupon securities												
2 Maturing in less than 3.5 years	−352	−2,016	3,964	−1,326	4,103	2,471	2,349	6,978	3,813	4,154	7,911	10,434
3 Maturing in 3.5 to 7.5 years	−5,090	−5,885	−6,343	−6,250	−7,004	−8,212	−6,707	−4,482	−2,727	−2,211	−2,160	−1,868
4 Maturing in 7.5 to 15 years	−7,271	−6,987r	−6,674	−7,253	−5,500	−5,479	−7,103	−8,381	−7,485	−8,021	−8,673	−7,187
5 Maturing in 15 years or more	−14,195	−15,377	−10,609	−16,483	−14,403	−8,074	−10,259	−9,951	−9,725	−8,553	−9,987	−9,599
Federal agency securities												
Debt												
6 Maturing in less than 3.5 years	4,047	4,169	4,471	3,314	5,015	4,240	4,222	4,318	4,788	3,188	4,108	4,032
7 Maturing in 3.5 to 7.5 years	1,797	1,737	1,662	1,512	1,702	1,532	1,608	1,627	2,285	2,091	2,183	2,143
8 Maturing in 7.5 years or more	2,128	4,115	4,656	4,640	5,145	4,673	4,494	4,376	4,438	4,409	4,473	4,465
Mortgage-backed												
9 Pass-throughs	16,330	17,886	21,001	14,324	20,915	22,783	21,498	19,486	18,628	22,061	22,746	20,680
10 All others[4]	0	0	0	0	0	0	0	0	0	0	0	0
Other money market instruments												
11 Certificates of deposit	2,953	2,559	1,993	2,327	2,066	2,265	1,985	1,674	1,927	2,850	2,612	2,725
12 Commercial paper	7,307	6,423	5,995	6,845	6,352	6,436	5,774	5,641	5,217	8,517	6,695	7,816
13 Bankers' acceptances	954	1,214	1,407	1,668	1,609	1,584	1,460	1,048	1,157	879	902	693
FUTURE AND FORWARD[5]												
By type of deliverable security												
U.S. government securities												
14 Bills	−11,904r	−17,120	−10,671	−19,207	−15,303	−14,015	−5,726	−7,454	−11,323	−17,066	−22,043	−21,009
Coupon securities												
15 Maturing in less than 3.5 years	−573	−685	−1,605	−742	−2,104	−1,818	−1,491	−1,336	−447	−750	−1,295	−2,231
16 Maturing in 3.5 to 7.5 years	−1,403	−1,541	−890	−1,050	−258	−816	−821	−1,232	−2,406	−2,484	−3,614	−3,851
17 Maturing in 7.5 to 15 years	143	−982	−1,726	−814	−1,948	−2,101	−1,782	−1,160	−1,419	−1,847	−587	−456
18 Maturing in 15 years or more	90	−2,256	−5,330	−3,103	−3,999	−7,468	−5,326	−4,677	−4,804	−6,398	−5,390	−6,516
Federal agency securities												
Debt												
19 Maturing in less than 3.5 years	132	166	69	180	77	99	42	37	145	282	208	149
20 Maturing in 3.5 to 7.5 years	76	96	45	29	86	24	48	38	−4	66	45	93
21 Maturing in 7.5 years or more	100	118	−35	156	2	42	−78	−78	−136	−238	−57	−76
Mortgage-backed												
22 Pass-throughs	−7,683	−8,186	−11,250	−5,919	−10,863	−13,126	−11,766	−9,589	−10,040	−9,847	−9,621	−8,133
23 All others[4]	0	0	0	0	0	0	0	0	0	0	0	0
Other money market instruments												
24 Certificates of deposit	56,474	86,147	85,459	91,599	104,748	92,247	84,906	68,405	55,816	47,634	46,620	49,743
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	159,515	175,353	169,357	188,134	167,660	186,630	155,006	171,250	158,449	151,086	139,864	132,538
28 Term	219,855	226,083	224,231	231,045	243,113	227,169	222,034	207,174	215,257	217,800	218,034	216,107
Repurchase agreements												
29 Overnight and continuing	235,588	248,211	235,064	250,874	246,770	266,824	179,908	244,198	244,003	239,361	245,899	242,359
30 Term	174,627	183,745	205,441	189,835	206,851	200,587	239,695	181,378	181,829	184,627	182,153	181,651
Securities borrowed												
31 Overnight and continuing	50,783	50,122	48,043	50,536	48,173	46,334	47,273	48,897	53,270	57,229	56,689	54,971
32 Term	18,003	19,182	22,067	19,798	21,814	22,141	22,257	21,987	22,313	21,465	22,629	22,970
Securities lent												
33 Overnight and continuing	22,156	20,897	19,173	19,286	18,468	18,584	19,204	18,950	24,381	26,811	29,846	28,481
34 Term	1,046	621	1,922	697	5,411	465	691	1,430	846	922	1,422	1,936
Collateralized loans												
35 Overnight and continuing	4,870	4,421	4,434	4,652	3,849	5,036	3,916	4,832	4,790	5,715	6,318	7,449
36 Term	863	1,101	1,078	1,048	1,153	1,075	1,302	821	943	1,061	1,228	695
MEMO: Matched book[7]												
Reverse repurchases												
37 Overnight and continuing	102,856	110,533	105,308	114,796	100,814	115,686	96,976	109,101	100,604	100,762	91,572	85,221
38 Term	178,083	179,414	179,011	180,545	194,837	184,261	173,933	165,374	170,754	175,527	174,938	170,680
Repurchases												
39 Overnight and continuing	137,034	141,338	126,078	145,099	129,508	141,554	99,732	132,446	129,834	127,199	118,842	115,356
40 Term	137,764	142,489	152,980	147,338	159,324	154,490	163,100	140,003	135,487	138,562	132,258	130,387

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. 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				
					July	Aug.	Sept.	Oct.	Nov.
1 **Federal and federally sponsored agencies**	**307,361**	**341,386**	**381,498**	**411,805**	**420,529**	**421,554**	**421,308**	**431,519**	**430,842**
2 Federal agencies	36,958	37,981	35,668	35,664	41,978	42,323	42,420	42,685	42,191
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	11,150	11,150	11,346	11,346	11,346
5 Federal Housing Administration[4]	138	183	150	328	281	316	357	382	387
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	6,148	6,948	6,948	6,948	6,948
8 Tennessee Valley Authority	17,222	18,089	18,335	17,899	24,392	23,902	23,762	24,002	23,510
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	378,551	379,231	378,388	388,834	388,651
11 Federal Home Loan Banks	88,758	115,727	135,836	136,087	119,692	118,380	116,336	117,120	116,627
12 Federal Home Loan Mortgage Corporation	13,589	17,645	22,797	26,148	27,716	27,589	27,985	29,073	30,035
13 Federal National Mortgage Association	93,563	97,057	105,459	116,064	118,356	119,248	118,826	119,775	122,257
14 Farm Credit Banks[8]	62,478	55,275	53,127	54,864	53,175	54,015	54,382	56,788	53,469
15 Student Loan Marketing Association[9]	12,171	16,503	22,073	28,705	32,218	32,605	33,376	33,592	33,777
16 Financing Corporation[10]	0	1,200	5,850	8,170	8,170	8,170	8,170	8,170	8,170
17 Farm Credit Financial Assistance Corporation[11]	0	0	690	847	1,172	1,172	1,261	1,261	1,261
18 Resolution Funding Corporation[12]	0	0	0	4,522	18,052	18,052	18,052	23,055	23,055
MEMO									
19 **Federal Financing Bank debt[13]**	**157,510**	**152,417**	**142,850**	**134,873**	**162,443**	**166,017**	**173,318**	**180,538**	**177,620**
Lending to federal and federally sponsored agencies									
20 Export-Import Bank[3]	14,205	11,972	11,027	10,979	11,144	11,144	11,340	11,340	11,340
21 Postal Service[6]	2,854	5,853	5,892	6,195	5,898	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	4,880	4,880	4,850
23 Tennessee Valley Authority	15,797	16,709	16,955	16,519	15,012	14,522	14,382	14,622	14,130
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	52,171	52,211	52,049	52,324	52,324
26 Rural Electrification Administration	21,680	21,191	19,246	19,265	19,066	19,043	19,042	18,966	18,968
27 Other	32,545	32,078	26,324	23,724	54,272	57,519	64,927	71,708	69,310

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 Institutions 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	1987	1988	1989	1990 May	June[r]	July[r]	Aug.[r]	Sept.	Oct.[r]	Nov.[r]	Dec.
1 **All issues, new and refunding[1]**	**102,407**	**114,522**	**113,646**	**11,466[r]**	**13,323**	**8,513**	**10,899**	**13,930**	**8,434**	**9,961**	**12,250**
Type of issue											
2 General obligation	30,589	30,312	35,774	3,166	4,124	2,624	3,400	3,763	3,169	3,024	3,536
3 Revenue	71,818	84,210	77,873	8,866	9,199	5,889	7,499	10,167	5,265	6,937	8,714
Type of issuer											
4 State	10,102	8,830	11,819	1,003	1,090	965	1,568	2,317	1,470	1,337	1,396
5 Special district and statutory authority[2]	65,460	74,409	71,022	7,485	8,556	5,883	6,962	8,188	4,521	5,879	7,032
6 Municipalities, counties, and townships	26,845	31,193	30,805	3,544	3,977	1,666	2,369	3,425	2,530	2,745	3,822
7 **Issues for new capital, total**	**56,789**	**79,665**	**84,062**	**10,486**	**9,842**	**7,123**	**9,061**	**12,713**	**7,858**	**9,058**	**10,707**
Use of proceeds											
8 Education	9,524	15,021	15,133	1,694	1,962	1,413	1,345	1,472	1,667	1,009	1,418
9 Transportation	3,677	6,825	6,870	1,375	1,340	683	540	920	1,060	727	2,008
10 Utilities and conservation	7,912	8,496	11,427	1,232	1,239	694	1,002	687	620	1,301	776
11 Social welfare	11,106	19,027	16,703	2,628	1,456	1,741	2,554	3,995	1,153	1,992	2,001
12 Industrial aid	7,474	5,624	5,036	681	415	509	700	674	445	540	933
13 Other purposes	18,020	24,672	28,894	2,155	3,430	2,083	2,919	4,965	2,913	3,489	3,571

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	1987	1988	1989	1990 Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
1 **All issues[1]**	**392,261**	**410,713**	**376,171**	**15,346**	**25,204**	**28,900**	**19,975**	**13,750**	**14,633[r]**	**19,427[r]**	**22,635**
2 **Bonds[2]**	**325,753**	**352,912**	**318,300**	**13,590**	**22,853**	**26,027**	**17,728**	**12,942**	**14,207[r]**	**18,465[r]**	**21,400**
Type of offering											
3 Public, domestic	209,377	202,034	180,913	12,669	19,703	22,816	14,423	11,746	12,298[r]	16,600	19,900
4 Private placement, domestic[3]	92,070	127,700	114,629	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5. Sold abroad	24,306	23,178	22,758	921	3,150	3,211	3,305	1,196	1,909	1,865[r]	1,500
Industry group											
6 Manufacturing	60,657	70,575	76,345	3,612	2,580	3,812	1,838	861	2,246	2,804	5,180
7 Commercial and miscellaneous	49,773	62,089	49,307	683	1,171	2,999	1,728	223	117	446	400
8 Transportation	11,974	10,075	10,105	194	927	1,001	270	500	533	187	339
9 Public utility	22,991	19,528	17,059	435	1,004	2,561	703	835	1,000	831	2,222
10 Communication	7,340	5,952	8,503	500	326	411	137	35	268	242	520
11 Real estate and financial	173,018	184,692	156,983	8,167	16,845	15,243	13,052	10,488	10,043[r]	13,955[r]	12,739
12 **Stocks[2]**	**66,508**	**57,802**	**57,870**	**1,756**	**2,351**	**2,873**	**2,247**	**808**	**426**	**962**	**1,235**
Type											
13 Preferred	10,123	6,544	6,194	193	665	310	350	145	100	550	265
14 Common	43,225	35,911	26,030	1,564	1,686	2,563	1,897	663	327	412	970
15 Private placement[3]	13,157	15,346	25,647	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Industry group											
16 Manufacturing	13,880	7,608	9,308	253	86	265	348	125	0	60	154
17 Commercial and miscellaneous	12,888	8,449	7,446	666	706	748	507	251	172	194	42
18 Transportation	2,439	1,535	1,929	0	22	21	0	71	0	7	0
19 Public utility	4,322	1,898	3,090	219	471	0	173	139	39	297	462
20 Communication	1,458	515	1,904	0	380	29	0	0	0	0	0
21 Real estate and financial	31,521	37,798	34,028	619	686	1,799	862	218	215	400	574

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	1988	1989	1990							
			Apr.	May	June	July	Aug.	Sept.	Oct.[r]	Nov.
INVESTMENT COMPANIES[1]										
1 **Sales of own shares[2]**	**271,237**	**306,445**	**29,788**	**27,431**	**28,301**	**29,444**	**29,227**	**23,387**	**27,511**	**25,793**
2 Redemptions of own shares[3]	267,451	272,165	27,306	23,337	23,340	22,933	24,837	21,053	23,112	22,086
3 Net sales	3,786	34,280	2,482	4,094	4,961	6,511	4,390	2,334	4,399	3,707
4 **Assets[4]**	**472,297**	**553,871**	**542,061**	**574,302**	**582,190**	**586,526**	**554,722**	**535,787**	**538,306**	**557,676**
5 Cash position[5]	45,090	44,780	55,213	52,741	49,861	48,944	51,103	51,128	51,847	52,835
6 Other	427,207	509,091	486,848	521,560	532,329	537,582	503,619	484,659	486,459	504,841

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	1987	1988	1989	1988	1989				1990		
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1 Corporate profits with inventory valuation and capital consumption adjustment	308.3	337.6	311.6	349.6	327.3	321.4	306.7	290.9	296.8	306.6	300.7
2 Profits before tax	275.3	316.7	307.7	331.1	335.1	314.6	291.4	289.8	296.9	299.3	318.5
3 Profits tax liability	126.9	136.2	135.1	142.1	148.3	140.8	127.8	123.5	129.9	133.1	139.1
4 Profits after tax	148.4	180.5	172.6	189.1	186.7	173.8	163.6	166.3	167.1	166.1	179.4
5 Dividends	98.2	110.0	123.5	115.3	119.1	122.1	125.0	127.7	130.3	133.0	135.1
6 Undistributed profits	50.2	70.5	49.1	73.8	67.6	51.7	38.6	38.6	36.8	33.2	44.3
7 Inventory valuation	−19.4	−27.0	−21.7	−22.5	−43.0	−23.1	−6.1	−14.5	−11.4	−.5	−19.8
8 Capital consumption adjustment	52.4	47.8	25.5	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			1990				1991
				Q2	Q3	Q4	Q1	Q2	Q3	Q4	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 add 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	1987	1988	1989	1990 June	1990 July	1990 Aug.	1990 Sept.	1990 Oct.	1990 Nov.
1 Total	**205,992**	**234,578**	**258,504**	**273,786**	**277,616**	**283,043**	**285,654**	**287,921**	**287,819**
Retail financing of installment sales									
2 Automotive	36,139	36,957	39,139	39,716	38,931	38,610	38,470	39,150	38,600
3 Equipment	25,075	28,199	29,674	30,491	30,623	30,707	30,607	30,487	30,729
4 Pools of securitized assets[2]	n.a.	n.a.	698	642	800	987	946	902	927
Wholesale									
5 Automotive	30,070	32,357	33,074	31,815	33,158	34,429	37,082	35,258	33,111
6 Equipment	5,578	5,954	6,896	9,495	9,929	9,812	9,791	10,698	10,847
7 All other	8,329	9,312	9,918	10,043	9,722	9,707	9,597	9,477	9,447
8 Pools of securitized assets[2]	n.a.	n.a.	0	0	0	650	863	679	649
Leasing									
9 Automotive	22,097	24,875	27,074	29,575	30,210	30,942	30,453	31,303	31,601
10 Equipment	43,493	57,658	68,112	74,916	76,316	78,714	79,158	80,833	81,427
11 Pools of securitized assets[2]	n.a.	n.a.	1,247	1,547	1,760	1,703	1,655	1,724	1,884
12 Loans on commercial accounts receivable and factored commercial accounts receivable	18,170	18,103	19,081	19,869	20,077	19,974	20,538	20,740	21,652
13 All other business credit	17,042	21,162	23,590	25,677	26,089	26,809	26,495	26,670	26,944
	Net change (during period)								
14 Total	**33,866**	**22,434**	**22,580**	**6,927**	**3,830**	**5,427**	**2,611**	**2,267**	**−101**
Retail financing of installment sales									
15 Automotive	9,925	819	2,182	471	−785	−321	−141	680	−549
16 Equipment	2,056	1,386	1,475	−144	132	84	−100	−120	243
17 Pools of securitized assets[2]	n.a.	n.a.	−26	20	158	187	−41	−44	25
Wholesale									
18 Automotive	7,158	2,288	716	1,919	1,343	1,271	2,653	−1,823	−2,147
19 Equipment	250	377	940	67	434	−118	−21	907	149
20 All other	1,293	983	605	151	−321	−16	−110	−120	−29
21 Pools of securitized assets[2]	n.a.	n.a.	0	0	0	650	213	−184	−30
Leasing									
22 Automotive	2,174	2,777	2,201	696	636	731	−488	850	298
23 Equipment	5,271	9,752	9,187	2,201	1,400	2,398	444	1,675	594
24 Pools of securitized assets[2]	n.a.	n.a.	526	−50	213	−57	−48	69	160
25 Loans on commercial accounts receivable and factored commercial accounts receivable	2,245	−65	979	1,169	208	−103	564	202	912
26 All other business credit	3,498	4,119	3,796	427	412	721	−314	175	273

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 June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	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	149.8	163.5	161.5	156.6	146.1	151.5	156.3
2 Amount of loan (thousands of dollars)	110.5	117.0	112.4	111.8	120.9	118.3	114.8	105.1	111.2	115.4
3 Loan/price ratio (percent)	75.5	74.5	74.8	76.4	75.3	74.5	74.7	73.5	75.0	74.9
4 Maturity (years)	28.0	28.1	27.3	26.9	28.0	27.2	27.2	26.9	27.1	28.6
5 Fees and charges (percent of loan amount)[2]	2.19	2.06	1.93	1.96	1.93	2.07	1.78	1.80	1.68	1.85
6 Contract rate (percent per year)	8.81	9.76	9.68	9.80	9.75	9.75	9.60	9.68	9.61	9.45
Yield (percent per year)										
7 OTS series[3]	9.18	10.11	10.01	10.13	10.08	[illegible]	9.90	9.98	9.90	9.76
8 HUD series[4]	10.30	10.21	10.08	10.12	9.94	[illegible].12	10.18	10.11	9.86	9.66
SECONDARY MARKETS										
Yield (percent per year)										
9 FHA mortgages (HUD series)[5]	10.49	10.24	10.17	10.18	10.11	10.28	10.24	10.23	9.81	9.66
10 GNMA securities[6]	9.83	9.71	9.52	9.54	9.48	9.63	9.65	9.66	9.46	9.08
	Activity in secondary markets									
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
Mortgage holdings (end of period)										
11 Total	101,329	104,974	113,329	112,855	113,378	113,507	113,718	114,216	115,085	116,628
12 FHA/VA-insured	19,762	19,640	21,028	20,830	21,059	21,101	21,364	21,495	21,530	21,751
13 Conventional	81,567	85,335	92,302	92,025	92,319	92,406	92,354	92,721	93,555	94,877
Mortgage transactions (during period)										
14 Purchases	23,110	22,518	23,959	1,802	2,304	2,134	2,123	2,077	2,078	2,410
Mortgage commitments[7]										
15 Issued (during period)[8]	n.a.	n.a.	n.a.	2,089	2,215	2,302	2,073	1,849	2,426	2,104
16 To sell (during period)[9]	n.a.	n.a.	n.a.	853	874	761	644	92	0	0
FEDERAL HOME LOAN MORTGAGE CORPORATION										
Mortgage holdings (end of period)[9]										
17 Total	15,105	20,105	n.a.	19,979	20,127	20,564	20,508	20,790	n.a.	n.a.
18 FHA/VA	620	590	n.a.	550	546	541	536	530	n.a.	n.a.
19 Conventional	14,485	19,516	n.a.	19,429	19,581	20,023	19,972[r]	20,260	n.a.	n.a.
Mortgage transactions (during period)										
20 Purchases	44,077	78,588	n.a.	5,856	4,527	5,417	5,798	6,118	n.a.	n.a.
21 Sales	39,780	73,446	68,383	5,546	4,248	4,808	5,707	5,734	5,280	5,519
Mortgage commitments[10]										
22 Contracted (during period)	66,026	88,519	n.a.	11,183	5,851	5,646	6,643	10,972	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	1987	1988	1989	1989 Q3	1989 Q4	1990 Q1	1990 Q2r	1990 Q3p
1 **All holders**	**2,971,019**	**3,264,348**	**3,538,305r**	**3,472,516r**	**3,538,305r**	**3,599,880r**	**3,666,728**	**3,726,071**
2 1- to 4-family	1,958,400	2,186,292	2,404,272r	2,347,563r	2,404,272r	2,449,981r	2,512,799	2,569,327
3 Multifamily	272,500	289,128	304,068r	301,160r	304,068r	308,865r	307,683	307,631
4 Commercial	651,323	702,113	744,626r	737,484r	744,626r	756,323r	761,698	764,933
5 Farm	88,797	86,816	85,339r	86,309r	85,339r	84,710	84,548	84,180
6 Selected financial institutions	1,657,937	1,826,668	1,918,938r	1,914,074r	1,918,938r	1,924,626r	1,925,053	1,917,435
7 Commercial banks[2]	592,449	669,237	763,415r	742,442r	763,415r	783,379r	811,174	826,721
8 1- to 4-family	275,613	317,585	368,518r	355,096r	368,518r	376,306r	395,082	403,142
9 Multifamily	32,756	33,158	37,996r	37,201	37,996r	39,127r	39,172	39,971
10 Commercial	269,648	302,989	340,204r	333,606r	340,204r	351,135r	359,747	366,085
11 Farm	14,432	15,505	16,697r	16,539	16,697r	16,811r	17,173	17,523
12 Savings institutions[3]	860,467	924,606	910,254	932,373	910,254	891,921r	860,540	835,219
13 1- to 4-family	602,408	671,722	669,220	683,148	669,220	658,405r	641,864	627,758
14 Multifamily	106,359	110,775	106,014	108,447	106,014	103,841r	97,314	92,479
15 Commercial	150,943	141,433	134,370	140,096	134,370	129,056r	120,795	114,428
16 Farm	757	676	650	682	650	619	567	554
17 Life insurance companies	205,021	232,825	245,269r	239,259r	245,269r	249,326r	253,339	255,496
18 1- to 4-family	12,676	15,299	13,812r	13,275r	13,812r	14,158r	14,560	15,038
19 Multifamily	21,644	23,583	27,174r	26,351r	27,174r	28,161r	29,247	30,207
20 Commercial	160,874	184,273	194,722r	190,003r	194,722r	197,472r	199,990	200,714
21 Farm	9,828	9,671	9,561r	9,630r	9,561r	9,535r	9,542	9,537
22 Finance companies[4]	29,716	37,846	45,476	43,157	45,476	45,808	47,104	48,531
23 Federal and related agencies	192,721	200,570	209,498r	205,809	209,498r	216,146r	228,362	237,497
24 Government National Mortgage Association	444	26	23	24	23	22	21	20
25 1- to 4-family	25	26	23	24	23	22	21	20
26 Multifamily	419	0	0	0	0	0	0	0
27 Farmers Home Administration[5]	43,051	42,018	41,176	41,117	41,176	41,125	41,175	41,330
28 1- to 4-family	18,169	18,347	18,422	18,405	18,422	18,419	18,434	18,445
29 Multifamily	8,044	8,513	9,054	8,916	9,054	9,199	9,361	9,513
30 Commercial	6,603	5,343	4,443	4,366	4,443	4,510	4,545	4,732
31 Farm	10,235	9,815	9,257	9,430	9,257	8,997	8,835	8,641
32 Federal Housing and Veterans Administration	5,574	5,973	6,087	6,023	6,087	6,355	6,792	6,912
33 1- to 4-family	2,557	2,672	2,875r	2,900	2,875r	3,027r	3,054	3,121
34 Multifamily	3,017	3,301	3,212r	3,123	3,212r	3,328r	3,738	3,790
35 Federal National Mortgage Association	96,649	103,013	110,721	107,052	110,721	112,353	112,855	114,828
36 1- to 4-family	89,666	95,833	102,295	99,168	102,295	103,300	103,431	105,466
37 Multifamily	6,983	7,180	8,426	7,884	8,426	9,053	9,424	9,362
38 Federal Land Banks	34,131	32,115	29,640	30,943	29,640	29,325	29,595	29,212
39 1- to 4-family	2,008	1,890	1,210	1,821	1,210	1,197	1,741	1,782
40 Farm	32,123	30,225	28,430	29,122	28,430	28,128	27,854	27,430
41 Federal Home Loan Mortgage Corporation	12,872	17,425	21,851	20,650	21,851	19,823	19,979	19,994
42 1- to 4-family	11,430	15,077	18,248	17,659	18,248	16,772	17,316	17,320
43 Multifamily	1,442	2,348	3,603	2,992	3,603	3,051	2,663	2,674
44 Mortgage pools or trusts[6]	718,297	810,887	942,432r	898,241r	942,432r	979,936r	1,020,293	1,064,675
45 Government National Mortgage Association	317,555	340,527	368,367r	360,097r	368,367r	376,962r	385,456	393,879
46 1- to 4-family	309,806	331,257	358,142	349,838	358,142	366,300	374,960	383,532
47 Multifamily	7,749	9,270	10,225r	10,259r	10,225r	10,662r	10,496	10,347
48 Federal Home Loan Mortgage Corporation	212,634	226,406	272,870	257,938	272,870	281,736	295,340	309,415
49 1- to 4-family	205,977	219,988	266,060	251,232	266,060	274,084	287,232	300,931
50 Multifamily	6,657	6,418	6,810	6,706	6,810	7,652	8,108	8,484
51 Federal National Mortgage Association	139,960	178,250	228,232	208,894	228,232	246,391	263,330	283,415
52 1- to 4-family	137,988	172,331	219,577	200,302	219,577	237,916	254,811	274,675
53 Multifamily	1,972	5,919	8,655	8,592	8,655	8,475	8,519	8,740
54 Farmers Home Administration[5]	245	104	80	82	80	76r	72	70
55 1- to 4-family	121	26	21	22	21	20	19	18
56 Multifamily	0	0	0	0	0	0	0	0
57 Commercial	63	38	26	26	26	25	24	24
58 Farm	61	40	33	35	33	31	30	28
59 Individuals and others[7]	402,064	426,223	467,438	454,392	467,438	479,172	493,021	506,464
60 1- to 4-family	242,053	258,639	292,967	283,445	292,967	301,573	312,670	324,020
61 Multifamily	75,458	78,663	82,899	80,689	82,899	84,873	86,935	88,264
62 Commercial	63,192	68,037	70,861	69,387	70,861	72,136	72,868	73,713
63 Farm	21,361	20,884	20,711	20,871	20,711	20,589	20,548	20,467

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	1988	1989	1990								
			Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.[r]	Nov.
	Seasonally adjusted										
1 **Total**	**664,701**	**716,624**	**720,445**	**720,835**	**724,485**	**724,601**	**729,329**	**732,385**	**735,222**	**736,595**	**738,316**
2 Automobile	284,556	290,770	290,932	288,936	288,931	287,168	286,791	285,283	285,261	284,402	283,989
3 Revolving	174,057	197,110	202,263	203,965	207,153	208,362	212,138	214,492	216,804	218,381	219,416
4 Mobile home	25,201	22,343	22,708	22,702	22,815	22,733	22,795	22,976	22,672	22,491	22,516
5 Other	180,887	206,401	204,543	205,232	205,585	206,338	207,605	209,635	210,484	211,320	212,395
	Not seasonally adjusted										
6 **Total**	**674,719**	**727,561**	**713,138**	**715,801**	**720,045**	**722,953**	**727,196**	**734,511**	**737,260**	**737,252**	**739,303**
By major holder											
7 Commercial banks	324,792	343,865	334,645	337,576	339,328	335,998	339,124	342,987	344,941	344,875	345,132
8 Finance companies	146,212	140,832	137,857	138,174	138,384	138,642	138,796	139,496	140,890	141,329	139,195
9 Credit unions	88,340	90,875	89,556	89,689	89,913	90,137	90,631	91,306	91,311	91,406	91,108
10 Retailers[2]	48,302	42,638	37,302	37,207	37,347	37,382	36,804	37,231	36,682	36,047	37,470
11 Savings institutions	63,399	57,228	54,095	53,606	53,301	52,902	52,503	52,399	51,358	50,787	50,310
12 Gasoline companies	3,674	3,935	3,792	3,928	4,024	4,192	4,396	4,722	4,723	4,718	4,701
13 Pools of securitized assets[2]	n.a.	48,188	55,891	55,621	57,748	63,700	64,942	66,370	67,355	68,089	71,387
By major type of credit[3]											
14 Automobile	284,328	290,421	286,539	286,220	287,140	287,254	287,479	288,221	289,255	287,730	285,381
15 Commercial banks	123,392	126,613	126,289	126,483	127,056	126,988	126,986	128,079	128,937	128,133	126,561
16 Finance companies	97,245	82,721	79,523	79,295	78,927	78,273	77,716	77,205	78,116	78,033	75,224
17 Pools of securitized assets[2]	n.a.	18,191	19,563	19,406	20,151	21,043	21,692	21,562	21,239	20,786	23,175
18 Revolving	183,909	208,188	199,937	201,783	204,854	206,820	209,582	213,119	214,853	216,285	219,372
19 Commercial banks	123,020	130,956	122,024	124,039	125,433	122,116	124,569	125,967	126,995	127,950	128,770
20 Retailers	43,697	37,967	32,794	32,721	32,857	32,884	32,325	32,735	32,212	31,601	32,993
21 Gasoline companies	3,674	3,935	3,792	3,928	4,024	4,192	4,396	4,722	4,723	4,718	4,701
22 Pools of securitized assets[2]	n.a.	22,977	29,542	29,403	30,913	36,076	36,786	38,194	39,606	40,798	41,800
23 Mobile home	25,143	22,283	22,426	22,484	22,610	22,644	22,873	23,033	22,815	22,720	22,644
24 Commercial banks	9,025	9,155	9,142	9,231	9,295	9,296	9,443	9,541	9,396	9,363	9,349
25 Finance companies	7,191	4,716	5,178	5,168	5,224	5,266	5,328	5,358	5,423	5,400	5,364
26 Other	181,339	206,669	204,236	205,314	205,441	206,235	207,252	210,138	210,337	210,517	211,906
27 Commercial banks	69,355	77,141	77,190	77,823	77,544	77,598	78,126	79,400	79,613	79,429	80,452
28 Finance companies	41,776	53,395	53,156	53,711	54,233	55,103	55,752	56,933	57,351	57,896	58,607
29 Retailers	4,605	4,671	4,508	4,486	4,490	4,498	4,479	4,496	4,470	4,446	4,477
30 Pools of securitized assets[2]	n.a.	7,020	6,786	6,812	6,684	6,581	6,464	6,614	6,510	6,506	6,412

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	1987	1988	1989	1990 May	1990 June	1990 July	1990 Aug.	1990 Sept.	1990 Oct.	1990 Nov.
	INTEREST RATES										
	Commercial banks[2]										
1	48-month new car[3]	10.45	10.85	12.07	11.82	n.a.	n.a.	11.89	n.a.	n.a.	11.62
2	24-month personal	14.22	14.68	15.44	15.41	n.a.	n.a.	15.46	n.a.	n.a.	15.69
3	120-month mobile home[3]	13.38	13.54	14.11	14.09	n.a.	n.a.	14.09	n.a.	n.a.	13.99
4	Credit card	17.92	17.78	18.02	18.14	n.a.	n.a.	18.18	n.a.	n.a.	18.23
	Auto finance companies										
5	New car	10.73	12.60	12.62	12.23	12.58	12.68	12.62	12.34	12.57	12.74
6	Used car	14.60	15.11	16.18	16.03	16.00	15.96	15.98	16.03	16.12	16.07
	OTHER TERMS[4]										
	Maturity (months)										
7	New car	53.5	56.2	54.2	54.5	54.8	54.9	54.8	54.3	54.6	54.6
8	Used car	45.2	46.7	46.6	46.1	46.2	46.2	46.2	46.1	46.1	46.0
	Loan-to-value ratio										
9	New car	93	94	91	87	87	86	86	85	85	85
10	Used car	98	98	97	96	95	96	96	95	95	95
	Amount financed (dollars)										
11	New car	11,203	11,663	12,001	12,064	12,108	12,125	11,939	11,837	11,917	11,986
12	Used car	7,420	7,824	7,954	8,169	8,296	8,401	8,415	8,403	8,423	8,494

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	1985	1986	1987	1988	1989	1989				1990		
						Q1	Q2	Q3	Q4	Q1	Q2	Q3
	Nonfinancial sectors											
1 **Total net borrowing by domestic nonfinancial sectors**	**848.1**	**836.9**	**687.0**	**760.8**	**678.2**	**746.9**	**666.8**	**678.8**	**620.2**	**762.1**	**624.6**	**708.6**
By sector and instrument												
2 U.S. government	223.6	215.0	144.9	157.5	151.6	147.3	100.1	173.9	185.0	247.6	228.7	286.7
3 Treasury securities	223.7	214.7	143.4	140.0	150.0	148.5	95.0	166.8	189.6	218.1	223.4	288.0
4 Agency issues and mortgages	−.1	.4	1.5	17.4	1.6	−1.2	5.1	7.1	−4.6	29.6	5.4	−1.3
5 Private domestic nonfinancial sectors	624.5	621.9	542.1	603.3	526.6	599.6	566.7	504.9	435.2	514.5	395.8	422.0
6 Debt capital instruments	451.2	465.8	453.2	459.2	379.8	412.8	390.1	369.2	347.0	366.2	331.4	294.0
7 Tax-exempt obligations	135.4	22.7	49.3	49.8	30.4	39.7	28.7	34.1	19.1	13.0	21.9	25.9
8 Corporate bonds	73.5	126.8	79.4	102.9	73.7	58.2	86.5	62.7	87.4	44.6	66.9	38.1
9 Mortgages	242.2	316.3	324.5	306.5	275.7	314.9	275.0	272.4	240.5	308.6	242.7	230.0
10 Home mortgages	156.8	218.7	234.9	231.0	218.0	225.5	211.3	221.0	214.3	237.3	225.4	207.9
11 Multifamily residential	29.8	33.5	24.4	16.7	16.4	23.1	21.4	11.8	9.5	21.9	−4.3	.0
12 Commercial	62.2	73.6	71.6	60.8	42.7	68.6	41.5	40.9	19.9	50.7	24.6	23.0
13 Farm	−6.6	−9.5	−6.4	−2.1	−1.5	−2.3	.9	−1.3	−3.2	−1.4	−3.0	−.9
14 Other debt instruments	173.3	156.1	88.9	144.1	146.8	186.8	176.5	135.6	88.2	148.3	64.4	128.0
15 Consumer credit	82.5	58.0	33.5	50.2	39.1	38.2	36.9	37.1	44.1	14.6	9.8	27.7
16 Bank loans n.e.c.	40.6	66.9	10.0	39.8	39.9	55.9	45.1	50.8	7.7	19.6	6.5	10.5
17 Open market paper	14.6	−9.3	2.3	11.9	20.4	32.3	39.5	16.9	−6.9	69.7	−6.0	17.5
18 Other	35.6	40.5	43.2	42.2	47.4	60.4	55.0	30.9	43.3	44.4	54.1	72.2
19 By borrowing sector	624.5	621.9	542.1	603.3	526.6	599.6	566.7	504.9	435.2	514.5	395.8	422.0
20 State and local governments	90.9	36.2	48.8	45.6	29.6	40.1	33.3	28.6	16.5	9.0	14.9	20.5
21 Households	284.5	293.0	302.2	314.9	285.0	293.4	264.0	290.8	291.8	300.0	270.2	283.4
22 Nonfinancial business	249.1	292.7	191.0	242.8	211.9	266.1	269.4	185.4	126.9	205.4	110.7	118.1
23 Farm	−14.5	−16.3	−10.6	−7.5	1.6	4.7	−5.0	−2.1	8.9	4.3	−6.1	3.9
24 Nonfarm noncorporate	129.3	99.2	77.9	65.7	50.8	71.0	56.9	40.2	35.0	38.4	25.5	24.3
25 Corporate	134.3	209.7	123.7	184.6	159.5	190.3	217.4	147.3	83.1	162.8	91.3	89.9
26 Foreign net borrowing in United States	1.2	9.7	4.5	6.3	10.9	3.2	−6.9	30.4	16.9	−3.5	41.1	26.3
27 Bonds	3.8	3.1	7.4	6.9	5.3	2.5	11.5	8.1	−1.0	28.3	27.0	1.6
28 Bank loans n.e.c.	−2.8	−1.0	−3.6	−1.8	−.1	3.2	−3.2	3.7	−4.3	−6.7	−2.1	2.7
29 Open market paper	6.2	11.5	2.1	8.7	13.3	16.9	−6.6	20.7	22.2	−16.5	23.0	27.3
30 U.S. government loans	−6.0	−3.9	−1.4	−7.5	−7.5	−19.4	−8.7	−2.1	.1	−8.6	−6.9	−5.3
31 **Total domestic plus foreign**	**849.3**	**846.6**	**691.5**	**767.1**	**689.1**	**750.1**	**659.9**	**709.2**	**637.1**	**758.6**	**665.7**	**734.9**
	Financial sectors											
32 **Total net borrowing by financial sectors**	**201.3**	**285.1**	**300.2**	**247.6**	**205.5**	**356.6**	**154.1**	**123.9**	**187.3**	**198.5**	**172.5**	**214.3**
By instrument												
33 U.S. government related	101.5	154.1	171.8	119.8	151.0	194.0	128.8	124.8	156.4	176.2	183.7	167.4
34 Sponsored credit agency securities	20.6	15.2	30.2	44.9	25.2	70.0	22.5	13.2	−4.7	14.5	17.3	17.9
35 Mortgage pool securities	79.9	139.2	142.3	74.9	125.8	124.0	106.3	111.6	161.1	161.7	166.4	149.4
36 Loans from U.S. government	1.1	−.4	−.8	.0	.0	.0	.0	.0	.0	.0	.0	.0
37 Private financial sectors	99.7	131.0	128.4	127.8	54.5	162.6	25.3	−.9	30.9	22.3	−11.2	46.9
38 Corporate bonds	50.9	82.9	78.9	51.7	36.8	52.3	28.5	26.7	39.6	37.7	64.1	39.5
39 Mortgages	.1	.1	.4	.3	.0	.3	.0	.3	−.4	−.7	.8	−1.4
40 Bank loans n.e.c.	2.6	4.0	−3.2	1.4	1.8	1.0	−.1	2.0	4.2	−2.2	−.7	1.7
41 Open market paper	32.0	24.2	27.9	54.8	26.9	50.1	10.1	11.0	36.3	9.4	−44.7	37.3
42 Loans from Federal Home Loan Banks	14.2	19.8	24.4	19.7	−11.0	58.9	−13.1	−41.0	−48.8	−21.8	−30.7	−30.3
By sector												
43 **Total**	**201.3**	**285.1**	**300.2**	**247.6**	**205.5**	**356.6**	**154.1**	**123.9**	**187.3**	**198.5**	**172.5**	**214.3**
44 Sponsored credit agencies	21.7	14.9	29.5	44.9	25.2	70.0	22.5	13.2	−4.7	14.5	17.3	17.9
45 Mortgage pools	79.9	139.2	142.3	74.9	125.8	124.0	106.3	111.6	161.1	161.7	166.4	149.4
46 Private financial sectors	99.7	131.0	128.4	127.8	54.5	162.6	25.3	−.9	30.9	22.3	−11.2	46.9
47 Commercial banks	−4.9	−3.6	6.2	−3.0	−1.4	−11.1	2.5	3.5	−.7	−4.9	−7.9	−14.4
48 Bank affiliates	16.6	15.2	14.3	5.2	6.2	9.4	2.9	16.5	−3.9	−12.8	−32.6	−22.7
49 Savings and loan associations	17.3	20.9	19.6	19.9	−14.1	60.8	−16.3	−44.7	−56.2	−15.8	−52.7	−38.0
50 Mutual savings banks	1.5	4.2	8.1	1.9	−1.4	−4.1	.0	−2.3	.7	−8.3	5.9	1.2
51 Finance companies	57.7	54.7	40.8	67.7	46.3	68.8	40.4	23.5	52.6	29.8	27.8	87.1
52 REITs	−.1	.8	.3	3.5	−1.9	−1.8	−2.8	−3.1	.1	−.5	−2.0	−1.5
53 SCO Issuers	11.5	39.0	39.1	32.5	20.8	40.6	−1.4	5.7	38.2	34.7	50.3	35.3

1.57—Continued

Transaction category, sector	1985	1986	1987	1988	1989	1989 Q1	1989 Q2	1989 Q3	1989 Q4	1990 Q1	1990 Q2	1990 Q3
All sectors												
54 **Total net borrowing**	**1,050.6**	**1,131.7**	**991.7**	**1,014.7**	**894.5**	**1,106.7**	**814.0**	**833.0**	**824.4**	**957.1**	**838.2**	**949.2**
55 U.S. government securities	324.2	369.5	317.5	277.2	302.6	341.3	228.9	298.7	341.4	423.8	412.5	454.0
56 State and local obligations	135.4	22.7	49.3	49.8	30.4	39.7	28.7	34.1	19.1	13.0	21.9	25.9
57 Corporate and foreign bonds	128.2	212.8	165.7	161.5	115.8	113.0	126.5	97.6	125.9	110.5	158.0	79.2
58 Mortgages	242.2	316.4	324.9	306.7	275.7	315.2	275.0	272.7	240.1	307.9	243.5	228.7
59 Consumer credit	82.5	58.0	33.5	50.2	39.1	38.2	36.9	37.1	44.1	14.6	9.8	27.7
60 Bank loans n.e.c.	40.3	69.9	3.2	39.4	41.5	60.2	41.9	56.5	7.5	10.6	3.7	15.0
61 Open market paper	52.8	26.4	32.3	75.4	60.6	99.3	42.9	48.5	51.6	62.7	−27.7	82.1
62 Other loans	45.0	56.1	65.5	54.4	28.9	99.9	33.2	−12.2	−5.4	14.0	16.5	36.6
63 MEMO: U.S. government, cash balance	14.4	.0	−7.9	10.4	−5.9	−14.3	20.7	−22.7	−7.3	21.5	−40.5	18.8
Totals net of changes in U.S. government cash balances												
64 Net borrowing by domestic nonfinancial	833.7	836.9	694.9	750.4	684.1	761.2	646.1	701.6	627.6	740.6	665.1	689.8
65 Net borrowing by U.S. government	209.3	215.0	152.8	147.1	157.5	161.6	79.4	196.7	192.4	226.2	269.2	267.9
External corporate equity funds raised in United States												
66 **Total net share issues**	**17.2**	**86.8**	**10.9**	**−124.2**	**−63.7**	**−165.8**	**−43.0**	**−61.0**	**14.9**	**−4.8**	**50.5**	**−11.9**
67 Mutual funds	84.4	159.0	73.9	1.1	41.3	1.0	34.0	57.9	72.4	53.1	76.5	51.7
68 All other	−67.2	−72.2	−63.0	−125.3	−105.1	−166.8	−77.0	−118.9	−57.6	−57.9	−26.0	−63.7
69 Nonfinancial corporations	−84.5	−85.0	−75.5	−129.5	−124.2	−172.3	−98.7	−146.3	−79.3	−69.0	−48.0	−74.0
70 Financial corporations	13.6	11.6	14.6	3.3	2.4	1.0	4.3	−.1	4.5	9.9	.3	8.4
71 Foreign shares purchased in United States	3.7	1.2	−2.1	.9	16.7	4.5	17.4	27.5	17.2	1.2	21.7	2.0

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	1985	1986	1987	1988	1989	1989				1990		
						Q1	Q2	Q3	Q4	Q1	Q2	Q3
1 **Total funds advanced in credit markets to domestic nonfinancial sectors**	**848.1**	**836.9**	**687.0**	**760.8**	**678.2**	**746.9**	**666.8**	**678.8**	**620.2**	**762.1**	**624.6**	**708.6**
By public agencies and foreign												
2 Total net advances	202.0	280.2	248.8	210.7	187.6	312.8	15.5	218.3	203.8	233.7	313.3	283.0
3 U.S. government securities	45.9	69.4	70.1	85.2	30.7	83.1	−103.3	115.7	27.1	16.9	93.5	97.3
4 Residential mortgages	94.6	136.3	139.1	86.3	137.9	126.0	119.7	127.7	178.3	182.1	210.6	181.7
5 FHLB advances to thrifts	14.2	19.8	24.4	19.7	−11.0	58.9	−13.1	−41.0	−48.8	−21.8	−30.7	−30.3
6 Other loans and securities	47.3	54.7	15.1	19.4	30.0	44.8	12.1	15.8	47.1	56.5	39.8	34.2
Total advanced, by sector												
7 U.S. government	17.8	9.7	−7.9	−9.4	−2.4	−.2	−6.0	−9.3	5.7	33.6	42.7	30.9
8 Sponsored credit agencies	103.5	153.3	169.3	112.0	125.3	188.2	28.0	126.4	158.4	184.0	165.8	150.5
9 Monetary authorities	18.4	19.4	24.7	10.5	−7.3	8.1	−1.6	−31.2	−4.6	−6.7	39.7	23.7
10 Foreign	62.3	97.8	62.7	97.6	72.1	116.7	−4.9	132.4	44.2	22.8	65.0	77.9
Agency and foreign borrowing not in line 1												
11 Sponsored credit agencies and mortgage pools	101.5	154.1	171.8	119.8	151.0	194.0	128.8	124.8	156.4	176.2	183.7	167.4
12 Foreign	1.2	9.7	4.5	6.3	10.9	3.2	−6.9	30.4	16.9	−3.5	41.1	26.3
Private domestic funds advanced												
13 Total net advances	748.8	720.5	614.5	676.2	652.5	631.3	773.3	615.7	589.7	701.1	536.1	619.3
14 U.S. government securities	278.2	300.1	247.4	192.1	271.9	258.2	332.2	183.0	314.3	406.9	318.9	356.7
15 State and local obligations	135.4	22.7	49.3	49.8	30.4	39.7	28.7	34.1	19.1	13.0	21.9	25.9
16 Corporate and foreign bonds	40.6	89.7	66.9	91.3	66.1	36.8	91.1	65.6	70.6	56.8	71.4	35.5
17 Residential mortgages	91.8	115.9	120.2	161.3	96.5	122.6	113.0	105.1	45.5	77.2	10.5	26.2
18 Other mortgages and loans	216.9	212.0	155.2	201.4	176.6	232.9	195.2	186.9	91.5	125.4	82.7	144.7
19 LESS: Federal Home Loan Bank advances	14.2	19.8	24.4	19.7	−11.0	58.9	−13.1	−41.0	−48.8	−21.8	−30.7	−30.3
Private financial intermediation												
20 Credit market funds advanced by private financial institutions	578.0	730.0	528.4	562.3	511.1	474.1	600.9	345.9	623.4	326.9	241.7	418.6
21 Commercial banking	188.4	198.1	135.4	156.3	177.3	180.4	160.9	183.7	184.3	187.9	125.8	106.3
22 Savings institutions	87.9	107.6	136.8	120.4	−90.9	16.5	−42.3	−135.8	−201.9	−56.4	−215.8	−158.9
23 Insurance and pension funds	150.1	160.1	179.7	198.7	177.9	182.1	188.1	136.1	205.1	138.0	201.9	176.8
24 Other finance	151.6	264.2	76.6	86.9	246.8	95.1	294.2	161.9	436.0	57.3	129.8	294.4
25 Sources of funds	578.0	730.0	528.4	562.3	511.1	474.1	600.9	345.9	623.4	326.9	241.7	418.6
26 Private domestic deposits and RPs	212.1	277.1	162.8	229.2	225.2	140.9	267.4	284.4	208.0	117.0	18.3	78.4
27 Credit market borrowing	99.7	131.0	128.4	127.8	54.5	162.6	25.3	−.9	30.9	22.3	−11.2	46.9
28 Other sources	266.1	321.8	237.1	205.3	231.4	170.6	308.2	62.3	384.6	187.6	234.6	293.3
29 Foreign funds	19.7	12.9	43.7	9.3	−9.9	−14.1	−35.4	30.4	−20.6	45.3	11.6	125.6
30 Treasury balances	10.3	1.7	−5.8	7.3	−3.4	−12.6	13.9	−19.9	5.0	11.9	−15.4	16.2
31 Insurance and pension reserves	131.7	119.9	135.4	177.6	140.5	162.3	123.2	82.6	193.9	120.3	179.5	142.0
32 Other, net	104.4	187.3	63.9	11.0	104.2	35.1	206.4	−30.8	206.3	10.0	58.9	9.5
Private domestic nonfinancial investors												
33 Direct lending in credit markets	270.5	121.5	214.6	241.7	195.9	319.7	197.7	268.9	−2.8	396.5	283.3	247.6
34 U.S. government securities	157.8	27.0	86.0	129.0	134.3	199.8	136.2	196.8	4.3	281.2	185.7	244.2
35 State and local obligations	37.7	−19.9	61.8	53.5	28.4	56.7	5.1	39.0	12.8	.9	9.2	12.2
36 Corporate and foreign bonds	3.8	52.9	23.3	−9.4	.7	−16.5	9.4	−4.7	14.6	28.4	14.1	−19.1
37 Open market paper	51.6	9.9	15.8	36.4	5.4	47.3	17.8	21.4	−64.6	43.3	43.2	−29.8
38 Other	19.6	51.7	27.6	32.2	27.1	32.5	29.2	16.4	30.1	42.7	31.1	40.1
39 Deposits and currency	222.8	297.5	179.3	232.8	241.3	182.2	290.6	261.8	230.6	141.6	41.2	117.3
40 Currency	12.4	14.4	19.0	14.7	11.7	17.8	12.8	6.0	10.1	25.9	22.9	32.0
41 Checkable deposits	41.4	96.4	−.9	12.9	1.5	−33.0	−41.7	14.7	65.8	−10.9	−4.1	13.1
42 Small time and savings accounts	138.5	120.6	76.0	122.4	100.5	30.7	99.0	163.1	109.1	112.0	9.4	38.3
43 Money market fund shares	7.2	43.2	28.9	20.2	85.2	39.4	119.2	116.7	65.6	72.8	5.8	120.9
44 Large time deposits	7.4	−3.2	37.2	40.8	23.1	68.5	61.1	−23.8	−13.4	−22.2	−7.4	−78.2
45 Security RPs	17.7	20.2	21.6	32.9	14.9	35.4	29.8	13.7	−19.2	−34.8	14.6	−15.7
46 Deposits in foreign countries	−1.7	5.9	−2.5	−11.2	4.4	23.5	10.4	−28.6	12.4	−1.3	.0	7.0
47 **Total of credit market instruments, deposits, and currency**	**493.3**	**419.0**	**393.9**	**474.5**	**437.2**	**502.0**	**488.3**	**530.7**	**227.7**	**538.1**	**324.4**	**364.9**
48 Public holdings as percent of total	23.8	33.1	36.0	27.5	27.2	41.7	2.3	30.8	32.0	30.8	47.1	38.5
49 Private financial intermediation (in percent)	77.2	101.3	86.0	83.2	78.3	75.1	77.7	56.2	105.7	46.6	45.1	67.6
50 Total foreign funds	82.0	110.7	106.4	106.9	62.2	102.6	−40.3	162.8	23.6	68.1	76.6	203.5
MEMO: Corporate equities not included above												
51 **Total net issues**	**17.2**	**86.8**	**10.9**	**−124.2**	**−63.7**	**−165.8**	**−43.0**	**−61.0**	**14.9**	**−4.8**	**50.5**	**−11.9**
52 Mutual fund shares	84.4	159.0	73.9	1.1	41.3	1.0	34.0	57.9	72.4	53.1	76.5	51.7
53 Other equities	−67.2	−72.2	−63.0	−125.3	−105.1	−166.8	−77.0	−118.9	−57.6	−57.9	−26.0	−63.7
54 Acquisitions by financial institutions	46.9	50.9	32.0	−2.9	17.2	−.2	−14.1	6.1	76.9	63.4	114.7	41.8
55 Other net purchases	−29.7	35.9	−21.2	−121.4	−80.9	−165.6	−28.9	−67.1	−62.1	−68.2	−64.2	−53.7

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	1985	1986	1987	1988	1989				1990		
					Q1	Q2	Q3	Q4	Q1	Q2	Q3
	Nonfinancial sectors										
1 **Total credit market debt owed by domestic nonfinancial sectors**	**6,804.5**	**7,646.3**	**8,343.9**	**9,096.0**	**9,267.7**	**9,438.7**	**9,605.1**	**9,805.2**	**9,975.7**	**10,136.3**	**10,309.4**
By sector and instrument											
2 U.S. government	1,600.4	1,815.4	1,960.3	2,117.8	2,155.7	2,165.7	2,206.1	2,269.4	2,360.9	2,401.7	2,470.2
3 Treasury securities	1,597.1	1,811.7	1,955.2	2,095.2	2,133.4	2,142.1	2,180.7	2,245.2	2,329.3	2,368.8	2,437.6
4 Agency issues and mortgages	3.3	3.6	5.2	22.6	22.3	23.6	25.4	24.2	31.6	32.9	32.6
5 Private domestic nonfinancial sectors	5,204.1	5,831.0	6,383.6	6,978.2	7,112.0	7,273.0	7,399.0	7,535.8	7,614.8	7,734.6	7,839.2
6 Debt capital instruments	3,485.2	3,962.7	4,427.9	4,886.4	4,989.1	5,091.4	5,189.9	5,283.3	5,355.5	5,443.2	5,523.0
7 Tax-exempt obligations	655.5	679.1	728.4	790.8	798.6	804.9	816.4	821.2	822.4	826.7	836.3
8 Corporate bonds	542.6	669.4	748.8	851.7	866.3	887.9	903.5	925.4	936.5	953.3	962.8
9 Mortgages	2,287.1	2,614.2	2,950.7	3,243.8	3,324.2	3,398.6	3,470.0	3,536.6	3,596.6	3,663.3	3,724.0
10 Home mortgages	1,490.2	1,720.8	1,943.1	2,173.9	2,229.0	2,287.6	2,347.6	2,404.3	2,450.0	2,512.8	2,569.3
11 Multifamily residential	213.0	246.2	270.0	286.7	293.1	298.3	301.2	304.4	307.8	306.5	306.6
12 Commercial	478.1	551.4	648.7	696.4	716.2	725.9	734.9	742.6	754.1	759.4	763.9
13 Farm	105.9	95.8	88.9	86.8	86.0	86.8	86.3	85.3	84.7	84.5	84.2
14 Other debt instruments	1,718.9	1,868.2	1,955.7	2,091.9	2,122.9	2,181.6	2,209.1	2,252.6	2,259.3	2,291.4	2,316.2
15 Consumer credit	601.8	659.8	693.2	743.5	741.7	756.7	771.0	790.6	774.3	783.3	794.4
16 Bank loans n.e.c.	602.3	666.0	673.3	713.1	725.6	740.3	750.7	763.0	756.3	761.8	762.6
17 Open market paper	72.2	62.9	73.8	85.7	96.1	110.1	113.3	107.1	126.0	128.7	131.8
18 Other	442.6	479.6	515.3	549.6	559.4	574.5	574.1	591.9	602.6	617.6	627.4
19 By borrowing sector	5,204.1	5,831.0	6,383.6	6,978.2	7,112.0	7,273.0	7,399.0	7,535.8	7,614.8	7,734.6	7,839.2
20 State and local governments	473.9	510.1	558.9	604.5	612.4	619.9	629.9	634.1	634.3	636.8	645.1
21 Households	2,296.0	2,596.1	2,879.1	3,191.5	3,257.9	3,330.7	3,411.4	3,501.8	3,544.5	3,619.8	3,698.1
22 Nonfinancial business	2,434.2	2,724.8	2,945.6	3,182.2	3,241.7	3,322.5	3,357.6	3,400.0	3,436.1	3,478.0	3,496.1
23 Farm	173.4	156.6	145.5	137.6	136.7	139.5	139.2	139.2	138.2	140.7	141.8
24 Nonfarm noncorporate	898.3	997.6	1,075.4	1,145.1	1,163.9	1,177.6	1,183.0	1,195.9	1,206.5	1,212.4	1,213.9
25 Corporate	1,362.4	1,570.6	1,724.6	1,899.5	1,941.0	2,005.3	2,035.5	2,064.8	2,091.4	2,124.8	2,140.4
26 Foreign credit market debt held in United States	236.7	238.3	244.6	253.9	254.0	252.2	257.7	261.5	260.4	271.7	277.3
27 Bonds	71.8	74.9	82.3	89.2	90.4	92.1	94.2	94.5	102.1	107.5	108.0
28 Bank loans n.e.c.	27.9	26.9	23.3	21.5	21.6	21.5	22.6	21.4	19.0	19.3	20.0
29 Open market paper	33.9	37.4	41.2	49.9	54.4	52.7	57.5	63.0	59.3	65.1	71.5
30 U.S. government loans	103.0	99.1	97.7	93.2	87.5	85.8	83.4	82.6	80.0	79.8	77.8
31 **Total domestic plus foreign**	**7,041.1**	**7,884.7**	**8,588.5**	**9,349.9**	**9,521.7**	**9,690.8**	**9,862.8**	**10,066.8**	**10,236.1**	**10,408.0**	**10,586.6**
	Financial sectors										
32 **Total credit market debt owed by financial sectors**	**1,213.2**	**1,529.8**	**1,836.8**	**2,084.4**	**2,191.3**	**2,234.1**	**2,263.8**	**2,322.4**	**2,356.3**	**2,403.4**	**2,455.2**
By instrument											
33 U.S. government related	632.7	810.3	978.6	1,098.4	1,140.8	1,169.5	1,203.6	1,249.3	1,286.1	1,328.0	1,372.9
34 Sponsored credit agency securities	257.8	273.0	303.2	348.1	364.3	369.0	370.4	373.3	376.0	378.9	381.1
35 Mortgage pool securities	368.9	531.6	670.4	745.3	771.5	795.6	828.2	871.0	905.2	944.2	986.8
36 Loans from U.S. government	6.1	5.7	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
37 Private financial sectors	580.5	719.5	858.2	986.1	1,050.5	1,064.6	1,060.2	1,073.0	1,070.2	1,075.3	1,082.3
38 Corporate bonds	204.5	287.4	366.3	418.0	458.6	466.1	472.7	482.7	491.7	508.2	518.0
39 Mortgages	2.7	2.7	3.1	3.4	3.5	3.5	3.5	3.4	3.2	3.5	3.1
40 Bank loans n.e.c.	32.1	36.1	32.8	34.2	32.2	33.8	34.1	36.0	33.2	34.8	34.9
41 Open market paper	252.4	284.6	322.9	377.7	392.5	399.4	398.8	409.1	409.1	402.5	408.5
42 Loans from Federal Home Loan Banks	88.8	108.6	133.1	152.8	163.8	161.9	151.1	141.8	132.9	126.3	117.9
43 **Total, by sector**	**1,213.2**	**1,529.8**	**1,836.8**	**2,084.4**	**2,191.3**	**2,234.1**	**2,263.8**	**2,322.4**	**2,356.3**	**2,403.4**	**2,455.2**
44 Sponsored credit agencies	263.9	278.7	308.2	353.1	369.3	374.0	375.4	378.3	381.0	383.8	386.1
45 Mortgage pools	368.9	531.6	670.4	745.3	771.5	795.6	828.2	871.0	905.2	944.2	986.8
46 Private financial sectors	580.5	719.5	858.2	986.1	1,050.5	1,064.6	1,060.2	1,073.0	1,070.2	1,075.3	1,082.3
47 Commercial banks	79.2	75.6	81.8	78.8	73.3	75.7	77.0	77.4	73.4	73.3	70.2
48 Bank affiliates	106.2	116.8	131.1	136.2	140.0	141.2	144.0	142.5	140.8	133.0	126.0
49 Savings and loan associations	98.9	119.8	139.4	159.3	170.1	167.9	155.7	145.2	137.1	125.8	114.8
50 Mutual savings banks	4.4	8.6	16.7	18.6	17.8	17.7	17.5	17.2	15.4	16.6	17.4
51 Finance companies	261.2	328.1	378.8	446.1	464.3	478.0	481.2	496.2	500.3	511.1	529.9
52 REITs	5.6	6.5	7.3	11.4	11.1	10.6	10.0	10.1	10.1	9.8	9.5
53 SCO issuers	25.0	64.0	103.1	135.7	173.8	173.5	174.9	184.4	193.1	205.7	214.5
	All sectors										
54 **Total credit market debt**	**8,254.4**	**9,414.4**	**10,425.3**	**11,434.3**	**11,713.0**	**11,925.0**	**12,126.6**	**12,389.1**	**12,592.4**	**12,811.4**	**13,041.8**
55 U.S. government securities	2,227.0	2,620.0	2,933.9	3,211.1	3,291.5	3,330.3	3,404.7	3,513.7	3,642.0	3,724.8	3,838.1
56 State and local obligations	655.5	679.1	728.4	790.8	798.6	804.9	816.4	821.2	822.4	826.7	836.3
57 Corporate and foreign bonds	818.9	1,031.7	1,197.4	1,358.9	1,415.2	1,446.1	1,470.5	1,502.6	1,530.3	1,569.0	1,588.8
58 Mortgages	2,289.8	2,617.0	2,953.8	3,247.2	3,327.7	3,402.1	3,473.6	3,540.1	3,599.9	3,666.7	3,727.1
59 Consumer credit	601.8	659.8	693.2	743.5	741.7	756.7	771.0	790.6	774.3	783.3	794.4
60 Bank loans n.e.c.	662.4	729.0	729.5	768.9	779.5	795.6	807.4	820.3	808.6	815.9	817.6
61 Open market paper	358.5	384.9	437.9	513.4	543.0	562.2	569.6	579.2	594.5	596.3	611.7
62 Other loans	640.5	693.1	751.1	800.5	815.7	827.1	813.5	821.4	820.5	828.7	828.0

1.60 SUMMARY OF CREDIT MARKET CLAIMS, BY HOLDER

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

Transaction category, or sector	1985	1986	1987	1988	1989 Q1	1989 Q2	1989 Q3	1989 Q4	1990 Q1	1990 Q2	1990 Q3
1 **Total funds advanced in credit markets to domestic nonfinancial sectors**	**6,804.5**	**7,646.3**	**8,343.9**	**9,096.0**	**9,267.7**	**9,438.7**	**9,605.1**	**9,805.2**	**9,975.7**	**10,136.3**	**10,309.4**
By public agencies and foreign											
2 Total held	1,474.0	1,779.4	2,006.6	2,199.7	2,256.0	2,263.5	2,317.4	2,379.3	2,419.9	2,503.1	2,574.2
3 U.S. government securities	435.4	509.8	570.9	651.5	665.0	642.7	668.6	682.1	679.2	706.1	727.4
4 Residential mortgages	518.2	678.5	814.1	900.4	927.2	954.4	991.1	1,038.4	1,077.7	1,127.6	1,178.2
5 FHLB advances to thrifts	88.8	108.6	133.1	152.8	163.8	161.9	151.1	141.8	132.9	126.3	117.9
6 Other loans and securities	431.6	482.4	488.6	495.1	500.0	504.5	506.6	517.0	530.2	543.1	550.7
7 Total held, by type of lender	1,474.0	1,779.4	2,006.6	2,199.7	2,256.0	2,263.5	2,317.4	2,379.3	2,419.9	2,503.1	2,574.2
8 U.S. government	248.6	255.3	240.0	217.6	212.9	211.5	207.8	207.1	216.2	228.1	235.3
9 Sponsored credit agencies and mortgage pools	659.8	835.9	1,001.0	1,113.0	1,151.1	1,157.8	1,193.5	1,238.2	1,274.0	1,315.0	1,356.8
10 Monetary authority	186.0	205.5	230.1	240.6	235.4	238.4	227.6	233.3	224.4	237.8	240.8
11 Foreign	379.5	482.8	535.5	628.5	656.6	655.7	688.5	700.6	705.2	722.1	741.4
Agency and foreign debt not in line 1											
12 Sponsored credit agencies and mortgage pools	632.7	810.3	978.6	1,098.4	1,140.8	1,169.5	1,203.6	1,249.3	1,286.1	1,328.0	1,372.9
13 Foreign	236.7	238.3	244.6	253.9	254.0	252.2	257.7	261.5	260.4	271.7	277.3
Private domestic holdings											
14 Total private holdings	6,199.9	6,915.6	7,560.4	8,248.5	8,406.5	8,596.9	8,749.0	8,936.8	9,102.3	9,233.0	9,385.3
15 U.S. government securities	1,791.6	2,110.1	2,363.0	2,559.7	2,626.5	2,687.6	2,736.1	2,831.6	2,962.8	3,018.6	3,110.6
16 State and local obligations	655.5	679.1	728.4	790.8	798.6	804.9	816.4	821.2	822.4	826.7	836.3
17 Corporate and foreign bonds	517.3	606.6	674.3	765.6	776.5	797.7	814.5	831.6	847.5	863.3	872.6
18 Residential mortgages	1,185.1	1,288.5	1,399.0	1,560.2	1,594.9	1,631.5	1,657.7	1,670.4	1,680.1	1,691.8	1,697.7
19 Other mortgages and loans	2,139.3	2,339.8	2,528.7	2,724.9	2,773.7	2,837.0	2,875.3	2,923.8	2,922.4	2,958.9	2,986.0
20 LESS: Federal Home Loan Bank advances	88.8	108.6	133.1	152.8	163.8	161.9	151.1	141.8	132.9	126.3	117.9
Private financial intermediation											
21 Credit market claims held by private financial institutions	5,289.4	6,018.0	6,564.5	7,128.6	7,269.9	7,424.6	7,507.8	7,662.7	7,747.2	7,813.2	7,913.6
22 Commercial banking	1,989.5	2,187.6	2,323.0	2,479.3	2,501.4	2,549.0	2,599.6	2,656.6	2,680.4	2,720.7	2,751.6
23 Savings institutions	1,191.2	1,297.9	1,445.5	1,567.7	1,570.6	1,561.0	1,530.3	1,480.7	1,461.5	1,408.4	1,372.7
24 Insurance and pension funds	1,365.3	1,525.4	1,705.1	1,903.8	1,954.4	1,999.0	2,031.6	2,081.6	2,121.7	2,169.1	2,211.5
25 Other finance	743.4	1,007.1	1,091.0	1,177.9	1,243.5	1,315.6	1,346.2	1,443.8	1,483.6	1,515.0	1,577.8
26 Sources of funds	5,289.4	6,018.0	6,564.5	7,128.6	7,269.9	7,424.6	7,507.8	7,662.7	7,747.2	7,813.2	7,913.6
27 Private domestic deposits and RPs	2,926.1	3,199.0	3,354.2	3,599.1	3,627.7	3,679.1	3,742.5	3,824.3	3,847.5	3,833.5	3,845.2
28 Credit market debt	580.5	719.5	858.2	986.1	1,050.5	1,064.6	1,060.2	1,073.0	1,070.2	1,075.3	1,082.3
29 Other sources	1,782.9	2,099.5	2,352.1	2,543.5	2,591.7	2,680.9	2,705.1	2,765.5	2,829.5	2,904.4	2,986.1
30 Foreign funds	5.6	18.6	62.3	71.5	59.3	49.4	55.0	61.6	63.4	66.3	95.4
31 Treasury balances	25.8	27.5	21.6	29.0	13.5	34.4	30.3	25.6	16.7	32.1	36.6
32 Insurance and pension reserves	1,289.3	1,398.5	1,527.8	1,692.5	1,737.3	1,770.0	1,785.7	1,826.0	1,860.8	1,907.8	1,941.7
33 Other, net	462.1	655.0	740.3	750.5	781.5	827.2	834.0	852.3	888.6	898.2	912.4
Private domestic nonfinancial investors											
34 Credit market claims	1,491.0	1,617.0	1,854.1	2,106.0	2,187.1	2,236.9	2,301.5	2,347.1	2,425.3	2,495.1	2,554.0
35 U.S. government securities	803.3	848.7	936.7	1,072.2	1,100.0	1,122.9	1,171.3	1,206.4	1,264.1	1,296.9	1,357.4
36 Tax-exempt obligations	231.5	212.6	274.4	340.9	348.8	353.8	363.1	369.3	362.8	368.1	371.3
37 Corporate and foreign bonds	37.1	90.5	114.0	100.4	126.4	128.2	131.1	130.5	154.1	157.6	156.9
38 Open market paper	135.2	145.1	178.5	218.0	225.8	236.7	239.3	228.7	229.6	247.7	237.6
39 Other	283.8	320.1	350.4	374.4	386.0	395.3	396.8	412.1	414.7	424.8	430.8
40 Deposits and currency	3,116.8	3,410.1	3,583.9	3,832.3	3,864.2	3,926.2	3,979.0	4,073.6	4,095.8	4,092.6	4,108.9
41 Currency	171.9	186.3	205.4	220.1	220.7	226.4	224.4	231.8	234.4	242.7	247.2
42 Checkable deposits	420.3	516.6	515.4	527.2	494.2	495.0	486.1	528.7	501.3	510.7	500.2
43 Small time and savings accounts	1,831.9	1,948.3	2,017.1	2,156.2	2,168.9	2,189.3	2,224.4	2,256.7	2,289.8	2,288.1	2,292.3
44 Money market fund shares	225.6	268.9	297.8	318.0	342.7	362.1	391.0	403.3	436.7	426.3	456.7
45 Large time deposits	339.9	336.7	373.9	414.7	430.8	435.7	440.0	437.8	431.5	417.9	409.0
46 Security RPs	108.3	128.5	150.1	182.9	191.1	196.9	200.9	197.9	188.3	190.5	186.9
47 Deposits in foreign countries	18.8	24.8	24.3	13.1	15.8	20.7	12.1	17.6	13.9	16.4	16.6
48 **Total of credit market instruments, deposits, and currency**	**4,607.8**	**5,027.2**	**5,438.0**	**5,938.2**	**6,051.2**	**6,163.0**	**6,280.5**	**6,420.7**	**6,521.1**	**6,587.7**	**6,663.0**
49 Public holdings as percent of total	20.9	22.6	23.4	23.5	23.7	23.4	23.5	23.6	23.6	24.0	24.3
50 Private financial intermediation (in percent)	85.3	87.0	86.8	86.4	86.5	86.4	85.8	85.7	85.1	84.6	84.3
51 Total foreign funds	385.1	501.3	597.8	700.1	715.9	705.1	743.5	762.3	768.6	788.4	836.7
MEMO: Corporate equities not included above											
52 **Total market value**	**2,823.9**	**3,360.6**	**3,325.0**	**3,619.8**	**3,730.5**	**4,069.7**	**4,395.4**	**4,378.9**	**4,170.2**	**4,336.2**	**3,769.7**
53 Mutual fund shares	240.2	413.5	460.1	478.3	486.3	514.8	543.9	555.1	550.3	587.9	547.3
54 Other equities	2,583.7	2,947.1	2,864.9	3,141.6	3,244.2	3,555.0	3,851.5	3,823.8	3,620.0	3,748.3	3,222.4
55 Holdings by financial institutions	800.3	974.6	1,039.5	1,176.1	1,237.2	1,343.0	1,478.5	1,492.3	1,440.4	1,558.3	1,334.2
56 Other holdings	2,023.6	2,385.9	2,285.5	2,443.7	2,493.3	2,726.8	2,917.0	2,886.6	2,729.8	2,778.0	2,435.4

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 Apr.	May	June	July	Aug.	Sept.	Oct.r	Nov.r	Dec.
1 **Industrial production (1987 = 100)**[1]	**105.4**	**108.1**	**109.1**	**108.8**	**109.4**	**110.1**	**110.4**	**110.5**	**110.6r**	**109.8**	**107.8**	**107.1**
Market groupings												
2 Products, total (1987 = 100)	105.3	108.6	110.1	109.8	110.5	110.9	110.9	110.9	111.4r	110.8	108.9	108.5
3 Final, total (1987 = 100)	105.6	109.1	110.9	110.4	111.2	111.7	111.7	111.9	112.6r	112.1	109.9	109.6
4 Consumer goods (1987 = 100)	104.0	106.7	107.3	107.2	107.4	107.8	107.5	107.8	108.7r	108.4	106.1	106.1
5 Equipment (1987 = 100)	107.6	112.3	115.5	114.7	116.2	116.8	117.2	117.2	117.8	117.0	114.8	114.2
6 Intermediate (1987 = 100)	104.4	106.8	107.6	108.0	108.3	108.3	108.4	107.9	107.4r	106.8	105.8	105.1
7 Materials (1987 = 100)	105.6	107.4	107.7	107.3	107.7	108.8	109.6	109.7	109.4r	108.2	106.0	104.9
Industry groupings												
8 Manufacturing (1987 = 100)	105.8	108.9	109.9	109.5	110.3	110.8	111.1	111.1	111.2r	110.5	108.5	107.5
Capacity utilization (percent)[2]												
9 Manufacturing	83.9	83.9	82.2	82.5	82.8	83.0	83.0	82.8	82.7r	81.9	80.2	79.3
10 Construction contracts (1982 = 100)[3]	166.7	172.9	153.1	149.0r	165.0r	164.0r	153.0r	149.0r	146.0r	147.0	146.0	130.0
11 Nonagricultural employment, total[4]	128.0	131.6	133.8	133.6	134.1	134.4	134.3	134.1	134.1	133.9	133.6	133.5
12 Goods-producing, total	103.7	105.3	102.7	103.4	103.5	103.4	103.1	102.8	102.4	101.8	100.7	100.4
13 Manufacturing, total	98.6	99.6	96.8	97.5	97.4	97.3	97.2	96.9	96.6	96.3	95.2	95.1
14 Manufacturing, production- worker	93.7	94.6	91.5	92.3	92.1	92.0	92.0	91.7	91.2	90.9	89.7	89.5
15 Service-producing	138.2	142.7	146.8	146.2	147.0	147.4	147.3	147.3	147.4	147.4	147.4	147.3
16 Personal income, total	253.2	272.7	289.0	286.4	287.5	288.7	290.1	290.8	292.2	292.1	293.2	295.3
17 Wages and salary disbursements	244.6	258.9	272.2	269.9	271.2	272.8	274.4	274.5	276.4	274.8	274.6	277.3
18 Manufacturing	196.5	203.1	205.0	203.9	205.8	206.8	206.9	206.7	207.0	206.0	203.0	204.7
19 Disposable personal income[5]	252.2	270.1	286.1	283.6	284.4	285.8	286.9	287.6	288.7	288.7	289.8	291.7
20 Retail sales[6]	228.0	240.6	249.9	246.3	246.1	248.9	250.1	250.2	252.4	252.7	252.5	251.6
Prices[7]												
21 Consumer (1982–84 = 100)	118.3	124.0	130.7	128.9	129.2	129.9	130.4	131.6	132.7	133.5	133.8	133.8
22 Producer finished goods (1982 = 100)	108.0	113.6	119.2	117.2	117.7	117.8	118.2	119.3r	120.3	122.3	122.9	121.9

1. A major revision of the industrial production index and the capacity utilization rates was released in April 1990. See "Industrial Production: 1989 Developments and Historical Revision" in the *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187–204.
2. Ratios of indexes of production to indexes of capacity. Based on data from Federal Reserve, McGraw-Hill Economics Department, Department of Commerce, and other sources.
3. Index of dollar value of total construction contracts, including residential, nonresidential and heavy engineering, from McGraw-Hill Information Systems Company, F. W. Dodge Division.
4. Based on data in *Employment and Earnings* (U.S. Department of Labor). Series covers employees only, excluding personnel in the Armed Forces.
5. Based on data in *Survey of Current Business* (U.S. Department of Commerce).
6. Based on Bureau of Census data published in *Survey of Current Business*.
7. Data without seasonal adjustment, as published in *Monthly Labor Review*. Seasonally adjusted data for changes in the price indexes may be obtained from the Bureau of Labor Statistics, U.S. Department of Labor.

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

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

2.11 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

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

Category	1988	1989	1990	1990							
				May	June	July	Aug.	Sept.	Oct.[r]	Nov.[r]	Dec.
HOUSEHOLD SURVEY DATA											
1 **Noninstitutional population**[1]	**186,837**	**188,601**	**190,216**	**189,983**	**190,122**	**190,275**	**190,411**	**190,568**	**190,717**	**190,854**	**190,999**
2 Labor force (including Armed Forces)[1]	123,893	126,077	126,954	127,094[r]	126,942[r]	126,848[r]	126,855[r]	127,137[r]	127,067	126,880	127,307
3 Civilian labor force	121,669	123,869	124,787	124,939[r]	124,797[r]	124,709[r]	124,705[r]	124,970[r]	124,875	124,723	125,174
Employment											
4 Nonagricultural industries[2]	111,800	114,142	114,728	114,991[r]	114,958[r]	114,774[r]	114,538[r]	114,689[r]	114,558	114,201	114,321
5 Agriculture	3,169	3,199	3,186	3,286[r]	3,279[r]	3,108[r]	3,152[r]	3,194[r]	3,175	3,185	3,253
Unemployment											
6 Number	6,701	6,528	6,874	6,662[r]	6,560[r]	6,827[r]	7,015[r]	7,087[r]	7,142	7,337	7,600
7 Rate (percent of civilian labor force)	5.5	5.3	5.5	5.3	5.3[r]	5.5	5.6	5.7	5.7	5.9	6.1
8 Not in labor force	62,944	62,524	63,262	62,889[r]	63,180[r]	63,427[r]	63,556[r]	63,431[r]	63,650	63,974	63,692
ESTABLISHMENT SURVEY DATA											
9 **Nonagricultural payroll employment**[3]	**105,584**	**108,573**	**110,330**	**110,617**	**110,829**	**110,740**	**110,613**	**110,612**	**110,432**	**110,173**	**110,097**
10 Manufacturing	19,403	19,611	19,064	19,167	19,148	19,131	19,084	19,019	18,951	18,747	18,714
11 Mining	721	722	735	738	744	745	735	736	733	736	742
12 Contract construction	5,125	5,302	5,205	5,286	5,270	5,229	5,194	5,176	5,093	5,023	4,995
13 Transportation and public utilities	5,548	5,703	5,838	5,833	5,846	5,841	5,846	5,870	5,870	5,865	5,876
14 Trade	25,139	25,807	26,151	26,164	26,205	26,225	26,222	26,214	26,147	26,084	26,022
15 Finance	6,676	6,814	6,833	6,838	6,844	6,842	6,852	6,851	6,843	6,834	6,831
16 Service	25,600	26,889	28,209	28,094	28,225	28,287	28,387	28,440	28,475	28,545	28,576
17 Government	17,372	17,726	18,299	18,497	18,547	18,440	18,293	18,306	18,320	18,339	18,341

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[r]	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3[r]	Q4
	Output (1987 = 100)				Capacity (percent of 1987 output)				Utilization rate (percent)			
1 **Total industry**	**108.3**	**109.4**	**110.5**	**108.2**	**130.3**	**131.2**	**132.1**	**133.0**	**83.1**	**83.4**	**83.6**	**81.4**
2 Manufacturing	109.2	110.2	111.1	108.8	132.1	133.2	134.2	135.3	82.6	82.8	82.8	80.5
3 Primary processing	106.4	106.3	107.6	104.2	124.2	124.9	125.7	126.5	85.7	85.1	85.6	82.4
4 Advanced processing	110.5	112.1	112.8	111.0	135.8	137.0	138.2	139.3	81.4	81.8	81.6	79.7
5 Durable	110.4	112.4	113.6	110.0	136.2	137.2	138.3	139.3	81.0	81.9	82.1	78.9
6 Lumber and products	105.1	102.3	101.5	96.5	123.2	124.1	125.0	125.9	85.3	82.5	81.2	76.6
7 Primary metals	106.1	107.4	112.2	106.5	127.2	127.3	127.4	127.6	83.4	84.3	88.0	83.5
8 Iron and steel	107.1	107.5	114.3	108.5	131.9	132.0	132.1	132.2	81.2	81.4	86.5	82.1
9 Nonferrous	104.6	107.1	109.2	103.6	120.4	120.6	120.9	121.1	86.9	88.8	90.3	85.6
10 Nonelectrical machinery	124.4	126.7	128.5	125.8	151.6	153.2	154.9	156.6	82.1	82.7	83.0	80.3
11 Electrical machinery	111.1	112.2	112.4	110.8	137.4	138.8	140.2	141.6	80.9	80.8	80.2	78.2
12 Motor vehicles and parts	91.5	102.6	103.7	89.0	132.5	133.5	134.5	135.4	69.0	76.9	77.2	65.8
13 Aerospace and miscellaneous transportation equipment	111.6	113.6	114.5	112.9	133.4	134.3	135.2	136.1	83.6	84.6	84.7	83.0
14 Nondurable	107.7	107.5	108.1	107.4	126.9	128.0	129.0	130.1	84.8	84.0	83.7	82.6
15 Textile mill products	101.1	102.4	101.3	97.9	116.0	116.6	117.1	117.6	87.2	87.9	86.6	83.3
16 Paper and products	103.9	104.5	107.2	105.2	113.9	114.7	115.5	116.2	91.2	91.1	92.9	90.5
17 Chemicals and products	109.9	109.9	110.8	109.5	133.4	134.7	135.9	137.2	82.4	81.6	81.5	79.8
18 Plastics materials	111.7	116.3	117.2	117.6	126.1	128.4	130.6	132.9	88.6	90.6	89.7	88.5
19 Petroleum products	109.9	106.0	110.0	105.6	121.1	121.1	121.1	121.1	90.8	87.5	90.8	87.2
20 Mining	101.3	102.5	103.4	102.4	115.7	115.2	114.8	114.4	87.6	88.9	90.1	89.5
21 Utilities	105.7	107.8	110.5	107.1	126.0	126.4	126.7	127.1	83.9	85.3	87.2	84.2
22 Electric	108.4	111.0	112.9	109.8	121.1	121.6	122.1	122.6	89.5	91.3	92.4	89.6

Series	Previous cycle[2]		Latest cycle[3]		1989	1990							
	High	Low	High	Low	Dec.	May	June	July	Aug.	Sept.[r]	Oct.[r]	Nov.[r]	Dec.[p]
	Capacity utilization rate (percent)												
23 **Total industry**	**89.2**	**72.6**	**87.3**	**71.8**	**83.7**	**83.4**	**83.7**	**83.8**	**83.6**	**83.5**	**82.7**	**81.0**	**80.4**
24 Manufacturing	88.9	70.8	87.3	70.0	82.8	82.8	83.0	83.0	82.8	82.7	81.9	80.2	79.3
25 Primary processing	92.2	68.9	89.7	66.8	85.2	84.9	85.5	86.0	85.9	84.9	83.9	82.3	80.9
26 Advanced processing	87.5	72.0	86.3	71.4	81.8	82.0	81.9	81.7	81.4	81.7	81.1	79.3	78.6
27 Durable	88.8	68.5	86.9	65.0	81.4	82.1	82.4	82.2	82.1	82.0	80.8	78.7	77.3
28 Lumber and products	90.1	62.2	87.6	60.9	86.8	81.9	82.0	83.1	80.4	80.1	77.6	76.2	76.1
29 Primary metals	100.6	66.2	102.4	46.8	80.8	83.4	86.0	86.6	89.9	87.6	84.9	85.1	80.4
30 Iron and steel	105.8	66.6	110.4	38.3	76.1	79.9	83.6	83.7	89.6	86.2	83.1	85.1	78.0
31 Nonferrous	92.9	61.3	90.5	62.2	88.0	88.8	89.8	90.9	90.5	89.6	87.8	85.1	83.9
32 Nonelectrical machinery	96.4	74.5	92.1	64.9	82.2	82.8	82.9	83.1	83.1	82.7	81.9	80.3	78.8
33 Electrical machinery	87.8	63.8	89.4	71.1	80.7	81.0	81.0	80.3	80.3	80.0	78.5	78.1	78.1
34 Motor vehicles and parts	93.4	51.1	93.0	44.5	74.8	77.9	80.7	76.6	75.1	79.8	76.7	63.4	57.1
35 Aerospace and miscellaneous transportation equipment	77.0	66.6	81.1	66.9	82.5	84.5	84.5	85.4	84.4	84.3	84.0	82.7	82.2
36 Nondurable	87.9	71.8	87.0	76.9	84.5	83.9	83.8	84.0	83.7	83.5	83.4	82.3	82.0
37 Textile mill products	92.0	60.4	91.7	73.8	86.3	88.1	88.8	88.0	85.7	85.9	85.3	82.7	81.8
38 Paper and products	96.9	69.0	94.2	82.0	91.1	90.7	90.6	93.5	92.2	92.9	92.0	89.6	89.7
39 Chemicals and products	87.9	69.9	85.1	70.1	81.2	81.1	81.6	81.5	81.7	81.3	80.8	79.6	79.0
40 Plastics materials	102.0	50.6	90.9	63.4	80.6	90.9	90.0	90.5	89.7	88.9	90.0	88.7	86.8
41 Petroleum products	96.7	81.1	89.5	68.2	86.1	86.4	87.9	91.3	91.0	90.3	89.7	87.4	84.6
42 Mining	94.4	88.4	96.6	80.6	86.3	88.7	88.8	90.5	89.2	90.6	89.4	89.2	89.9
43 Utilities	95.6	82.5	88.3	76.2	92.3	84.7	86.8	86.6	87.9	87.0	85.8	82.7	84.2
44 Electric	99.0	82.7	88.3	78.7	96.2	90.7	92.9	91.9	93.0	92.3	91.4	87.9	89.4

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

2. Monthly high 1973; monthly low 1975.

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

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value[1]

Monthly data are seasonally adjusted

Groups	1987 proportion	1990 avg.	1989 Dec.	1990 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.r	Oct.r	Nov.r	Dec.p
			Index (1987 = 100)												
MAJOR MARKET															
1 **Total index**	**100.0**	**109.1**	**108.6**	**107.5**	**108.5**	**108.9**	**108.8**	**109.4**	**110.1**	**110.4**	**110.5**	**110.6**	**109.8**	**107.8**	**107.1**
2 Products	60.8	110.1	109.7	108.4	109.4	110.1	109.8	110.5	110.9	110.9	110.9	111.4	110.8	108.9	108.5
3 Final products	46.0	110.9	110.3	108.5	109.7	110.7	110.4	111.2	111.7	111.7	111.9	112.6	112.1	109.9	109.6
4 Consumer goods	26.0	107.3	108.3	106.0	107.0	107.5	107.2	107.4	107.8	107.5	107.8	108.7	108.4	106.1	106.1
5 Durable consumer goods	5.6	106.3	106.8	99.4	106.2	110.8	107.3	109.3	112.1	108.3	107.4	110.4	106.9	99.7	96.8
6 Automotive products	2.5	102.3	104.5	85.2	99.3	109.3	102.4	107.0	112.2	106.7	104.6	111.8	106.9	93.7	87.4
7 Autos and trucks	1.5	97.4	100.1	66.3	92.7	107.7	95.8	105.6	112.9	104.8	101.5	113.0	107.2	84.2	74.6
8 Autos, consumer	.9	92.2	92.6	62.1	86.9	100.5	87.7	96.8	103.8	98.0	97.2	111.5	104.3	80.7	77.2
9 Trucks, consumer	.6	106.1	112.6	73.3	102.3	120.0	109.3	120.4	128.3	116.1	108.8	115.4	112.2	90.2	70.2
10 Auto parts and allied goods	1.0	109.8	111.2	113.6	109.4	111.6	112.2	108.9	111.2	109.5	109.3	110.0	106.5	108.0	106.7
11 Other	3.1	109.5	108.6	110.6	111.6	112.0	111.2	111.1	112.0	109.5	109.6	109.3	106.9	104.4	104.3
12 Appliances, A/C, and TV	.8	102.1	101.0	108.4	107.8	108.1	104.4	103.6	107.5	100.2	101.9	101.0	94.6	91.0	90.1
13 Carpeting and furniture	.9	104.8	102.0	103.7	104.7	105.9	107.5	107.6	107.8	106.0	104.9	106.0	103.8	99.8	99.4
14 Miscellaneous home goods	1.4	116.6	117.1	116.2	118.2	118.0	117.3	117.5	117.2	116.9	116.8	116.1	115.7	114.7	115.4
15 Nondurable consumer goods	20.4	107.6	108.7	107.8	107.2	106.6	107.1	106.9	106.6	107.3	107.9	108.2	108.8	107.8	108.6
16 Foods and tobacco	9.1	105.9	106.4	105.5	106.2	105.8	105.6	105.2	104.4	105.1	105.7	105.3	106.5	107.5	108.2
17 Clothing	2.6	95.8	99.4	100.6	99.6	97.0	96.0	96.4	95.7	95.6	94.6	95.3	94.2	92.4	92.5
18 Chemical products	3.5	113.1	110.3	112.7	112.0	111.0	113.5	113.0	112.8	112.4	114.3	115.1	115.3	112.5	113.4
19 Paper products	2.5	119.7	116.9	116.2	117.6	116.4	118.1	118.6	118.3	120.3	119.3	121.9	123.0	122.3	122.8
20 Energy	2.7	105.5	115.2	107.9	101.5	103.1	104.1	104.1	105.3	106.7	109.0	108.0	108.8	103.9	105.5
21 Fuels	.7	102.9	100.5	105.1	106.6	101.8	101.6	98.2	102.6	104.6	106.0	105.6	104.0	100.4	98.3
22 Residential utilities	2.0	106.5	120.7	109.0	99.6	103.6	105.0	106.3	106.3	107.5	110.0	108.9	110.6	105.2	108.2
23 Equipment, total	20.0	115.5	112.9	111.8	113.3	114.9	114.7	116.2	116.8	117.2	117.2	117.8	117.0	114.8	114.2
24 Business equipment	13.9	123.0	119.9	118.0	120.1	122.2	121.6	123.5	124.4	125.0	125.4	126.4	125.3	122.5	121.4
25 Information processing and related	5.6	....	124.0	124.0	124.7	126.0	126.4	126.6	126.3	128.0	128.5	129.5	130.1	128.7	126.9
26 Office and computing	1.9	148.8	142.7	142.7	144.3	147.2	149.3	148.9	150.6	152.7	152.2	153.6	153.4	146.5	142.7
27 Industrial	4.0	....	112.8	113.5	113.4	113.9	114.2	115.8	116.0	117.2	117.9	117.4	115.4	115.2	113.5
28 Transit	2.5	129.6	123.4	111.4	122.7	130.6	126.2	132.5	137.4	135.5	135.4	140.5	137.4	125.3	120.5
29 Autos and trucks	1.2	....	97.6	69.6	91.7	104.5	95.2	105.7	112.2	103.1	101.5	111.0	106.5	83.9	75.3
30 Other	1.9	....	118.5	118.7	117.4	117.8	117.6	119.4	119.9	119.2	119.8	118.5	117.0	117.2	117.1
31 Defense and space equipment	5.4	97.4	96.6	97.5	97.6	97.5	97.3	97.6	97.6	97.8	97.7	97.3	97.3	96.4	96.9
32 Oil and gas well drilling	.6	109.0	100.3	98.3	100.1	106.0	114.3	118.6	119.5	116.2	106.9	107.4	107.1	109.7	107.3
33 Manufactured homes	.2	....	91.6	91.6	94.3	92.9	89.7	91.3	92.8	90.0	93.4	91.8	89.0	87.3	83.4
34 Intermediate products, total	14.7	107.6	107.9	108.0	108.4	108.2	108.0	108.3	108.3	108.4	107.9	107.4	106.8	105.8	105.1
35 Construction supplies	6.0	105.1	107.4	107.9	108.2	107.3	106.4	105.5	106.0	106.7	105.3	103.8	102.5	101.3	99.8
36 Business supplies	8.7	109.3	108.2	108.0	108.5	108.9	109.1	110.2	109.8	109.5	109.7	109.9	109.7	109.0	108.9
37 Materials, total	39.2	107.7	106.9	106.2	107.1	107.1	107.3	107.7	108.8	109.6	109.7	109.4	108.2	106.0	104.9
38 Durable goods materials	19.4	111.7	110.4	109.4	110.8	110.9	110.9	112.5	113.8	114.0	114.9	114.1	112.4	109.7	107.2
39 Durable consumer parts	4.2	104.0	102.5	96.5	102.8	104.5	103.2	108.5	108.5	108.1	110.4	109.0	106.3	99.0	90.5
40 Equipment parts	7.3	118.1	115.8	116.5	117.6	117.6	117.4	118.1	119.1	119.2	119.4	119.8	118.4	117.2	117.6
41 Other	7.9	110.0	109.5	109.7	108.7	108.1	108.9	109.6	111.8	112.4	113.1	111.6	110.1	108.4	106.6
42 Basic metal materials	2.8	111.7	109.3	108.5	109.9	107.5	110.2	109.2	113.6	115.5	116.3	115.8	111.9	112.0	108.9
43 Nondurable goods materials	9.0	105.9	104.3	105.4	105.8	105.2	106.1	105.2	106.1	107.8	106.8	106.9	106.2	105.0	104.4
44 Textile materials	1.2	96.5	95.8	94.6	96.2	94.9	95.6	97.4	99.4	100.2	97.8	98.1	96.3	93.3	92.0
45 Pulp and paper materials	1.9	106.1	103.7	105.0	105.3	103.0	106.0	104.5	104.8	109.0	106.9	109.4	108.6	106.1	105.9
46 Chemical materials	3.8	106.6	103.8	105.8	107.3	107.5	107.4	105.4	107.3	108.5	108.0	106.6	105.7	105.3	104.2
47 Other	2.1	109.8	110.4	110.9	108.8	108.7	109.8	109.8	108.8	109.9	109.3	110.1	110.7	110.1	110.3
48 Energy materials	10.9	101.9	102.7	101.2	101.7	102.0	101.8	101.1	102.1	103.3	103.0	103.0	102.2	100.2	101.3
49 Primary energy	7.2	100.9	99.0	101.1	102.1	101.2	100.3	100.1	101.2	103.3	102.1	101.0	100.6	98.9	99.5
50 Converted fuel materials	3.7	103.7	110.0	101.4	100.9	103.4	104.6	102.9	103.9	103.4	104.9	107.0	105.3	102.6	104.8
SPECIAL AGGREGATES															
51 Total excluding autos and trucks	97.3	109.5	108.9	108.6	108.9	109.0	109.2	109.5	110.0	110.6	110.7	110.6	109.9	108.4	108.0
52 Total excluding motor vehicles and parts	95.3	109.7	109.1	109.0	109.2	109.2	109.5	109.7	110.2	110.8	110.9	110.7	110.1	108.8	108.6
53 Total excluding office and computing machines	97.5	108.1	107.7	106.6	107.6	108.0	107.8	108.4	109.1	109.3	109.4	109.5	108.7	106.8	106.2
54 Consumer goods excluding autos and trucks	24.5	107.9	108.8	108.4	107.8	107.5	107.9	107.6	107.5	107.6	108.2	108.4	108.5	107.4	108.0
55 Consumer goods excluding energy	23.3	....	107.5	105.8	107.6	108.0	107.5	107.8	108.1	107.6	107.7	108.7	108.6	106.6	105.8
56 Business equipment excluding autos and trucks	12.7	125.6	122.1	122.8	122.9	124.0	124.2	125.3	125.6	127.2	127.8	128.0	127.2	126.3	125.9
57 Business equipment excluding office and computing equipment	12.0	118.9	116.2	114.0	116.2	118.2	117.2	119.4	120.2	120.5	121.1	122.0	120.8	118.6	118.0
58 Materials excluding energy	28.4	109.9	108.4	108.1	109.2	109.1	109.4	110.2	111.4	112.1	112.3	111.8	110.4	108.2	106.3

2.13—Continued

Groups	SIC code	1987 proportion	1990 avg.	1989 Dec.	1990 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.^r	Oct.^r	Nov.^r	Dec.^p
				Index (1987 = 100)												
Major Industry																
1 **Total index**	....	**100.0**	**109.1**	**108.6**	**107.5**	**108.5**	**108.9**	**108.8**	**109.4**	**110.1**	**110.4**	**110.5**	**110.6**	**109.8**	**107.8**	**107.1**
2 Manufacturing	....	84.4	109.9	108.8	108.1	109.6	109.8	109.5	110.3	110.8	111.1	111.1	111.2	110.5	108.5	107.5
3 Primary processing	....	26.7	106.1	105.3	106.2	106.9	106.0	105.9	106.1	107.0	107.9	108.0	106.9	105.9	104.1	102.5
4 Advanced processing	....	57.7	111.6	110.4	109.0	110.9	111.7	111.3	112.4	112.6	112.5	112.5	113.2	112.7	110.5	109.8
5 Durable	....	47.3	111.6	110.4	108.6	110.7	111.9	111.1	112.6	113.4	113.4	113.5	113.8	112.4	109.6	107.9
6 Lumber and products	24	2.0	101.7	106.4	106.0	104.3	105.0	103.3	101.7	102.0	103.6	100.5	100.3	97.5	96.0	96.0
7 Furniture and fixtures	25	1.4	106.0	105.1	105.1	104.8	105.9	107.6	108.0	108.7	108.0	106.7	106.9	104.1	103.4	103.2
8 Clay, glass, and stone products	32	2.5	105.4	108.6	110.0	108.0	107.7	105.1	106.4	106.1	106.0	106.6	104.5	103.7	102.1	101.1
9 Primary metals	33	3.3	108.2	102.6	105.0	107.9	105.4	106.4	106.2	109.5	110.3	114.6	111.6	108.3	108.6	102.5
10 Iron and steel	331,2	1.9	109.6	100.3	104.6	110.6	106.1	106.7	105.5	110.3	110.6	118.3	113.9	109.8	112.5	103.1
11 Raw steel	....	.1	109.4	97.6	109.9	109.0	105.9	104.9	107.6	111.8	113.9	118.5	111.6	112.8	109.5	98.5
12 Nonferrous	333–6,9	1.4	106.2	105.8	105.6	104.0	104.3	105.9	107.1	108.3	109.8	109.4	108.4	106.2	103.0	101.7
13 Fabricated metal products	34	5.4	105.9	106.3	105.1	105.6	105.5	105.0	107.1	106.7	107.7	107.9	106.8	105.9	103.9	102.7
14 Nonelectrical machinery	35	8.6	126.4	123.8	123.7	124.2	125.2	125.7	126.9	127.5	128.3	128.8	128.5	127.8	125.7	123.9
15 Office and computing machines	357	2.5	148.8	142.7	142.7	144.3	147.3	149.3	149.0	150.6	152.7	152.2	153.6	153.3	146.5	142.7
16 Electrical machinery	36	8.6	111.6	110.1	110.1	111.0	112.3	111.3	112.4	112.8	112.2	112.5	112.5	110.8	110.6	110.9
17 Transportation equipment	37	9.8	105.4	104.4	94.7	103.5	107.9	105.1	109.0	111.0	109.3	107.9	111.1	109.1	99.9	95.7
18 Motor vehicles and parts	371	4.7	96.8	98.7	76.8	94.1	103.5	95.8	104.0	108.0	102.7	101.0	107.5	103.7	85.9	77.6
19 Autos and light trucks	....	2.3	......	99.0	65.7	91.8	106.7	94.6	104.3	111.6	103.8	100.9	112.8	107.1	83.7	74.9
20 erospace and miscellaneous transportation equipment	372–6,9	5.1	113.1	109.6	111.0	111.9	111.9	113.4	113.5	113.8	115.2	114.1	114.2	114.0	112.5	112.1
21 Instruments	38	3.3	117.0	114.8	116.0	116.2	115.7	115.8	116.5	115.0	116.9	117.5	118.4	118.5	117.9	119.2
22 Miscellaneous manufacturers	39	1.2	120.1	116.4	117.0	118.1	118.6	118.6	119.1	119.6	120.4	121.8	121.3	121.4	122.0	121.8
23 Nondurable	....	37.2	107.7	106.7	107.5	108.3	107.2	107.5	107.4	107.6	108.1	108.1	108.0	108.2	107.1	106.9
24 Foods	20	8.8	107.6	108.0	106.8	107.4	107.1	107.0	106.8	106.1	107.1	107.7	107.6	108.5	109.2	109.9
25 Tobacco products	21	1.0	98.5	98.5	101.3	102.3	100.0	98.8	97.2	95.6	98.5	96.3	96.4	97.2	99.1	100.4
26 Textile mill products	22	1.8	100.8	99.8	100.6	103.0	99.8	100.9	102.7	103.6	102.9	100.4	100.7	100.1	97.3	96.4
27 Apparel products	23	2.4	98.9	102.6	102.4	102.1	99.8	98.7	99.2	99.3	99.2	98.8	98.4	97.2	95.9	95.8
28 Paper and products	26	3.6	105.2	103.4	103.8	105.0	102.8	105.3	104.0	104.2	107.8	106.5	107.5	106.8	104.2	104.5
29 Printing and publishing	27	6.4	111.9	109.6	110.7	112.1	111.4	112.0	112.8	112.0	111.4	110.9	111.6	112.6	112.5	112.5
30 Chemicals and products	28	8.6	110.1	107.6	109.9	110.5	109.5	110.3	109.2	110.3	110.4	111.1	110.9	110.6	109.2	108.8
31 Petroleum products	29	1.3	107.8	104.3	108.6	112.0	109.1	106.8	104.6	106.5	110.5	110.2	109.3	108.6	105.8	102.5
32 Rubber and plastic products	30	3.0	109.9	110.1	110.7	109.1	109.8	109.0	110.9	112.8	110.9	112.0	110.3	110.8	107.2	105.2
33 Leather and products	31	.3	99.6	103.0	104.3	102.9	103.3	102.6	103.5	102.0	102.5	99.6	100.3	95.3	88.2	88.8
34 Mining	....	7.9	102.4	100.1	101.7	101.0	101.1	102.9	102.2	102.2	104.0	102.4	103.9	102.4	102.1	102.8
35 Metal	10	.3	152.5	155.5	144.8	143.4	141.4	152.7	148.7	156.7	164.8	155.7	163.6	146.1	149.2	159.0
36 Coal	11,12	1.2	113.4	103.5	114.1	111.9	112.9	114.2	110.0	113.5	118.5	110.2	116.8	114.7	112.9	112.4
37 Oil and gas extraction	13	5.7	95.3	94.0	94.4	94.1	94.6	95.7	96.0	94.6	95.5	95.8	95.8	95.6	95.8	96.0
38 Stone and earth minerals	14	.7	119.3	119.7	121.2	120.0	116.5	120.2	119.9	121.1	121.8	120.1	121.7	117.6	114.4	116.5
39 Utilities	....	7.6	107.6	116.1	106.8	104.0	106.2	106.7	107.1	109.7	109.7	111.4	110.3	109.0	105.1	107.1
40 Electric	491,3PT	6.0	110.5	116.3	108.3	107.1	109.7	109.7	110.3	113.1	112.1	113.6	112.9	111.9	107.8	109.8
41 Gas	492,3PT	1.6	97.1	115.6	101.2	92.3	93.3	95.5	95.2	97.4	100.7	103.3	100.9	98.1	95.3	97.3
Special Aggregates																
42 Manufacturing excluding motor vehicles and parts	....	79.8	......	109.3	109.9	110.5	110.2	110.3	110.7	111.0	111.6	111.7	111.4	111.1	110.2	109.1
43 Manufacturing excluding office and computing machines	....	82.0	......	107.7	107.1	108.6	108.7	108.3	109.2	109.6	109.8	109.9	110.0	109.4	107.7	106.2
	Gross value (billions of 1982 dollars, annual rates)															
Major Market																
44 **Products, total**	....	**1734.8**	**1,908.9**	**1,905.5**	**1,863.6**	**1,903.3**	**1,922.6**	**1,906.2**	**1,922.2**	**1,937.0**	**1,923.5**	**1,929.5**	**1,941.6**	**1,931.9**	**1,873.7**	**1,846.3**
45 Final	....	1350.9	1,495.6	1,492.5	1,447.9	1,488.3	1,507.5	1,493.9	1,506.0	1,523.4	1,508.7	1,516.3	1,529.1	1,517.0	1,463.8	1,440.3
46 Consumer goods	....	833.4	881.3	898.6	864.3	888.6	893.4	883.9	885.9	893.8	886.0	885.9	895.2	888.0	859.6	849.7
47 Equipment	....	517.5	614.3	594.0	583.6	599.8	614.1	610.0	620.1	629.6	622.7	630.4	633.9	628.9	604.2	590.7
48 Intermediate	....	384.0	413.3	413.0	415.7	415.0	415.1	412.3	416.2	413.6	414.9	413.1	412.5	414.9	409.9	406.0

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	1987	1988	1989	1990 Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.r	Oct.r	Nov.
	Private residential real estate activity (thousands of units)												
NEW UNITS													
1 Permits authorized	1,535	1,456	1,339	1,297	1,232	1,108	1,065	1,108	1,082	1,050	992	920	906
2 1-family	1,024	994	932	974	912	813	802	796	780	762	737	708	671
3 2-or-more-family	511	462	407	323	320	295	263	312	302	288	255	212	235
4 Started	1,621	1,488	1,376	1,488	1,307	1,216	1,206	1,189	1,153	1,131	1,106	1,026	1,127
5 1-family	1,146	1,081	1,003	1,154	996	898	897	889	875	836	859	839	768
6 2-or-more-family	474	407	373	334	311	318	309	300	278	295	247	187	359
7 Under construction, end of period[1]	987	919	850	900	887	876	857	849	833	815	792	769	767
8 1-family	591	570	535	575	567	559	546	540	529	517	505	497	492
9 2-or-more-family	397	350	315	325	320	317	311	309	304	298	287	272	275
10 Completed	1,669	1,530	1,423	1,351	1,378	1,295	1,363	1,295	1,300	1,314	1,333	1,257	1,179
11 1-family	1,123	1,085	1,026	1,041	1,037	942	1,008	946	981	954	970	914	886
12 2-or-more-family	546	445	396	310	341	353	355	349	319	360	363	343	293
13 Mobile homes shipped	233	218	198	200	193	189	191	191	184	195	181	188	181
Merchant builder activity in 1-family units													
14 Number sold	672	675	650	606	558	533	536	550	541	527r	507	492	506
15 Number for sale, end of period[1]	366	367	362	366	363	363	360	354	351	345	339	334	327
Price (thousands of dollars)[2]													
Median													
16 Units sold	104.7	113.3	120.4	126.9	119.4	130.0	125.0	125.0	118.7	118.4r	112.2	120.0	121.5
Average													
17 Units sold	127.9	139.0	148.3	150.9	144.6	153.4	150.6	150.4	149.8	144.7r	142.1	153.2	146.5
EXISTING UNITS (1-family)													
18 Number sold	3,530	3,594	3,439	3,400	3,400	3,330	3,300	3,330	3,330	3,500	3,170	3,050	3,150
Price of units sold (thousands of dollars)[2]													
19 Median	85.6	89.2	93.0	95.2	96.3	95.6	95.6	97.5	98.3	97.1	94.4	92.9	91.8
20 Average	106.2	112.5	118.0	118.3	119.5	117.8	118.7	121.1	122.0	120.5	116.7	115.9	115.5
	Value of new construction[3] (millions of dollars)												
CONSTRUCTION													
21 **Total put in place**	**410,209**	**422,076**	**432,068**	**455,571**	**457,272**	**444,737**	**443,805**	**441,088**	**437,010r**	**436,338r**	**423,941**	**425,071**	**422,446**
22 Private	319,641	327,102	333,514	343,118	347,366	338,780	333,992	329,556	331,269r	323,518r	317,516	313,096	306,592
23 Residential	194,656	198,101	196,551	203,013	206,868	200,234	196,055	189,462	187,083r	184,409r	179,713	178,303	173,839
24 Nonresidential, total	124,985	129,001	136,963	140,105	140,498	138,546	137,937	140,094	144,186r	139,109r	137,803	134,793	132,753
Buildings													
25 Industrial	13,707	14,931	18,506	21,072	21,086	21,039	20,847	20,405	23,609r	20,239r	19,862	19,616	20,138
26 Commercial	55,448	58,104	59,389	58,748	57,210	55,765	54,698	56,581	56,951r	55,347r	53,648	51,751	49,683
27 Other	15,464	17,278	17,848	16,964	17,646	18,227	18,379	19,272	19,792r	19,801r	20,267	19,728	19,446
28 Public utilities and other	40,366	38,688	41,220	43,321	44,556	43,515	44,013	43,836	43,834r	43,722r	44,026	43,698	43,486
29 Public	90,566	94,971	98,551	112,453	109,906	105,957	109,813	111,532	105,741r	112,820r	106,425	111,974	115,854
30 Military	4,327	3,579	3,520	3,886	5,099	5,057	5,459	5,868	3,308r	2,888r	2,543	2,401	2,687
31 Highway	26,958	30,140	29,502	37,018	32,374	29,714	30,658	30,311	28,775	31,865	31,322	33,326	35,486
32 Conservation and development	5,519	4,726	4,969	5,559	4,996	4,979	5,504	3,958	4,460r	4,776r	3,482	4,883	5,142
33 Other	53,762	56,526	60,560	65,990	67,437	66,207	68,192	71,395	69,198r	73,291r	69,078	71,364	72,539

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 Dec. 1990[1]
	1989 Dec.	1990 Dec.	1990				1990					
			Mar.	June	Sept.	Dec.	Aug.[r]	Sept.[r]	Oct.	Nov.	Dec.	
CONSUMER PRICES[2] (1982–84=100)												
1 **All items**	**4.6**	**6.1**	**8.5**	**3.5**	**7.9**	**4.9**	**.8**	**.8**	**.6**	**.3**	**.3**	**133.8**
2 Food	5.6	5.3	11.4	2.1	3.7	4.3	.3	.2	.4	.5	.1	134.2
3 Energy items	5.1	18.1	14.8	−2.0	42.7	20.3	4.3	5.6	4.5	.5	−.4	110.1
4 All items less food and energy	4.4	5.2	7.5	3.9	5.7	3.8	.5	.3	.3	.3	.4	138.3
5 Commodities	2.7	3.4	7.8	.7	2.9	2.3	.0	.4	.2	.0	.4	125.3
6 Services	5.3	6.0	7.2	5.5	7.2	4.5	.8	.3	.3	.4	.3	145.8
PRODUCER PRICES (1982=100)												
7 Finished goods	4.9	5.6	7.1	.3	11.7	4.0	1.1	1.6	1.1	.5	−.6	121.9
8 Consumer foods	5.2	2.5	10.6	−3.8	.6	3.3	.6	−.8	.9	.8	−.9	124.1
9 Consumer energy	9.5	29.8	24.7	−14.3	137.4	12.2	8.7	14.1	8.0	.1	−4.8	84.1
10 Other consumer goods	4.4	3.6	3.5	5.4	2.2	3.4	.2	.5	.0	.6	.2	131.1
11 Capital equipment	3.8	3.4	4.0	2.3	5.3	1.9	.3	.6	−.2	.2	.4	124.9
12 Intermediate materials[3]	2.5	4.6	2.5	−.4	13.4	3.1	1.3	1.9	1.6	.2	−1.0	117.0
13 Excluding energy	.9	1.9	1.0	.7	4.0	2.0	.3	.5	.4	.2	−.2	122.0
Crude materials												
14 Foods	2.8	−3.6	9.1	−10.2	−7.9	−2.9	−1.1	−1.5	1.1	−1.7	−.1	108.5
15 Energy	17.9	18.6	.5	−39.2	296.0	−18.2	25.1	12.3	18.7	−10.3	−10.7	93.1
16 Other	−3.6	.4	4.0	13.2	8.7	−20.9	1.9	−.4	−1.7	−2.3	−1.8	132.5

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**	**5,463.0**	**5,289.3**	**5,375.4**	**5,443.3**	**5,514.6**	**5,518.9**
By source								
2 Personal consumption expenditures	3,238.2	3,450.1	3,658.1	3,518.5	3,588.1	3,622.7	3,693.4	3,728.1
3 Durable goods	457.5	474.6	481.6	471.2	492.1	478.4	482.3	473.5
4 Nondurable goods	1,060.0	1,130.0	1,194.2	1,148.8	1,174.7	1,179.0	1,205.0	1,218.3
5 Services	1,720.7	1,845.5	1,982.3	1,898.5	1,921.3	1,965.3	2,006.2	2,036.3
6 Gross private domestic investment	747.1	771.2	745.0	762.7	747.2	759.0	759.7	714.0
7 Fixed investment	720.8	742.9	747.2	737.7	758.9	745.6	750.7	733.6
8 Nonresidential	488.4	511.9	524.3	511.8	523.1	516.5	532.8	525.0
9 Structures	139.9	146.2	147.2	147.1	148.8	147.2	149.8	142.8
10 Producers' durable equipment	348.4	365.7	377.2	364.7	374.3	369.3	383.0	382.2
11 Residential structures	232.5	231.0	222.9	225.9	235.9	229.1	217.9	208.6
12 Change in business inventories	26.2	28.3	−2.2	25.0	−11.8	13.4	9.0	−19.5
13 Nonfarm	29.8	23.3	−4.7	24.1	−17.0	13.0	6.8	−21.6
14 Net exports of goods and services	−74.1	−46.1	−38.0	−35.3	−30.0	−24.9	−41.3	−55.9
15 Exports	552.0	626.2	670.4	642.8	661.3	659.7	672.7	687.7
16 Imports	626.1	672.3	708.4	678.1	691.3	684.6	714.1	743.7
17 Government purchases of goods and services	962.5	1,025.6	1,098.0	1,043.3	1,070.1	1,086.4	1,102.8	1,132.7
18 Federal	380.3	400.0	424.2	399.9	410.6	421.9	425.8	438.5
19 State and local	582.3	625.6	673.8	643.4	659.6	664.6	677.0	694.2
By major type of product								
20 Final sales, total	4,847.5	5,172.5	5,465.3	5,264.3	5,387.2	5,429.9	5,505.6	5,538.4
21 Goods	1,908.9	2,044.4	2,146.5	2,060.9	2,122.8	2,133.1	2,161.4	2,168.9
22 Durable	840.3	894.7	938.2	894.2	941.4	930.1	943.4	937.9
23 Nondurable	1,068.6	1,149.7	1,208.4	1,166.7	1,181.4	1,203.0	1,218.0	1,231.0
24 Services	2,488.6	2,671.2	2,860.5	2,747.5	2,791.3	2,834.2	2,889.6	2,926.8
25 Structures	450.0	456.9	458.2	455.9	473.0	462.5	454.6	442.7
26 Change in business inventories	26.2	28.3	−2.2	25.0	−11.8	13.4	9.0	−19.5
27 Durable goods	19.8	11.9	−5.6	13.2	−21.6	.0	9.8	−10.4
28 Nondurable goods	6.4	16.4	3.3	11.9	9.8	13.4	−.8	−9.1
MEMO								
29 **Total GNP in 1982 dollars**	**4,016.9**	**4,117.7**	**4,155.8**	**4,133.2**	**4,150.6**	**4,155.1**	**4,170.0**	**4,147.6**
NATIONAL INCOME								
30 **Total**	**3,984.9**	**4,223.3**	**4,417.5**	**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	3,286.9
32 Wages and salaries	2,431.1	2,573.2	2,705.3	2,612.7	2,651.6	2,696.3	2,734.2	2,739.1
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	2,221.0
35 Supplement to wages and salaries	474.0	505.8	538.9	515.9	528.8	536.1	542.7	547.8
36 Employer contributions for social insurance	248.5	263.9	280.8	268.4	276.0	279.7	282.7	284.6
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	402.4	381.7	404.0	401.7	397.9	406.1
39 Business and professional[1]	310.5	330.7	352.5	336.0	346.6	350.8	355.6	357.2
40 Farm[1]	43.7	48.6	49.9	45.7	57.4	51.0	42.4	48.9
41 Rental income of persons[2]	16.3	8.2	6.7	4.1	5.5	4.3	8.4	8.5
42 Corporate profits[1]	337.6	311.6	297.1	290.9	296.8	306.6	300.7	n.a.
43 Profits before tax[3]	316.7	307.7	305.4	289.8	296.9	299.3	318.5	n.a.
44 Inventory valuation adjustment	−27.0	−21.7	−13.2	−14.5	−11.4	−.5	−19.8	−21.2
45 Capital consumption adjustment	47.8	25.5	4.9	15.6	11.3	7.7	2.0	−1.4
46 Net interest	371.8	445.1	467.1	461.7	463.6	466.2	468.3	470.2

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	1989	1990			
				Q4	Q1	Q2	Q3	Q4
PERSONAL INCOME AND SAVING								
1 **Total personal income**	**4,070.8**	**4,384.3**	**4,645.6**	**4,469.2**	**4,562.8**	**4,622.2**	**4,678.5**	**4,719.0**
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	2,739.1
3 Commodity-producing industries	696.4	720.6	729.2	721.4	724.6	731.1	735.3	725.6
4 Manufacturing	524.0	541.8	546.7	540.9	541.2	548.1	551.8	545.6
5 Distributive industries	572.0	604.7	637.1	614.6	627.0	637.3	642.7	641.5
6 Service industries	716.2	771.4	831.0	790.0	802.9	822.2	844.9	853.9
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	402.4	381.7	404.0	401.7	397.9	406.1
10 Business and professional[1]	310.5	330.7	352.5	336.0	346.6	350.8	355.6	357.2
11 Farm[1]	43.7	48.6	49.9	45.7	57.4	51.0	42.4	48.9
12 Rental income of persons[2]	16.3	8.2	6.7	4.1	5.5	4.3	8.4	8.5
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	680.9	664.9	670.5	678.0	685.3	690.1
15 Transfer payments	587.7	636.9	694.6	655.9	680.9	686.7	696.4	714.3
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	229.0
18 EQUALS: Personal income	4,070.8	4,384.3	4,645.6	4,469.2	4,562.8	4,622.2	4,678.5	4,719.0
19 LESS: Personal tax and nontax payments	591.6	658.8	699.8	669.6	675.1	696.5	709.5	718.1
20 EQUALS: Disposable personal income	3,479.2	3,725.5	3,945.8	3,799.6	3,887.7	3,925.7	3,969.1	4,000.9
21 LESS: Personal outlays	3,333.6	3,553.7	3,766.8	3,625.5	3,696.4	3,730.6	3,802.6	3,837.4
22 EQUALS: Personal saving	145.6	171.8	179.1	174.1	191.3	195.1	166.5	163.5
MEMO								
Per capita (1982 dollars)								
23 Gross national product	16,302.4	16,550.2	16,530.6	16,546.0	16,575.9	16,554.2	16,560.8	16,426.1
24 Personal consumption expenditures	10,578.3	10,678.5	10,669.1	10,688.2	10,692.1	10,672.5	10,710.1	10,597.2
25 Disposable personal income	11,368.0	11,531.0	11,508.0	11,541.0	11,586.0	11,564.0	11,511.0	11,374.0
26 Saving rate (percent)	4.2	4.6	4.5	4.6	4.9	5.0	4.2	4.1
GROSS SAVING								
27 **Gross saving**	**656.1**	**691.5**	**657.9**	**674.8**	**664.8**	**679.3**	**665.9**	n.a.
28 Gross private saving	751.3	779.3	783.9	786.4	795.0	806.7	772.2	n.a.
29 Personal saving	145.6	171.8	179.1	174.1	191.3	195.1	166.5	163.5
30 Undistributed corporate profits[1]	91.4	53.0	29.1	39.8	36.7	40.5	26.5	n.a.
31 Corporate inventory valuation adjustment	−27.0	−21.7	−13.2	−14.5	−11.4	−.5	−19.8	−21.2
Capital consumption allowances								
32 Corporate	322.1	346.4	363.0	356.5	356.7	359.7	365.5	370.3
33 Noncorporate	192.2	208.0	212.6	216.0	210.3	211.4	213.8	214.9
34 Government surplus, or deficit (−), national income and product accounts	−95.3	−87.8	−126.0	−111.6	−130.2	−127.3	−106.4	n.a.
35 Federal	−141.7	−134.3	−161.3	−150.1	−168.3	−166.0	−145.7	n.a.
36 State and local	46.5	46.4	35.4	38.5	38.1	38.6	39.3	n.a.
37 **Gross investment**	**627.8**	**674.4**	**654.8**	**671.8**	**665.6**	**676.1**	**661.0**	**616.7**
38 Gross private domestic	747.1	771.2	745.0	762.7	747.2	759.0	759.7	714.0
39 Net foreign	−119.2	−96.8	−90.1	−90.9	−81.6	−82.9	−98.7	−97.3
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	1987	1988	1989	1989 Q3	1989 Q4	1990 Q1	1990 Q2	1990 Q3^p
1 Balance on current account	−162,315	−128,862	−110,035	−27,591	−26,692	−21,668	−22,485	−25,585
2 Not seasonally adjusted	....	....	....	−31,620	−27,926	−17,922	−20,987	−29,989
3 Merchandise trade balance[2]	−159,500	−126,986	−114,864	−29,803	−28,746	−26,283	−23,102	−29,752
4 Merchandise exports	250,266	320,337	360,465	89,349	91,738	96,262	96,758	96,159
5 Merchandise imports	−409,766	−447,323	−475,329	−119,152	−120,484	−122,545	−119,860	−125,911
6 Military transactions, net	−3,530	−5,452	−6,319	−1,114	−1,776	−1,287	−1,382	−1,648
7 Investment income, net	5,326	1,610	−913	17	561	1,995	−999	2,455
8 Other service transactions, net	9,964	16,971	26,783	6,839	7,900	7,292	7,364	7,465
9 Remittances, pensions, and other transfers	−4,299	−4,261	−3,758	−909	−889	−983	−865	−1,078
10 U.S. government grants	−10,276	−10,744	−10,963	−2,621	−3,742	−2,402	−3,501	−3,027
11 Change in U.S. government assets, other than official reserve assets, net (increase, −)	997	2,969	1,185	574	−47	−659	−808	−379
12 Change in U.S. official reserve assets (increase, −)	9,149	−3,912	−25,293	−5,996	−3,202	−3,177	371	1,739
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	−509	127	−535	−211	−204	−247	−216	363
15 Reserve position in International Monetary Fund	2,070	1,025	471	337	−23	234	493	8
16 Foreign currencies	7,588	−5,064	−25,229	−6,122	−2,975	−3,164	94	1,368
17 Change in U.S. private assets abroad (increase, −)	−73,092	−83,232	−102,953	−38,654	−45,496	36,713	−31,284	−27,811
18 Bank-reported claims[3]	−42,119	−56,322	−50,684	−21,269	−32,658	52,353	−13,639	−7,603
19 Nonbank-reported claims	5,324	−2,847	1,391	1,877	47	1,202	−1,550	....
20 U.S. purchase of foreign securities, net	−5,251	−7,846	−21,938	−9,623	−4,109	−7,496	−11,247	−913
21 U.S. direct investments abroad, net	−31,046	−16,217	−31,722	−9,639	−8,776	−9,346	−4,848	−19,295
22 Change in foreign official assets in United States (increase, +)	45,210	39,515	8,823	13,003	−7,016	−8,203	5,541	13,642
23 U.S. Treasury securities	43,238	41,741	333	12,771	−7,342	−5,897	2,442	12,008
24 Other U.S. government obligations	1,564	1,309	1,383	190	569	−521	346	134
25 Other U.S. government liabilities[4]	−2,503	−710	332	−350	412	−381	1,089	234
26 Other U.S. liabilities reported by U.S. banks[3]	3,918	−319	4,940	−251	−820	−1,278	1,918	1,539
27 Other foreign official assets[5]	−1,007	−2,506	1,835	643	165	−126	−254	−273
28 Change in foreign private assets in United States (increase, +)	173,260	181,926	205,829	61,133	76,336	−24,786	19,954	38,829
29 U.S. bank-reported liabilities[3]	89,026	70,235	61,199	27,845	36,674	−32,264	4,897	32,288
30 U.S. nonbank-reported liabilities	2,863	6,664	2,867	−2,175	1,732	290	1,317	....
31 Foreign private purchases of U.S. Treasury securities, net	−7,643	20,239	29,951	12,618	5,671	−835	3,614	453
32 Foreign purchases of other U.S. securities, net	42,120	26,353	39,568	10,470	10,793	2,486	2,890	−1,543
33 Foreign direct investments in United States, net	46,894	58,435	72,244	12,375	21,466	5,537	7,236	7,631
34 Allocation of SDRs	0	0	0	0	0	0	0	0
35 Discrepancy	6,790	−8,404	22,443	−2,469	6,117	21,780	28,711	−435
36 Owing to seasonal adjustments	....	....	....	−4,953	3,560	2,804	−988	−5,303
37 Statistical discrepancy in recorded data before seasonal adjustment	6,790	−8,404	22,443	2,484	2,558	18,976	29,699	4,868
MEMO								
Changes in official assets								
38 U.S. official reserve assets (increase, −)	9,149	−3,912	−25,293	−5,996	−3,202	−3,177	371	1,739
39 Foreign official assets in United States (increase, +) excluding line 25	47,713	40,225	8,491	13,353	−7,428	−7,822	4,452	13,408
40 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22 above)	−9,956	−2,996	10,713	4,532	−1,379	2,953	208	−1,251

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

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

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

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

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

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

3.11 U.S. FOREIGN TRADE[1]

Millions of dollars; monthly data are seasonally adjusted.

Item	1987	1988	1989	1990 May	June	July	Aug.	Sept.	Oct.[r]	Nov.[p]
1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments, f.a.s. value	254,073	322,427	363,812	32,774	34,221	32,125	32,549	32,010	35,006	33,617
GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses										
2 Customs value	406,241	440,952	473,211	40,543	39,561	41,244	42,283	41,337	45,994	43,319
Trade balance										
3 **Customs value**	**−152,169**	**−118,526**	**−109,399**	**−7,770**	**−5,340**	**−9,119**	**−9,734**	**−9,326**	**−10,988**	**−9,702**

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 June	July	Aug.	Sept.	Oct.	Nov.	Dec.[p]
1 **Total**	**45,798**	**47,802**	**74,609**	**77,298**	**77,906**	**78,909**	**80,024**	**82,852**	**83,059**	**83,340**
2 Gold stock, including Exchange Stabilization Fund[1]	11,078	11,057	11,059	11,065	11,064	11,065	11,063	11,060	11,059	11,058
3 Special drawing rights[2,3]	10,283	9,637	9,951	10,490	10,699	10,780	10,666	10,876	11,059	10,989
4 Reserve position in International Monetary Fund[2]	11,349	9,745	9,048	8,449	8,686	8,890	8,881	9,066	8,871	9,076
5 Foreign currencies[4]	13,088	17,363	44,551	47,294	47,457	48,174	49,414	51,850	52,070	52,217

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 June	July	Aug.	Sept.	Oct.	Nov.	Dec.[p]
1 Deposits	244	347	589	368	279	337	360	297	264	369
Assets held in custody										
2 U.S. Treasury securities[2]	195,126	232,547	224,911	255,651	256,585	261,051	261,321	266,749	272,399	278,499
3 Earmarked gold[3]	13,919	13,636	13,456	13,433	13,422	13,412	13,419	13,415	13,389	13,387

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

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

Millions of dollars, end of period

Asset account	1987	1988	1989	1990 May	1990 June	1990 July	1990 Aug.	1990 Sept.	1990 Oct.	1990 Nov.
				All foreign countries						
1 **Total, all currencies**	**518,618**	**505,595**	**545,366**	**541,439**	**524,010**	**531,418**	**551,346**	**546,140**	**552,510**	**558,609**
2 Claims on United States	138,034	169,111	198,835	182,224	179,258	174,583	178,236	182,555	177,539	180,979
3 Parent bank	105,845	129,856	157,092	140,751	138,384	133,682	137,558	140,865	135,536	140,352
4 Other banks in United States	16,416	14,918	17,042	15,647	15,166	15,239	14,500	14,266r	13,261r	12,927
5 Nonbanks	15,773	24,337	24,701	25,826	25,708	25,662	26,178	27,424r	28,742r	27,700
6 Claims on foreigners	342,520	299,728	300,575	306,058	293,627	304,674	313,831	311,254	319,318	322,961
7 Other branches of parent bank	122,155	107,179	113,810	116,640	108,464	115,353	121,705	123,359	128,747r	135,179
8 Banks	108,859	96,932	90,703	90,422	85,780	85,911	88,768	83,311r	82,706r	81,383
9 Public borrowers	21,832	17,163	16,456	16,172	16,220	16,264	16,157	16,379	16,335	16,588
10 Nonbank foreigners	89,674	78,454	79,606	82,824	83,163	87,146	87,201	88,205r	91,530	89,811
11 Other assets	38,064	36,756	45,956	53,157	51,125	52,161	59,279	52,331	55,653	54,669
12 **Total payable in U.S. dollars**	**350,107**	**357,573**	**382,717**	**362,991**	**350,110**	**346,335**	**357,970**	**360,046r**	**362,409**	**371,476**
13 Claims on United States	132,023	163,456	191,184	173,887	171,551	166,294	169,714	173,978	168,956	172,145
14 Parent bank	103,251	126,929	152,294	135,211	133,167	128,066	131,994	135,068	129,850	134,255
15 Other banks in United States	14,657	14,167	16,386	14,818	14,575	14,375	13,513	13,416	12,441	12,078
16 Nonbanks	14,115	22,360	22,504	23,858	23,809	23,853	24,207	25,494	26,665	25,812
17 Claims on foreigners	202,428	177,685	169,690	167,493	158,452	157,910	163,152	163,650r	168,345	174,397
18 Other branches of parent bank	88,284	80,736	82,949	83,381	76,410	79,241	82,564	84,378	90,198r	95,599
19 Banks	63,707	54,884	48,396	44,449	42,918	38,815	40,733	39,419	37,531r	37,740
20 Public borrowers	14,730	12,131	10,961	10,912	10,956	10,652	10,939	11,166	11,201	11,199
21 Nonbank foreigners	35,707	29,934	27,384	28,751	28,168	29,202	28,916	28,687r	29,415	29,859
22 Other assets	15,656	16,432	21,843	21,611	20,107	22,131	25,104	22,418	25,108	24,934
				United Kingdom						
23 **Total, all currencies**	**158,695**	**156,835**	**161,947**	**177,947**	**167,885**	**175,254**	**184,933**	**178,484**	**184,660**	**188,183**
24 Claims on United States	32,518	40,089	39,212	43,247	39,904	40,418	40,092	42,568	39,862	42,301
25 Parent bank	27,350	34,243	35,847	39,089	35,924	36,564	36,140	39,042	35,904	38,453
26 Other banks in United States	1,259	1,123	1,058	747	730	894	1,037	717	694	1,088
27 Nonbanks	3,909	4,723	2,307	3,411	3,250	2,960	2,915	2,809	3,264	2,760
28 Claims on foreigners	115,700	106,388	107,657	114,800	108,080	114,254	118,423	114,869	122,203	124,077
29 Other branches of parent bank	39,903	35,625	37,728	43,358	38,068	41,181	43,581	44,408	47,390	49,501
30 Banks	36,735	36,765	36,159	35,730	34,194	35,085	37,623	34,094	35,480	36,133
31 Public borrowers	4,752	4,019	3,293	3,943	3,740	3,619	3,757	3,639	3,521	3,675
32 Nonbank foreigners	34,310	29,979	30,477	31,769	32,078	34,369	33,462	32,728	35,812	34,768
33 Other assets	10,477	10,358	15,078	19,900	19,901	20,582	26,418	21,047	22,595	21,805
34 **Total payable in U.S. dollars**	**100,574**	**103,503**	**103,427**	**110,186**	**100,887**	**103,047**	**107,192**	**107,117**	**110,231**	**115,531**
35 Claims on United States	30,439	38,012	36,404	39,374	36,158	36,230	35,979	37,991	35,429	37,668
36 Parent bank	26,304	33,252	34,329	36,712	33,509	33,716	33,585	36,024	33,145	35,614
37 Other banks in United States	1,044	964	843	521	552	681	721	460	419	611
38 Nonbanks	3,091	3,796	1,232	2,141	2,097	1,833	1,673	1,507	1,865	1,443
39 Claims on foreigners	64,560	60,472	59,062	63,025	57,802	58,278	60,390	59,817	63,720	66,876
40 Other branches of parent bank	28,635	28,474	29,872	34,441	30,050	31,220	32,976	33,990	37,069	39,630
41 Banks	19,188	18,494	16,579	14,635	14,625	13,621	14,570	13,212	13,571	13,915
42 Public borrowers	3,313	2,840	2,371	3,114	2,942	2,839	2,896	2,866	2,790	2,862
43 Nonbank foreigners	13,424	10,664	10,240	10,835	10,185	10,598	9,948	9,749	10,290	10,469
44 Other assets	5,575	5,019	7,961	7,787	6,927	8,539	10,823	9,309	11,082	10,987
				Bahamas and Caymans						
45 **Total, all currencies**	**160,321**	**170,639**	**176,006**	**154,851**	**154,354**	**145,813**	**150,695**	**153,234**	**153,497**	**153,615**
46 Claims on United States	85,318	105,320	124,205	105,617	107,244	99,918	103,521	106,574	106,977	106,517
47 Parent bank	60,048	73,409	87,882	69,807	72,115	64,748	68,507	70,145	70,845	71,249
48 Other banks in United States	14,277	13,145	15,071	14,079	13,603	13,412	12,625	12,539	11,605	11,007
49 Nonbanks	10,993	18,766	21,252	21,731	21,526	21,758	22,389	23,890	24,527	24,261
50 Claims on foreigners	70,162	58,393	44,168	42,147	39,812	38,393	39,595	39,573	38,062	38,611
51 Other branches of parent bank	21,277	17,954	11,309	12,917	11,906	11,785	12,031	11,638	12,152	12,697
52 Banks	33,751	28,268	22,611	19,947	18,492	16,761	17,543	18,076	15,994	16,244
53 Public borrowers	7,428	5,830	5,217	4,350	4,393	4,307	4,554	4,818	4,876	4,772
54 Nonbank foreigners	7,706	6,341	5,031	4,933	5,021	5,540	5,467	5,041	5,040	4,898
55 Other assets	4,841	6,926	7,633	7,087	7,298	7,502	7,579	7,087	8,458	8,487
56 **Total payable in U.S. dollars**	**151,434**	**163,518**	**170,780**	**149,467**	**149,943**	**140,966**	**146,103**	**149,233**	**148,862**	**149,142**

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						
				May	June	July	Aug.	Sept.	Oct.	Nov.
	All foreign countries									
57 **Total, all currencies**	**518,618**	**505,595**	**545,366**	**541,439**	**524,010**	**531,418**	**551,346**	**546,140**	**552,510**	**558,609**
58 Negotiable CDs	30,929	28,511	23,500	25,452	23,504	21,805	22,917	21,977	22,089[r]	21,521
59 To United States	161,390	185,577	197,239	169,791	169,769	163,275	167,410	172,882[r]	167,543[r]	171,853
60 Parent bank	87,606	114,720	138,412	109,831	113,151	105,401	109,818	117,352[r]	113,066[r]	115,891
61 Other banks in United States	20,355	14,737	11,704	10,272	9,092	9,454	10,264	8,976	7,984	10,740
62 Nonbanks	53,429	56,120	47,123	49,688	47,526	48,420	47,328	46,554	46,493[r]	45,222
63 To foreigners	304,803	270,923	296,850	315,058	299,951	314,503	321,365	317,204[r]	327,139	328,256
64 Other branches of parent bank	124,601	111,267	119,591	120,722	113,653	119,476	124,393	125,382[r]	131,045[r]	137,571
65 Banks	87,274	72,842	76,452	78,681	73,896	78,190	79,485	75,353	75,815[r]	72,352
66 Official institutions	19,564	15,183	16,750	19,710	17,637	19,468	17,801	17,475	18,436	17,996
67 Nonbank foreigners	73,364	71,631	84,057	95,945	94,765	97,369	99,686	98,994	101,843	100,337
68 Other liabilities	21,496	20,584	27,777	31,138	30,786	31,835	39,654	34,077	35,739[r]	36,979
69 **Total payable in U.S. dollars**	**361,438**	**367,483**	**396,613**	**369,505**	**358,681**	**355,782**	**365,928**	**364,940**	**363,931**	**372,124**
70 Negotiable CDs	26,768	24,045	19,619	20,579	18,928	16,519	17,588	17,219	17,022[r]	16,845
71 To United States	148,442	173,190	187,286	157,851	158,173	150,943	155,171	159,027[r]	153,318[r]	157,057
72 Parent bank	81,783	107,150	132,563	103,389	106,818	98,928	103,355	109,458[r]	104,619[r]	107,106
73 Other banks in United States	18,951	13,468	10,519	8,855	7,741	7,884	8,791	7,501	6,486	9,286
74 Nonbanks	47,708	52,572	44,204	45,607	43,614	44,131	43,025	42,068	42,213[r]	40,665
75 To foreigners	177,711	160,766	176,460	177,888	168,642	174,616	177,484	175,725[r]	178,969	183,183
76 Other branches of parent bank	90,469	84,021	87,636	84,415	78,646	81,332	84,157	85,303[r]	89,658[r]	95,278
77 Banks	35,065	28,493	30,537	28,265	27,434	28,045	28,945	26,576	23,669[r]	25,022
78 Official institutions	12,409	8,224	9,873	11,480	9,066	10,613	9,710	9,346	9,689	9,091
79 Nonbank foreigners	39,768	40,028	48,414	53,728	53,496	54,626	54,672	54,500	55,953	53,792
80 Other liabilities	8,517	9,482	13,248	13,187	12,938	13,704	15,685	12,969	14,622[r]	15,039
	United Kingdom									
81 **Total, all currencies**	**158,695**	**156,835**	**161,947**	**177,947**	**167,885**	**175,254**	**184,933**	**178,484**	**184,660**	**188,183**
82 Negotiable CDs	26,988	24,528	20,056	21,846	19,672	17,795	18,703	17,542	17,557	17,144
83 To United States	23,470	36,784	36,036	33,755	32,291	32,320	33,365	35,483	32,143[r]	36,500
84 Parent bank	13,223	27,849	29,726	23,179	23,158	21,952	23,399	25,461	22,013	26,165
85 Other banks in United States	1,536	2,037	1,256	1,847	1,615	1,626	1,535	1,765	1,430	1,671
86 Nonbanks	8,711	6,898	5,054	8,729	7,518	8,742	8,431	8,257	8,700[r]	8,664
87 To foreigners	98,689	86,026	92,307	106,138	99,279	107,533	109,372	106,496	114,959	113,958
88 Other branches of parent bank	33,078	26,812	27,397	29,193	26,506	28,944	28,967	30,487	32,357	34,406
89 Banks	34,290	30,609	29,780	31,580	28,575	32,420	34,647	30,113	33,870	32,844
90 Official institutions	11,015	7,873	8,551	11,409	10,263	11,314	9,902	9,578	10,788	9,534
91 Nonbank foreigners	20,306	20,732	26,579	33,956	33,935	34,855	35,856	36,318	37,944	37,174
92 Other liabilities	9,548	9,497	13,548	16,208	16,643	17,606	23,493	18,963	20,001[r]	20,581
93 **Total payable in U.S. dollars**	**102,550**	**105,907**	**108,178**	**110,595**	**101,530**	**104,372**	**108,532**	**107,216**	**108,064**	**114,090**
94 Negotiable CDs	24,926	22,063	18,143	19,012	17,233	14,831	15,758	15,502	15,237	15,100
95 To United States	17,752	32,588	33,056	29,666	28,160	27,967	28,779	30,368	26,867[r]	31,117
96 Parent bank	12,026	26,404	28,812	22,339	22,190	21,208	22,423	23,963	20,334	24,381
97 Other banks in United States	1,308	1,752	1,065	1,456	1,325	1,175	1,228	1,471	1,035	1,318
98 Nonbanks	4,418	4,432	3,179	5,871	4,645	5,584	5,128	4,934	5,498[r]	5,418
99 To foreigners	55,919	47,083	50,517	55,163	49,672	54,591	55,252	54,679	57,639	59,787
100 Other branches of parent bank	22,334	18,561	18,384	18,589	16,199	17,408	17,347	18,560	20,797	23,288
101 Banks	15,580	13,407	12,244	11,007	9,911	11,251	13,042	11,116	10,465	11,911
102 Official institutions	7,530	4,348	5,454	7,264	5,305	6,515	5,463	5,324	5,751	5,000
103 Nonbank foreigners	10,475	10,767	14,435	18,303	18,257	19,417	19,400	19,679	20,626	19,588
104 Other liabilities	3,953	4,173	6,462	6,754	6,465	6,983	8,743	6,667	8,321[r]	8,086
	Bahamas and Caymans									
105 **Total, all currencies**	**160,321**	**170,639**	**176,006**	**154,851**	**154,354**	**145,813**	**150,695**	**153,234**	**153,497**	**153,615**
106 Negotiable CDs	885	953	678	528	535	548	553	553	560	561
107 To United States	113,950	122,332	124,859	103,655	103,592	95,904	100,622	104,211	103,545	103,852
108 Parent bank	53,239	62,894	75,188	57,136	58,880	51,415	56,092	62,276	62,474	61,227
109 Other banks in United States	17,224	11,494	8,883	6,991	5,984	6,228	7,039	5,398	4,959	7,398
110 Nonbanks	43,487	47,944	40,788	39,528	38,728	38,261	37,491	36,537	36,112	35,227
111 To foreigners	43,815	45,161	47,382	48,410	47,613	47,010	46,922	46,237	46,867	46,299
112 Other branches of parent bank	19,185	23,686	23,414	25,535	24,184	24,560	24,965	24,781	25,864	25,579
113 Banks	10,769	8,336	8,823	8,154	8,969	8,120	7,469	7,519	6,794	6,569
114 Official institutions	1,504	1,074	1,097	962	960	999	943	731	703	763
115 Nonbank foreigners	12,357	12,065	14,048	13,759	13,500	13,331	13,545	13,206	13,506	13,388
116 Other liabilities	1,671	2,193	3,087	2,258	2,614	2,351	2,598	2,233	2,525	2,903
117 **Total payable in U.S. dollars**	**152,927**	**162,950**	**171,250**	**149,707**	**149,680**	**140,377**	**145,670**	**148,589**	**147,749**	**147,962**

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1988	1989	1990r						
			May	June	July	Aug.	Sept.	Oct.	Nov.p
1 **Total**[1]	**304,132**	**312,472**	**308,418**	**310,041**	**312,691**	**321,418**	**323,834**	**329,201**	**340,206**
By type									
2 Liabilities reported by banks in the United States[2]	31,519	36,496	36,768	37,971	38,986	40,501	39,842	43,896	42,539
3 U.S. Treasury bills and certificates[3]	103,722	76,985	72,322	71,804	72,690	72,803	72,472	72,457	80,385
U.S. Treasury bonds and notes									
4 Marketable	152,429	179,264	177,092	178,016	178,740	185,534	189,334	190,560	195,427
5 Nonmarketable[4]	523	568	3,620	3,644	3,668	3,692	3,717	3,741	3,765
6 U.S. securities other than U.S. Treasury securities[5]	15,939	19,159	18,616	18,606	18,607	18,888	18,469	18,547	18,090
By area									
7 Western Europe[1]	123,752	133,417	142,465	147,167	149,845	152,777	156,432	163,133	169,116
8 Canada	9,513	9,482	6,550	6,961	8,415	11,083	10,171	8,903	8,639
9 Latin America and Caribbean	10,030	8,740	9,147	10,451	9,973	11,190	11,406	11,088	14,027
10 Asia	151,887	153,338	141,490	136,335	135,695	137,008	136,383	137,066	139,364
11 Africa	1,403	1,030	1,074	946	917	1,697	1,383	1,305	1,404
12 Other countries[6]	7,548	6,469	7,691	8,183	7,848	7,665	8,058	7,707	7,657

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	1986	1987	1988	1989	1990r		
				Dec.	Mar.	June	Sept.
1 Banks' own liabilities	29,702	55,438	74,980	67,822r	63,244	68,547	69,667
2 Banks' own claims	26,180	51,271	68,983	65,127	61,100	66,655	67,965
3 Deposits	14,129	18,861	25,100	20,491	21,590	20,256	23,734
4 Other claims	12,052	32,410	43,884	44,636	39,510	46,399	44,231
5 Claims of banks' domestic customers[2]	2,507	551	364	3,507	1,649	1,501	2,519

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	1987	1988	1989	1990[r] May	June	July	Aug.	Sept.	Oct.	Nov.[p]
1 **All foreigners**	**618,874**	**685,339**	**736,663[r]**	**715,575**	**708,044**	**719,860**	**737,890**	**741,998**	**750,045**	**746,073**
2 Banks' own liabilities	470,070	514,532	577,283[r]	552,400	544,775	554,516	570,277	572,174	576,566	562,887
3 Demand deposits	22,383	21,863	22,030[r]	20,565	20,347	19,723	20,505	22,086	20,319	19,853
4 Time deposits[2]	148,374	152,164	168,735	149,941	150,695	153,533	156,254	158,638	158,644	161,704
5 Other[3]	51,677	51,366	67,700[r]	66,415	66,016	67,214	74,923	66,373	73,903	71,193
6 Own foreign offices[4]	247,635	289,138	318,818[r]	315,478	307,718	314,046	318,594	325,077	323,700	310,136
7 Banks' custody liabilities[5]	148,804	170,807	159,380	163,175	163,269	165,344	167,614	169,823	173,479	183,186
8 U.S. Treasury bills and certificates[6]	101,743	115,056	91,100	88,908	90,082	91,884	93,038	91,464	94,971	101,420
9 Other negotiable and readily transferable instruments[7]	16,776	16,426	19,526	18,531	17,865	17,596	16,983	17,198	17,761	18,304
10 Other	30,285	39,325	48,754	55,737	55,322	55,864	57,593	61,162	60,747	63,462
11 **Nonmonetary international and regional organizations**[8]	**4,464**	**3,224**	**4,772**	**4,553**	**4,994**	**4,112**	**4,290**	**5,206**	**4,507**	**4,416**
12 Banks' own liabilities	2,702	2,527	3,156	2,908	3,594	2,790	2,330	3,894	3,472	2,271
13 Demand deposits	124	71	96	28	29	46	39	101	57	33
14 Time deposits[2]	1,538	1,183	927	773	1,367	938	1,303	1,245	885	760
15 Other[3]	1,040	1,272	2,133	2,107	2,198	1,807	987	2,548	2,529	1,478
16 Banks' custody liabilities[5]	1,761	698	1,616	1,645	1,399	1,322	1,959	1,311	1,034	2,145
17 U.S. Treasury bills and certificates[6]	265	57	197	174	147	148	1,095	479	248	1,077
18 Other negotiable and readily transferable instruments[7]	1,497	641	1,417	1,463	1,253	1,159	819	817	782	1,022
19 Other	0	0	2	8	0	15	45	15	5	46
20 **Official institutions**[9]	**120,667**	**135,241**	**113,481[r]**	**109,090**	**109,774**	**111,676**	**113,304**	**112,313**	**116,353**	**122,924**
21 Banks' own liabilities	28,703	27,109	31,108[r]	33,415	33,878	35,239	36,465	35,877	39,108	37,433
22 Demand deposits	1,757	1,917	2,196	1,644	1,611	1,516	1,914	2,498	2,121	1,784
23 Time deposits[2]	12,843	9,767	10,495	10,758	9,951	11,290	11,039	11,187	11,271	12,604
24 Other[3]	14,103	15,425	18,417[r]	21,013	22,316	22,433	23,512	22,192	25,717	23,046
25 Banks' custody liabilities[5]	91,965	108,132	82,373	75,674	75,896	76,437	76,839	76,436	77,244	85,490
26 U.S. Treasury bills and certificates[6]	88,829	103,722	76,985	72,322	71,804	72,690	72,803	72,472	72,457	80,385
27 Other negotiable and readily transferable instruments[7]	2,990	4,130	5,028	3,158	3,650	3,596	3,685	3,676	4,361	4,725
28 Other	146	280	361	195	443	150	351	289	427	380
29 **Banks**[10]	**414,280**	**459,523**	**515,229[r]**	**503,474**	**497,345**	**507,243**	**524,512**	**529,813**	**528,823**	**522,298**
30 Banks' own liabilities	371,665	409,501	454,227[r]	432,334	424,831	433,379	449,097	451,339	450,954	441,410
31 Unaffiliated foreign banks	124,030	120,362	135,409[r]	116,855	117,114	119,334	130,502	126,262	127,255	131,274
32 Demand deposits	10,898	9,948	10,279[r]	9,671	9,484	9,224	9,797	10,405	8,988	8,995
33 Time deposits[2]	79,717	80,189	90,557	70,406	72,618	74,103	77,585	80,214	80,478	83,631
34 Other[3]	33,415	30,226	34,573[r]	36,779	35,012	36,007	43,120	35,643	37,789	38,647
35 Own foreign offices[4]	247,635	289,138	318,818[r]	315,478	307,718	314,046	318,594	325,077	323,700	310,136
36 Banks' custody liabilities[5]	42,615	50,022	61,002[r]	71,140	72,514	73,864	75,416	78,474	77,869	80,889
37 U.S. Treasury bills and certificates[6]	9,134	7,602	9,367	11,578	13,502	13,964	13,855	13,009	13,646	13,342
38 Other negotiable and readily transferable instruments[7]	5,392	5,725	5,124	5,616	5,757	5,759	5,366	6,187	5,921	5,846
39 Other	28,089	36,694	46,510[r]	53,945	53,254	54,141	56,195	59,278	58,302	61,700
40 **Other foreigners**	**79,463**	**87,351**	**103,182[r]**	**98,458**	**95,931**	**96,828**	**95,784**	**94,666**	**100,362**	**96,435**
41 Banks' own liabilities	67,000	75,396	88,793	83,742	82,471	83,107	82,385	81,063	83,031	81,772
42 Demand deposits	9,604	9,928	9,459[r]	9,223	9,223	8,937	8,755	9,082	9,153	9,041
43 Time deposits[2]	54,277	61,025	66,757	68,004	66,759	67,202	66,326	65,992	66,010	64,709
44 Other[3]	3,119	4,443	12,577[r]	6,516	6,489	6,968	7,304	5,990	7,868	8,021
45 Banks' custody liabilities[5]	12,463	11,956	14,389[r]	14,716	13,460	13,721	13,400	13,602	17,331	14,663
46 U.S. Treasury bills and certificates[6]	3,515	3,675	4,551	4,834	4,630	5,082	5,285	5,504	8,621	6,616
47 Other negotiable and readily transferable instruments[7]	6,898	5,929	7,958	8,293	7,205	7,082	7,113	6,518	6,697	6,710
48 Other	2,050	2,351	1,880[r]	1,589	1,625	1,558	1,001	1,580	2,013	1,336
49 MEMO: Negotiable time certificates of deposit in custody for foreigners	7,314	6,425	7,203	7,282	6,429	5,909	5,713	6,346	6,199	6,466

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	1987	1988	1989	1990 May	June	July	Aug.	Sept.	Oct.	Nov.p
1	**Total**	**618,874**	**685,339**	**736,663r**	**715,575r**	**708,044r**	**719,860r**	**737,890r**	**741,998r**	**750,045r**	**746,073**
2	**Foreign countries**	**614,411**	**682,115**	**731,892r**	**711,022r**	**703,051r**	**715,747r**	**733,601r**	**736,792r**	**745,538r**	**741,657**
3	Europe	234,641	231,912	237,489r	236,525r	234,412r	236,010r	245,188	244,157r	245,605r	246,939
4	Austria	920	1,155	1,233	1,372r	1,531	1,498	1,544	1,436	1,401	1,400
5	Belgium–Luxembourg	9,347	10,022	10,648r	9,540r	10,078r	10,598r	11,537	12,126	12,207	11,492
6	Denmark	760	2,200	1,415	2,152	2,411	2,581	2,238	2,055	1,984	1,781
7	Finland	377	285	570	314	387	485	463	392	660	422
8	France	29,835	24,777	26,903	23,104r	23,566	23,110r	24,201	29,116	29,128r	29,193
9	Germany	7,022	6,772	7,578	8,090r	8,359r	7,671r	7,605	7,845r	8,439	8,195
10	Greece	689	672	1,028	860	833	877	923	1,435	993	949
11	Italy	12,073	14,599	16,169	16,347	16,779	17,114	17,117	16,361r	16,983	16,347
12	Netherlands	5,014	5,316	6,613	8,166	7,626r	5,972r	6,209	5,385	6,082	6,023
13	Norway	1,362	1,559	2,401	1,582	2,420	1,793	2,192	1,951	1,875	2,329
14	Portugal	801	903	2,407	2,359	3,082	3,073	2,934	2,992	2,970	2,928
15	Spain	2,621	5,494	4,364	4,535	4,391	4,922	4,447	4,343	5,312	7,345
16	Sweden	1,379	1,284	1,491	1,655	1,769	1,586	1,495	833	1,706r	2,923
17	Switzerland	33,766	34,199	34,496	35,180r	34,780	33,557r	34,545	34,637	34,488r	34,159
18	Turkey	703	1,012	1,818	1,641	1,596	1,654	1,897	1,634	1,451r	1,630
19	United Kingdom	116,852	111,811	102,362	104,624	98,515r	100,934r	108,181	104,676r	100,961r	102,621
20	Yugoslavia	710	529	1,474	1,934	2,169	2,436	2,272	2,043	1,753	1,560
21	Other Western Europe[1]	9,798	8,598	13,563	11,423	12,360	14,619r	14,057	13,145r	15,684r	13,955
22	U.S.S.R.	32	138	350	158	75	194r	56	240	234	220
23	Other Eastern Europe[2]	582	591	608	1,489r	1,686r	1,335	1,275	1,515	1,294	1,466
24	Canada	30,095	21,062	18,865	19,869r	19,956	20,056	21,122	20,796	19,654r	20,669
25	Latin America and Caribbean	220,372	271,146	310,948	315,674	313,130r	316,656r	320,056r	325,927r	333,651r	321,300
26	Argentina	5,006	7,804	7,304	8,346	7,993	8,163	7,844	7,981	7,717	7,659
27	Bahamas	74,767	86,863	99,341	98,658	99,255	98,292	101,635	108,280r	110,157r	97,695
28	Bermuda	2,344	2,621	2,884	2,514	3,097r	2,824	2,656	2,739	2,487	2,513
29	Brazil	4,005	5,314	6,334	6,088	6,052r	6,083	6,329	6,058	5,892r	6,501
30	British West Indies	81,494	113,840	138,263	142,129	137,169r	142,722r	142,050r	140,947r	146,517r	144,422
31	Chile	2,210	2,936	3,212	3,517	3,449	3,540	3,491	3,135	3,170	3,422
32	Colombia	4,204	4,374	4,653	4,471	4,508	4,474	4,344	3,926	4,284	4,251
33	Cuba	12	10	10	10	10r	15	11	10	49	9
34	Ecuador	1,082	1,379	1,391	1,367	1,368	1,349	1,348	1,348	1,314	1,310
35	Guatemala	1,082	1,195	1,312	1,473	1,473	1,523	1,496	1,517	1,485	1,478
36	Jamaica	160	269	209	215	224	209r	213	217	219	236
37	Mexico	14,480	15,185	15,423	15,116	16,391r	16,070r	16,325	16,486	16,465	16,370
38	Netherlands Antilles	4,975	6,420	6,310	6,806	6,628	6,409r	6,429	6,558r	7,126	7,351
39	Panama	7,414	4,353	4,361	4,540	4,547r	4,388	4,648	4,632	4,592	4,644
40	Peru	1,275	1,671	1,984	1,532	1,473	1,405	1,369	1,362	1,360	1,327
41	Uruguay	1,582	1,898	2,284	2,560	2,529	2,560	2,531	2,512r	2,512	2,446
42	Venezuela	9,048	9,147	9,468	9,717	10,292	9,830	10,435	11,107r	11,351	12,988
43	Other	5,234	5,868	6,206	6,614	6,673r	6,803	6,901	7,113	6,951r	6,677
44	Asia	121,288	147,838	156,201	129,171r	126,223r	134,134r	137,793r	136,902r	137,236r	143,750
	China										
45	Mainland	1,162	1,895	1,773	1,784r	1,871	1,890	2,324r	2,115r	2,168r	2,493
46	Taiwan	21,503	26,058	19,588	15,174	11,006	12,611	12,639	12,468	12,242	11,418
47	Hong Kong	10,180	12,248	12,416	12,896	12,369	13,316	13,833r	13,836r	13,767r	13,843
48	India	582	699	780	1,148	966	909	806	1,035	953	1,116
49	Indonesia	1,404	1,180	1,281	1,192	1,530r	1,377	1,130	1,398	1,261	1,261
50	Israel	1,292	1,461	1,243	1,227	1,202	1,122	1,125	939	921	3,075
51	Japan	54,322	74,015	81,184	62,126r	62,402r	66,299r	68,676r	68,926r	67,923	69,179
52	Korea	1,637	2,541	3,215	2,049	2,101r	2,157	2,316	2,564r	2,442	2,732
53	Philippines	1,085	1,163	1,766	1,191	1,329	1,314	1,350	1,340	1,274	1,549
54	Thailand	1,345	1,236	2,093	1,973	2,125	2,745	2,233	1,626	1,448	1,681
55	Middle-East oil-exporting countries[3]	13,988	12,083	13,370	13,049	13,007r	14,027r	14,928	14,047	16,406r	17,403
56	Other	12,788	13,260	17,491	15,362	16,314r	16,367r	16,433	16,609	16,432	18,002
57	Africa	3,945	3,991	3,823	3,778	3,650	3,412	4,638	4,152	4,223r	4,388
58	Egypt	1,151	911	686	646	592	583	1,505	970	1,099	996
59	Morocco	194	68	78	86	81	95	77	93	87	90
60	South Africa	202	437	205	241	318	239	332	393	234	282
61	Zaire	67	85	86	66	41	38	43	44	45	55
62	Oil-exporting countries[4]	1,014	1,017	1,121	1,016	890	873	1,072	966	1,050r	1,288
63	Other	1,316	1,474	1,648	1,722	1,728	1,584	1,609	1,687	1,708r	1,678
64	Other countries	4,070	6,165	4,564	6,005	5,680	5,480	4,803	4,858r	5,169	4,610
65	Australia	3,327	5,293	3,867	5,250	5,052	4,892	4,122	4,127r	4,371	3,804
66	All other	744	872	697	755	628	588	681	732	797	807
67	Nonmonetary international and regional organizations	4,464	3,224	4,772	4,553r	4,994r	4,112	4,290	5,206	4,507	4,416
68	International[5]	2,830	2,503	3,825	3,389r	3,856r	2,981	3,150	3,982	3,392	3,296
69	Latin American regional	1,272	589	684	912	923r	812	569	668	627	809
70	Other regional[6]	362	133	263	253	215	319	571	556	487	312

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	1987	1988	1989	1990 May	1990 June	1990 July r	1990 Aug. r	1990 Sept. r	1990 Oct. r	1990 Nov. p
1 **Total**	**459,877**	**491,165**	**534,022r**	**488,578r**	**489,170r**	**488,235**	**494,987**	**493,239**	**494,796**	**504,403**
2 **Foreign countries**	**456,472**	**489,094**	**530,583r**	**483,994r**	**484,669r**	**483,961**	**491,343**	**488,044**	**490,767**	**500,029**
3 Europe	102,348	116,928	119,024	103,616r	102,398r	102,368	106,463	105,418	103,631	107,194
4 Austria	793	483	415	420	337	399	287	373	247	267
5 Belgium-Luxembourg	9,397	8,515	6,478	6,765	5,621r	6,754	6,682	5,627	5,147	6,449
6 Denmark	717	483	582	1,004	590	503	676	669	489	870
7 Finland	1,010	1,065	1,027	931	1,035	1,112	1,177	962	814	881
8 France	13,548	13,243	16,146	16,224	14,794	13,746	14,288	14,398	13,750	13,338
9 Germany	2,039	2,329	2,865	3,045	2,870	2,595	2,939	3,403	3,242	3,634
10 Greece	462	433	788	597	514	529	610	686	729	720
11 Italy	7,460	7,936	6,662	4,758	5,131r	4,615	4,498	4,634	5,070	5,170
12 Netherlands	2,619	2,541	1,904	1,968	2,041	1,744	1,636	2,219	1,711	1,849
13 Norway	934	455	609	761	745	692	716	744	732	661
14 Portugal	477	261	376	407	543r	543	427	412	444	367
15 Spain	1,853	1,823	1,930	1,897	2,084	2,125	2,100	2,312	2,373	2,585
16 Sweden	2,254	1,977	1,773	2,711	2,614	3,362	3,407	2,447	2,567	2,251
17 Switzerland	2,718	3,895	6,141	4,999	5,249	4,297	3,712	3,928	3,485	3,995
18 Turkey	1,680	1,233	1,071	1,138	1,232r	1,186	1,434	1,377	1,371	1,346
19 United Kingdom	50,823	65,706	65,527	52,333	53,592r	54,804	58,630	57,830	58,203	59,919
20 Yugoslavia	1,700	1,390	1,329	1,128	1,095	1,070	1,029	1,120	1,226	1,160
21 Other Western Europe[2]	619	1,152	1,302	786	821r	960	694	697	667	619
22 U.S.S.R.	389	1,255	1,179	945	754	565	624	940	889	653
23 Other Eastern Europe[3]	852	754	921	800	737r	765	897	640	474	459
24 Canada	25,368	18,889	15,450	16,355	16,518r	16,391	15,431	15,445	16,179	14,297
25 Latin America and Caribbean	214,789	214,264	230,392	205,404r	208,180r	199,729	204,012	211,783	216,710	228,539
26 Argentina	11,996	11,826	9,270	7,689	7,600	7,166	7,111	7,549	7,028	7,028
27 Bahamas	64,587	66,954	77,921	70,444r	66,870r	66,977	67,870	71,534	71,905	71,026
28 Bermuda	471	483	1,315	774	1,830	1,988	2,443	3,736	3,691	4,291
29 Brazil	25,897	25,735	23,749	21,788r	20,683r	20,180	18,906	18,651	18,626	18,678
30 British West Indies	50,042	55,888	68,709	67,564	74,601r	66,437	70,980	73,530	77,507	85,971
31 Chile	6,308	5,217	4,353	3,630	3,453	3,489	3,430	3,264	3,372	3,373
32 Colombia	2,740	2,944	2,784	2,624	2,596	2,542	2,700	2,563	2,544	2,532
33 Cuba	1	1	1	0	0	1	2	0	0	1
34 Ecuador	2,286	2,075	1,688	1,503	1,485r	1,515	1,507	1,498	1,487	1,498
35 Guatemala[4]	144	198	197	206	188	196	207	215	211	152
36 Jamaica[4]	188	212	297	260	258	262	243	254	262	340
37 Mexico	29,532	24,637	23,376	14,149r	14,234r	14,689	14,953	15,366	15,359	15,314
38 Netherlands Antilles	980	1,306	1,921	1,630	1,722	1,873	1,632	1,818	3,310	7,386
39 Panama	4,744	2,521	1,740	1,643	1,598	1,491	1,491	1,556	1,463	1,449
40 Peru	1,329	1,013	771	679	683	661	644	649	667	730
41 Uruguay	963	910	928	876	842	843	834	804	794	812
42 Venezuela	10,843	10,733	9,647	8,251	8,136	8,064	7,642	7,274	7,102	6,567
43 Other Latin America and Caribbean	1,738	1,612	1,726	1,693	1,399r	1,355	1,417	1,523	1,383	1,391
44 Asia	106,096	130,881	157,474r	150,172	149,197r	158,028	157,933	147,568	146,796	142,462
China										
Mainland	968	762	634	517	537	554	586	542	639	683
46 Taiwan	4,592	4,184	2,776	1,941	1,946	1,583	2,026	1,681	1,061	1,582
47 Hong Kong	8,218	10,143	11,128	9,563	9,271	9,434	9,473	9,026	8,478	8,506
48 India	510	560	621	579	802	852	628	867	506	540
49 Indonesia	580	674	651	599	801	814	836	826	892	923
50 Israel	1,363	1,136	813	738	777	738	785	698	688	758
51 Japan	68,658	90,149	111,300r	108,245	107,753r	114,663	114,973	106,543	106,540	100,071
52 Korea	5,148	5,213	5,323	5,186	5,128	5,515	5,614	5,679	5,362	5,445
53 Philippines	2,071	1,876	1,344	1,351	1,357	1,342	1,369	1,333	1,206	1,175
54 Thailand	496	848	1,140	1,202	1,279	1,242	1,245	1,279	1,444	1,523
55 Middle East oil-exporting countries[5]	4,858	6,213	10,149	9,577	10,876r	12,318	10,657	10,430	11,098	10,947
56 Other Asia	8,635	9,122	11,594	10,674	8,668r	8,971	9,741	8,663	8,883	10,309
57 Africa	4,742	5,718	5,890	5,913	5,787	5,567	5,567	5,544	5,601	5,691
58 Egypt	521	507	502	488	469	421	449	430	411	383
59 Morocco	542	511	559	587	565	544	539	542	534	519
60 South Africa	1,507	1,681	1,628	1,639	1,573	1,560	1,571	1,594	1,576	1,724
61 Zaire	15	17	16	20	21	20	19	20	19	19
62 Oil-exporting countries[6]	1,003	1,523	1,648	1,665	1,649	1,604	1,586	1,536	1,510	1,492
63 Other	1,153	1,479	1,537	1,515	1,511	1,418	1,403	1,422	1,551	1,554
64 Other countries	3,129	2,413	2,354	2,535	2,590	1,878	1,938	2,287	1,850	1,845
65 Australia	2,100	1,520	1,781	1,657	1,712	1,422	1,304	1,863	1,416	1,482
66 All other	1,029	894	573	878	878	456	634	424	433	363
67 Nonmonetary international and regional organizations[7]	3,404	2,071	3,439	4,584r	4,501r	4,275	3,644	5,195	4,030	4,374

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	1987	1988	1989r	1990r May	June	July	Aug.	Sept	Oct.	Nov.p
1 **Total**	**497,635**	**538,689**	**592,616**	....	**548,270**	....	....	**555,110**	....	....
2 Banks' own claims on foreigners	459,877	491,165	534,022	488,578	489,170	488,235	494,987	493,239	494,796	504,403
3 Foreign public borrowers	64,605	62,658	60,087	50,719	49,090	47,711	46,738	48,218	46,351	45,725
4 Own foreign offices[2]	224,727	257,436	295,980	275,193	280,044	275,297	273,967	278,871	281,013	290,806
5 Unaffiliated foreign banks	127,609	129,425	134,870	125,848	121,827	128,436	137,784	124,988	124,883	122,323
6 Deposits	60,687	65,898	78,184	73,524	69,336	73,819	80,628	72,266	72,152	68,522
7 Other	66,922	63,527	56,686	52,324	52,491	54,617	57,156	52,722	52,731	53,802
8 All other foreigners	42,936	41,646	43,084	36,818	38,209	36,791	36,499	41,162	42,549	45,549
9 Claims of banks' domestic customers[3]	37,758	47,524	58,594	....	59,100	....	....	61,871	....	....
10 Deposits	3,692	8,289	13,019	....	15,708	....	....	14,707	....	....
11 Negotiable and readily transferable instruments[4]	26,696	25,700	30,983	....	27,451	....	....	29,961	....	....
12 Outstanding collections and other claims	7,370	13,535	14,592	....	15,940	....	....	17,203	....	....
13 MEMO: Customer liability on acceptances	23,107	19,596	12,899	....	12,930	....	....	12,812	....	....
Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States[5]	40,909	45,565	45,675	41,698	40,411	41,000	44,631	43,154	42,774	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	1986	1987	1988	1989 Dec.r	1990r Mar.	June	Sept.
1 **Total**	**232,295**	**235,130**	**233,184**	**237,684**	**211,809**	**208,559**	**213,927**
By borrower							
2 Maturity of 1 year or less[2]	160,555	163,997	172,634	177,907	160,299	159,280	166,733
3 Foreign public borrowers	24,842	25,889	26,562	23,493	23,253	20,650	21,560
4 All other foreigners	135,714	138,108	146,071	154,415	137,046	138,630	145,173
5 Maturity over 1 year[2]	71,740	71,133	60,550	59,776	51,510	49,279	47,194
6 Foreign public borrowers	39,103	38,625	35,291	36,014	27,893	27,960	26,217
7 All other foreigners	32,637	32,507	25,259	23,762	23,617	21,320	20,977
By area							
Maturity of 1 year or less[2]							
8 Europe	61,784	59,027	55,909	53,912	48,550	49,421	51,662
9 Canada	5,895	5,680	6,282	5,909	5,698	5,754	5,530
10 Latin America and Caribbean	56,271	56,535	57,991	52,989	46,374	44,293	43,997
11 Asia	29,457	35,919	46,224	57,755	51,894	51,182	56,409
12 Africa	2,882	2,833	3,337	3,225	3,165	2,991	2,951
13 All other[3]	4,267	4,003	2,891	4,118	4,616	5,639	6,184
Maturity of over 1 year[2]							
14 Europe	6,737	6,696	4,666	4,121	4,389	4,201	4,429
15 Canada	1,925	2,661	1,922	2,353	2,712	2,819	3,033
16 Latin America and Caribbean	56,719	53,817	47,547	45,816	35,530	33,190	31,276
17 Asia	4,043	3,830	3,613	4,172	5,552	5,866	5,646
18 Africa	1,539	1,747	2,301	2,630	2,764	2,739	2,544
19 All other[3]	777	2,381	501	684	564	464	265

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 Sept.	1988 Dec.	1989 Mar.	1989 June	1989 Sept.	1989 Dec.	1990 Mar.	1990 June	1990 Sept.
1 **Total**	**386.5**	**382.4**	**354.0**	**346.3**	**346.1**	**340.0**	**346.2**	**338.4[r]**	**334.3[r]**	**322.6[r]**	**333.1[r]**
2 G-10 countries and Switzerland	156.6	159.7	148.7	152.7	145.4	145.1	146.4	152.9	147.1	140.1	144.3[r]
3 Belgium-Luxembourg	8.4	10.0	9.5	9.0	8.6	7.8	6.9	6.3	6.6	6.2	6.5
4 France	13.6	13.7	10.3	10.5	11.2	10.8	11.1	11.7	10.5	10.3	11.1
5 Germany	11.6	12.6	9.2	10.3	10.2	10.6	10.4	10.5	11.2	11.2	11.2
6 Italy	9.0	7.5	5.6	6.8	5.2	6.1	6.8	7.4	6.0	5.5	4.5
7 Netherlands	4.6	4.1	2.9	2.7	2.8	2.8	2.4	3.1	3.1	2.7	3.8
8 Sweden	2.4	2.1	1.9	1.8	2.3	1.8	2.0	2.0	2.1	2.3	2.4
9 Switzerland	5.8	5.6	5.2	5.4	5.1	5.4	6.1	7.1	6.3	6.4	5.6
10 United Kingdom	70.9	68.8	67.6	66.2	65.6	64.5	63.7	67.2	64.0	60.0[r]	62.1
11 Canada	5.2	5.5	4.9	5.0	4.0	5.1	5.9	5.4	4.8	5.2	5.1
12 Japan	25.1	29.8	31.6	34.9	30.5	30.2	31.0	32.2	32.6	30.4	32.1
13 Other developed countries	26.1	26.4	23.0	21.0	21.1	21.2	21.0	20.7	23.1	22.6	23.0
14 Austria	1.7	1.9	1.6	1.5	1.4	1.7	1.5	1.5	1.5	1.5	1.6
15 Denmark	1.7	1.7	1.2	1.1	1.1	1.4	1.1	1.1	1.1	1.1	1.0
16 Finland	1.4	1.2	1.3	1.1	1.0	1.0	1.1	1.0	1.1	.9	.8
17 Greece	2.3	2.0	2.1	1.8	2.1	2.3	2.4	2.5	2.6	2.7	2.8
18 Norway	2.4	2.2	2.0	1.8	1.6	1.8	1.4	1.4	1.7	1.4	1.5
19 Portugal	.9	.6	.4	.4	.4	.6	.4	.4	.4	.8	.6
20 Spain	5.8	8.0	6.3	6.2	6.6	6.2	6.9	7.1	8.3	7.9	8.5
21 Turkey	2.0	2.0	1.6	1.5	1.3	1.1	1.2	1.2	1.3	1.4	1.6
22 Other Western Europe	1.5	1.6	1.9	1.3	1.1	1.1	1.0	.7	1.0	1.1	.7
23 South Africa	3.0	2.9	2.7	2.4	2.2	2.1	2.1	2.0	2.0	1.9	1.9
24 Australia	3.4	2.4	1.8	1.8	2.4	1.9	2.1	1.6	2.1	1.9	2.0
25 OPEC countries[3]	19.4	17.4	17.9	16.6	16.2	16.1	16.2	17.1	15.5	15.3[r]	14.4
26 Ecuador	2.2	1.9	1.8	1.7	1.6	1.5	1.5	1.3	1.2	1.1[r]	1.1
27 Venezuela	8.7	8.1	7.9	7.9	7.9	7.5	7.4	7.0	6.1	6.0	6.0
28 Indonesia	2.5	1.9	1.8	1.7	1.7	1.9	2.0	2.0	2.1	2.0	2.3
29 Middle East countries	4.3	3.6	4.6	3.4	3.3	3.4	3.5	5.0	4.3	4.4	3.3
30 African countries	1.8	1.9	1.9	1.9	1.7	1.6	1.9	1.7	1.8	1.8	1.7
31 Non-OPEC developing countries	99.6	97.8	87.2	85.3	85.9	83.4	81.2	77.5	68.8	66.0[r]	66.3[r]
Latin America											
32 Argentina	9.5	9.5	9.3	9.0	8.5	7.9	7.6	6.3	5.5	5.1	4.9
33 Brazil	25.3	24.7	22.4	22.4	22.8	22.1	20.9	19.0	17.5	16.0	15.0
34 Chile	7.1	6.9	6.3	5.6	5.7	5.2	4.9	4.6	4.3	3.7	3.6
35 Colombia	2.1	2.0	2.1	2.1	1.9	1.7	1.6	1.8	1.8	1.7	1.8
36 Mexico	24.0	23.5	20.4	18.8	18.3	17.7	17.2	17.7	12.7[r]	12.6[r]	13.1
37 Peru	1.4	1.1	.8	.8	.7	.6	.6	.6	.5	.5	.5
38 Other Latin America	3.1	2.8	2.5	2.6	2.7	2.6	2.9	2.8	2.7	2.3[r]	2.4
Asia											
China											
39 Mainland	.4	.3	.2	.3	.5	.3	.3	.3	.3	.2	.2
40 Taiwan	4.9	8.2	3.2	3.7	4.9	5.2	5.0	4.5	3.8	3.6	3.9
41 India	1.2	1.9	2.0	2.1	2.6	2.4	2.7	3.1	3.5	3.6	3.6
42 Israel	1.5	1.0	1.0	1.2	.9	.8	.7	.7	.6	.7	.6
43 Korea (South)	6.7	5.0	6.0	6.1	6.1	6.6	6.5	5.9	5.3	5.6	6.2
44 Malaysia	2.1	1.5	1.7	1.6	1.7	1.6	1.7	1.7	1.8	1.8	1.8
45 Philippines	5.4	5.2	4.7	4.5	4.4	4.4	4.0	4.1	3.7	3.9	3.9
46 Thailand	.9	.7	1.2	1.1	1.0	1.0	1.3	1.3	1.1	1.3	1.5
47 Other Asia	.7	.7	.8	.9	.8	.8	1.0	1.0	1.2	1.1	1.2
Africa											
48 Egypt	.7	.6	.5	.4	.5	.6	.5	.4	.4	.5	.4
49 Morocco	.9	.9	.8	.9	.9	.9	.8	.9	.9	.9	.9
50 Zaire	.1	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
51 Other Africa[4]	1.6	1.3	1.2	1.1	1.1	1.1	1.0	1.0	.9	.9	.8
52 Eastern Europe	3.5	3.2	3.1	3.6	3.5	3.4	3.5	3.5	3.4	3.0	2.9
53 U.S.S.R.	.1	.3	.4	.7	.7	.6	.8	.7	.8	.4	.4
54 Yugoslavia	2.0	1.8	1.8	1.8	1.7	1.7	1.7	1.6	1.4	1.4	1.3
55 Other	1.4	1.1	1.0	1.1	1.1	1.1	1.1	1.3	1.3	1.2	1.2
56 Offshore banking centers	61.5	54.5	47.3	44.2	48.5	43.1	49.2	36.6	42.9	40.0[r]	41.9
57 Bahamas	22.4	17.3	12.9	11.0	15.8	11.0	11.4	5.5	9.2[r]	8.5	8.9
58 Bermuda	.6	.6	.9	.9	1.1	.7	1.3	1.7	.9	2.2	4.0
59 Cayman Islands and other British West Indies	12.3	13.5	11.9	12.9	12.0	10.8	15.3	8.9	10.9	8.5	9.0
60 Netherlands Antilles	1.8	1.2	1.2	1.0	.9	1.0	1.1	2.3	2.6	2.3	2.2
61 Panama[5]	4.0	3.7	2.6	2.5	2.2	1.9	1.5	1.4	1.3	1.4	1.5
62 Lebanon	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1
63 Hong Kong	11.1	11.2	10.5	9.6	9.6	10.4	10.7	9.7	9.8	10.0	9.0
64 Singapore	9.2	7.0	7.0	6.1	6.8	7.3	7.8	7.0	8.0	7.0	7.2
65 Others[6]	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
66 Miscellaneous and unallocated[7]	19.8	23.2	26.7	22.6	25.0	27.4	28.5	29.8	33.2	35.4[r]	40.0

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.[p]
1	**Total**	**25,587**	**28,302**	**32,938**	**38,400[r]**	**36,530[r]**	**38,413[r]**	**38,554[r]**	**39,474[r]**	**44,348**
2	Payable in dollars	21,749	22,785	27,320	33,312[r]	31,669[r]	33,569[r]	34,265[r]	34,962[r]	39,260
3	Payable in foreign currencies	3,838	5,517	5,618	5,088	4,861[r]	4,845	4,289	4,512[r]	5,088
	By type									
4	Financial liabilities	12,133	12,424	14,507	18,427	17,141[r]	18,364[r]	17,837[r]	19,499[r]	20,472
5	Payable in dollars	9,609	8,643	10,608	14,551	13,289	14,462[r]	14,625[r]	16,098	16,670
6	Payable in foreign currencies	2,524	3,781	3,900	3,875	3,852[r]	3,902	3,213	3,401[r]	3,801
7	Commercial liabilities	13,454	15,878	18,431	19,973[r]	19,389[r]	20,049[r]	20,717[r]	19,975[r]	23,876
8	Trade payables	6,450	7,305	6,505	6,501[r]	6,906[r]	7,377[r]	7,275	6,739[r]	9,789
9	Advance receipts and other liabilities	7,004	8,573	11,926	13,472[r]	12,483[r]	12,672[r]	13,441[r]	13,237	14,087
10	Payable in dollars	12,140	14,142	16,712	18,760[r]	18,380[r]	19,107	19,640[r]	18,864[r]	22,590
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[r]	11,607[r]	10,960[r]	12,026	11,465
13	Belgium-Luxembourg	270	213	289	357	308	340	333	347	350
14	France	661	382	359	257	242	258	217	156	462
15	Germany	368	551	699	618	592[r]	521[r]	482	676[r]	735
16	Netherlands	542	866	880	835	855[r]	946	900[r]	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[r]	8,212	8,759	7,558
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[r]	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[r]	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[r]	4,814	4,483	4,561[r]	4,831
28	Japan	1,398	2,042	2,563	3,100	3,130	3,963	3,445	3,559[r]	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[r]	8,321[r]	8,885[r]	9,133	8,304	9,690
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[r]	1,185[r]	1,364[r]	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	2,774
40	Canada	1,405	1,301	1,217	1,133	1,189	1,067	1,124	1,169[r]	1,239
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	36
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[r]	7,040[r]	6,886[r]	6,949[r]	8,671
49	Japan	2,042	2,578	3,094	2,708	2,676[r]	2,774[r]	2,624	3,068[r]	3,076
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[r]	1,057[r]	1,027[r]	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	1988r	1989r			1990r		
				June	Sept.	Dec.r	Mar.	June	Sept.p
1 **Total**	**36,265**	**30,964**	**34,035**	**34,420**	**32,088**	**31,437**	**29,708**	**31,468**	**30,734**
2 Payable in dollars	33,867	28,502	31,654	32,203	29,806	29,106	27,595	29,174	28,379
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	16,464
5 Deposits	19,916	14,894	15,643	16,500	12,154	10,400	10,436	9,877	10,348
6 Payable in dollars	19,331	13,765	14,544	15,581	11,278	9,473	9,583	8,825	9,199
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	6,116
9 Payable in dollars	5,005	4,656	5,450	4,683	6,073	6,535	5,357	7,365	5,463
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	14,271
12 Trade receivables	8,783	9,535	11,091	11,068	11,472	12,140	11,635	11,807	12,471
13 Advance payments and other claims	1,209	1,065	1,075	1,432	1,481	1,608	1,592	1,686	1,800
14 Payable in dollars	9,530	10,081	11,660	11,939	12,455	13,099	12,655	12,985	13,717
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	7,894
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	6,917
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	5,617
25 Bahamas	2,628	1,994	1,846	1,875	1,699	1,516	1,599	920	929
26 Bermuda	6	7	19	33	33	7	4	3	4
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	829
32 Japan	999	605	574	525	460	439	416	473	447
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	6,392
38 Belgium-Luxembourg	133	178	189	205	220	241	219	207	189
39 France	431	650	672	775	829	956	958	908	1,135
40 Germany	444	562	669	675	686	687	699	662	637
41 Netherlands	164	133	212	413	396	478	450	475	490
42 Switzerland	217	185	344	231	222	305	270	235	292
43 United Kingdom	999	1,073	1,324	1,372	1,398	1,572	1,690	1,586	1,664
44 Canada	934	936	983	1,181	1,278	1,058	1,091	1,108	1,123
45 Latin America and Caribbean	1,857	1,930	2,241	2,103	2,147	2,177	2,061	2,214	2,388
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	251
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	3,566
53 Japan	881	1,158	946	999	1,176	1,184	1,061	1,046	1,207
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	1988	1989	1990 Jan.–Nov.	1990r May	June	July	Aug.	Sept.	Oct.	Nov.p
	U.S. corporate securities									
STOCKS										
1 Foreign purchases	181,185	214,061r	162,318	15,231	18,211	17,447	20,653	8,812	11,629	15,157
2 Foreign sales	183,185	204,114r	175,454	17,717	18,584	16,080	21,959	11,318	15,428	15,072
3 **Net purchases, or sales (–)**	**–2,000**	**9,946r**	**–13,136**	**–2,486**	**–372**	**1,367**	**–1,306**	**–2,506**	**–3,799**	**85**
4 **Foreign countries**	**–1,825**	**10,180r**	**–13,198**	**–2,543**	**–336**	**1,315**	**–1,343**	**–2,452**	**–3,756**	**89**
5 Europe	–3,350	481r	–7,181	–1,048	–590	–12	–1,379	–1,160	–1,416	327
6 France	–281	–708	–1,134	–189	32	–25	–175	–148	–159	–80
7 Germany	218	–830	–226	–57	–66	–41	–119	2	–87	–15
8 Netherlands	–535	79r	–361	–20	–83	–30	–107	–48	–61	21
9 Switzerland	–2,243	–3,277r	–2,046	–347	–198	–170	–253	–126	–213	405
10 United Kingdom	–954	3,691r	–3,226	–200	–114	252	–637	–718	–688	–239
11 Canada	1,087	–881r	609	–101	88	174	330	210	155	215
12 Latin America and Caribbean	1,238	3,042r	–1,070	90	–14	–90	–242	–218	–357	287
13 Middle East[1]	–2,474	3,531	–2,196	–593	–85	–36	187	–437	–558	–430
14 Other Asia	1,365	3,577r	–3,098	–904	243	1,056	–69	–712	–1,515	–422
15 Japan	1,922	3,330r	–2,524	–750	212	851	22	–737	–1,133	–196
16 Africa	188	131	–46	0	–7	13	16	1	–31	–5
17 Other countries	121	299r	–217	13	30	211	–186	–135	–35	117
18 **Nonmonetary international and regional organizations**	**–176**	**–234**	**62**	**57**	**–37**	**52**	**37**	**–55**	**–42**	**–5**
BONDS[2]										
19 Foreign purchases	86,381	120,540	108,914	8,458	12,562	10,915	11,846	7,484	8,698	11,470
20 Foreign sales	58,417	86,568r	91,759	6,339	8,448	7,553	12,465	9,354	7,479	7,930
21 **Net purchases, or sales (–)**	**27,964**	**33,972r**	**17,155**	**2,119**	**4,114**	**3,362**	**–618**	**–1,870**	**1,220**	**3,540**
22 **Foreign countries**	**28,506**	**33,619r**	**17,608**	**2,194**	**4,082**	**3,323**	**–588**	**–1,900**	**1,457**	**3,544**
23 Europe	17,239	19,823r	11,046	780	3,378	1,996	706	–819	588	1,988
24 France	143	372	334	108	293	54	–40	–103	–74	24
25 Germany	1,344	–238	–264	–39	80	33	172	3	–29	–59
26 Netherlands	1,514	850	68	33	37	37	–15	–71	35	52
27 Switzerland	505	–189r	547	83	186	570	–346	0	–84	52
28 United Kingdom	13,084	18,459	10,147	495	2,761	1,145	722	–275	292	1,824
29 Canada	711	1,116	2,117	198	292	70	91	–87	127	237
30 Latin America and Caribbean	1,931	3,686	3,689	508	578	273	–103	–208	198	343
31 Middle East[1]	–178	–182	93	251	–120	13	–178	–65	6	–37
32 Other Asia	8,900	9,063	891	440	11	999	–986	–692	588	1,036
33 Japan	7,686	6,331	612	331	–131	930	–632	–871	361	814
34 Africa	–8	56	96	8	2	–4	–1	5	2	6
35 Other countries	–89	57r	–323	9	–59	–24	–118	–34	–53	–30
36 **Nonmonetary international and regional organizations**	**–542**	**353**	**–453**	**–76**	**32**	**39**	**–31**	**30**	**–237**	**–4**
	Foreign securities									
37 Stocks, net purchases, or sales (–)[3]	–1,959	–13,097	–6,695	–2,542	–2,861	–1,135	–142	446	–319	1,192
38 Foreign purchases	75,356	109,789	115,158	9,824	11,041	11,425	12,360	7,522	9,277	10,018
39 Foreign sales[3]	77,315	122,886	121,853	12,366	13,902	12,559	12,502	7,076	9,596	8,826
40 Bonds, net purchases, or sales (–)	–7,434	–6,049	–18,087	–1,717	–1,939	–400	48	–599	–2,805	83
41 Foreign purchases	218,521	234,215	280,722	26,029	25,762	23,367	29,826	25,746	35,254	32,704
42 Foreign sales	225,955	240,264	298,810	27,746	27,702	23,767	29,778	26,346	38,060	32,621
43 **Net purchases, or sales (–), of stocks and bonds**	**–9,393**	**–19,145**	**–24,782**	**–4,259**	**–4,800**	**–1,535**	**–94**	**–153**	**–3,124**	**1,275**
44 **Foreign countries**	**–9,873**	**–19,178**	**–22,836**	**–4,054**	**–4,347**	**–1,564**	**–538**	**–428**	**–2,320**	**1,253**
45 Europe	–7,864	–17,811	–7,283	–1,976	–3,645	–390	–1,303	–73	–888	1,941
46 Canada	–3,747	–4,180	–6,701	–575	–223	–328	167	–4	–881	–1,659
47 Latin America and Caribbean	1,384	426	–6,134	247	417	–222	–64	–401	229	283
48 Asia	979	2,540	–2,255	–1,419	–1,082	–211	606	–323	–697	709
49 Africa	–54	93	–165	6	8	–83	–8	12	4	–69
50 Other countries	–571	–246	–298	–338	178	–331	65	362	–88	49
51 **Nonmonetary international and regional organizations**	**480**	**33**	**–1,946**	**–205**	**–453**	**30**	**444**	**275**	**–804**	**22**

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	1988	1989	1990 Jan.–Nov.	1990 May	1990 June	1990 July	1990 Aug.	1990 Sept.	1990 Oct.[r]	1990 Nov.[p]
	Transactions, net purchases or sales (−) during period[1]									
1 **Estimated total[2]**	**48,832**	**54,198[r]**	**13,399**	**−2,749[r]**	**3,554**	**5,488**	**4,609**	**936**	**−1,013**	**5,928**
2 Foreign countries[2]	48,170	52,296[r]	13,734	−3,154	3,249	5,331	3,968	1,293	−987	5,593
3 Europe[2]	14,319	36,286	14,307	−3,787	2,587	3,643	−2,128	5,021	275	2,135
4 Belgium–Luxembourg	923	1,048	90	115	270	179	−395	−95	72	−67
5 Germany[2]	−5,268	7,904	5,165	306	−1,061	−1	1,424	633	581	1,667
6 Netherlands	−356	−1,141	387	−263	313	196	1,253	956	−454	−223
7 Sweden	−323	693	430	−254	−34	133	−266	−33	163	279
8 Switzerland[2]	−1,074	1,098[r]	−92	−189	−19	−799	−128	548	617	−6
9 United Kingdom	9,640	20,198	−2,368	−3,545	1,894	1,051	−3,776	1,599	−1,747	−1,580
10 Other Western Europe	10,786	6,508	10,675	43	1,223	2,884	−251	1,407	1,043	2,068
11 Eastern Europe	−10	−21	13	0	0	0	11	0	0	−5
12 Canada	3,761	698[r]	−4,711	−1,752	367	1,418	1,177	−868	−637	−463
13 Latin America and Caribbean	713	459[r]	14,236	478	914	1,934	1,319	−1,953	4,676	4,306
14 Venezuela	−109	311	−51	71	48	−1	0	−49	−1	49
15 Other Latin America and Caribbean	1,130	−327[r]	3,900	610	1,021	1,060	295	−1,157	591	967
16 Netherlands Antilles	−308	475	10,387	−204	−154	874	1,023	−747	4,086	3,290
17 Asia	27,603	13,297[r]	−10,869	2,026	−1,086	−1,672	3,304	−1,751	−5,071	−934
18 Japan	21,750	1,681[r]	−12,350	2,234	−469	161	2,376	−2,092	−3,938	−1,152
19 Africa	−13	116	335	−8	52	17	57	151	83	8
20 All other	1,786	1,439	435	−110	416	−9	239	692	−313	543
21 Nonmonetary international and regional organizations	661	1,902	−334	405[r]	305	158	641	−357	−27	335
22 International	1,106	1,473	−14	398[r]	462	−25	444	−154	−87	209
23 Latin America regional	−31	231	−94	25	−109	25	25	−75	−59	0
Memo										
24 Foreign countries[2]	48,170	52,296[r]	13,734	−3,154	3,249	5,331	3,968	1,293	−987	5,593
25 Official institutions	26,624	26,835	16,163	−2,384	924	724	6,794	3,799	1,226	4,867
26 Other foreign[2]	21,546	25,461[r]	−2,430	−770	2,325	4,607	−2,826	−2,506	−2,213	726
Oil-exporting countries										
27 Middle East[3]	1,963	8,148	−1,397	−188	−439	−2,095	−365	241	−1,247	−878
28 Africa[4]	1	−1	−0	0	0	0	0	0	0	0

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

3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Percent per year

Country	Rate on Jan. 31, 1991		Country	Rate on Jan. 31, 1991		Country	Rate on Jan. 31, 1991	
	Percent	Month effective		Percent	Month effective		Percent	Month effective
Austria	6.5	Oct. 1989	France[1]	9.25	Nov. 1990	Norway	8.0	June 1983
Belgium	10.5	Nov. 1989	Germany, Fed. Rep. of	6.0	Oct. 1989	Switzerland	6.0	Oct. 1989
Canada	10.73	Jan. 1991	Italy	12.5	May 1990	United Kingdom[2]	....	....
Denmark	10.5	Oct. 1989	Japan	6.0	Aug. 1990			
			Netherlands	7.25	Nov. 1989			

1. As of the end of February 1981, the rate is that at which the Bank of France discounts Treasury bills for 7 to 10 days.
2. Minimum lending rate suspended as of Aug. 20, 1981.
NOTE. Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or government commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations.

3.27 FOREIGN SHORT-TERM INTEREST RATES

Percent per year, averages of daily figures

Country, or type	1988	1989	1990	1990						1991
				July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
1 Eurodollars	7.85	9.16	8.16	8.09	7.99	8.07	8.06	8.04	7.87	7.23
2 United Kingdom	10.28	13.87	14.73	14.92	14.95	14.88	14.02	13.57	13.75	13.91
3 Canada	9.63	12.20	13.00	13.58	13.13	12.63	12.58	12.36	11.95	11.13
4 Germany	4.28	7.04	8.41	8.17	8.36	8.39	8.51	8.79	9.17	9.25
5 Switzerland	2.94	6.83	8.71	8.81	8.71	8.11	7.88	8.39	8.65	8.44
6 Netherlands	4.72	7.28	8.57	8.16	8.44	8.42	8.39	8.73	9.27	9.31
7 France	7.80	9.27	10.20	9.91	10.03	10.24	9.92	9.88	10.14	10.14
8 Italy	11.04	12.44	12.11	11.38	11.49	10.65	11.40	12.42	13.45	13.13
9 Belgium	6.69	8.65	9.70	9.30	9.30	9.04	8.89	9.03	9.81	9.91
10 Japan	4.43	5.39	7.75	7.68	8.02	8.37	8.26	8.35	8.27	8.18

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 Aug.	1990 Sept.	1990 Oct.	1990 Nov.	1990 Dec.	1991 Jan.
1 Australia/dollar[2]	78.409	79.186	78.069	80.871	82.512	80.060	77.290	77.019	77.930
2 Austria/schilling	12.357	13.236	11.331	11.044	11.044	10.719	10.451	10.539	10.616
3 Belgium/franc	36.785	39.409	33.424	32.280	32.282	31.373	30.647	31.014	31.088
4 Canada/dollar	1.2306	1.1842	1.1668	1.1448	1.1583	1.1600	1.1635	1.1603	1.1560
5 China, P.R./yuan	3.7314	3.7673	4.7921	4.7339	4.7342	4.7339	4.9714	5.2352	5.2352
6 Denmark/krone	6.7412	7.3210	6.1899	6.0033	5.9961	5.8117	5.6946	5.7735	5.8115
7 Finland/markka	4.1933	4.2963	3.8300	3.7051	3.7113	3.6187	3.5644	3.6341	3.6431
8 France/franc	5.9595	6.3802	5.4467	5.2680	5.2575	5.1032	5.0020	5.0895	5.1253
9 Germany/deutsche mark	1.7570	1.8808	1.6166	1.5702	1.5701	1.5238	1.4857	1.4982	1.5091
10 Greece/drachma	142.00	162.60	158.59	154.82	154.93	153.17	152.27	156.08	159.70
11 Hong Kong/dollar	7.8072	7.8008	7.7899	7.7707	7.7647	7.7722	7.7951	7.8034	7.7950
12 India/rupee	13.900	16.213	17.492	17.347	17.860	18.074	18.098	18.127	18.339
13 Ireland/punt[2]	152.49	141.80	165.76	170.86	170.91	176.04	180.18	177.77	168.68
14 Italy/lira	1,302.39	1,372.28	1,198.27	1,157.07	1,172.87	1,141.62	1,117.04	1,129.26	1,134.38
15 Japan/yen	128.17	138.07	145.00	147.46	138.44	129.59	129.22	133.89	133.70
16 Malaysia/ringgit	2.6190	2.7079	2.7057	2.6956	2.6959	2.6995	2.6949	2.7030	2.7140
17 Netherlands/guilder	1.9778	2.1219	1.8215	1.7692	1.7699	1.7180	1.6761	1.6904	1.7015
18 New Zealand/dollar[2]	65.560	59.354	59.619	61.294	62.077	61.129	61.120	59.574	59.476
19 Norway/krone	6.5243	6.9131	6.2541	6.0810	6.0735	5.8241	5.7996	5.8717	5.8993
20 Portugal/escudo	144.27	157.53	142.70	138.71	139.18	134.41	130.87	132.82	134.43
21 Singapore/dollar	2.0133	1.9511	1.8134	1.7905	1.7671	1.7257	1.7100	1.7275	1.7455
22 South Africa/rand	2.2770	2.6214	2.5885	2.5734	2.5712	2.5445	2.5247	2.5395	2.5643
23 South Korea/won	734.52	674.29	710.64	718.26	717.87	717.76	717.03	718.58	720.83
24 Spain/peseta	116.53	118.44	101.96	96.90	98.49	95.59	94.07	95.75	95.08
25 Sri Lanka/rupee	31.820	35.947	40.078	40.007	39.953	40.285	40.355	40.244	40.300
26 Sweden/krona	6.1370	6.4559	5.9231	5.7754	5.7663	5.6411	5.5633	5.6338	5.6345
27 Switzerland/franc	1.4643	1.6369	1.3901	1.3076	1.3069	1.2818	1.2569	1.2814	1.2714
28 Taiwan/dollar	28.636	26.407	26.918	27.291	27.302	27.288	27.245	27.162	27.197
29 Thailand/baht	25.312	25.725	25.609	25.579	25.376	25.130	25.078	25.208	25.244
30 United Kingdom/pound[2]	178.13	163.82	178.41	190.13	187.94	194.56	196.42	192.19	193.46
MEMO									
31 United States/dollar[3]	92.72	98.60	89.09	86.55	86.10	83.43	82.12	83.35	83.51

1. Averages of certified noon buying rates in New York for cable transfers. Data in this table also appear in the Board's G.5 (405) release. For address, see inside front cover.
2. Value in U.S. cents.
3. Index of weighted-average exchange value of U.S. dollar against the currencies of 10 industrial countries. The weight for each of the 10 countries is the 1972–76 average world trade of that country divided by the average world trade of all 10 countries combined. Series revised as of August 1978 (see *Federal Reserve Bulletin*, vol. 64, August 1978, p. 700).

Guide to Tabular Presentation, Statistical Releases, and Special Tables

GUIDE TO TABULAR PRESENTATION

Symbols and Abbreviations

c	Corrected	0	Calculated to be zero
e	Estimated	n.a.	Not available
p	Preliminary	n.e.c.	Not elsewhere classified
r	Revised (Notation appears on column heading when about half of the figures in that column are changed.)	IPCs	Individuals, partnerships, and corporations
*	Amounts insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is millions)	REITs	Real estate investment trusts
		RPs	Repurchase agreements
		SMSAs	Standard metropolitan statistical areas
		. . .	Cell not applicable

General Information

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

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

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

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

	Issue	*Page*
Anticipated schedule of release dates for periodic releases	December 1990	A92

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

Title and Date	*Issue*	*Page*
Assets and liabilities of commercial banks		
December 31, 1989	June 1990	A72
March 31, 1990	January 1991	A72
June 30, 1990	February 1991	A72
September 30, 1990	March 1991	A72
Terms of lending at commercial banks		
November 1989	March 1990	A79
February 1990	September 1990	A73
May 1990	December 1990	A72
August 1990	December 1990	A77
Assets and liabilities of U.S. branches and agencies of foreign banks		
December 31, 1989	August 1990	A72
March 31, 1990	September 1990	A78
June 30, 1990	December 1990	A82
September 30, 1990	February 1991	A78
Pro forma balance sheet and income statements for priced service operations		
June 30, 1989	February 1990	A78
September 30, 1989	March 1990	A88
March 31, 1990	September 1990	A82
June 30, 1990	October 1990	A72

Special table follows.

4.20 DOMESTIC AND FOREIGN OFFICES, Insured Commercial Bank Assets and Liabilities[1,2]
Consolidated Report of Condition, September 30, 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]**	**3,364,435**	**1,922,179**	**443,072**	**1,540,351**	**1,063,653**	**378,603**
2 Cash and balances due from depository institutions	297,895	210,453	97,287	113,166	63,670	23,773
3 Cash items in process of collection, unposted debits, and currency and coin	n.a.	79,922	1,834	78,088	31,494	n.a.
4 Cash items in process of collection and unposted debits	n.a.	n.a.	n.a.	64,873	22,612	n.a.
5 Currency and coin	n.a.	n.a.	n.a.	13,215	8,882	n.a.
6 Balances due from depository institutions in the United States	n.a.	31,471	17,951	13,520	18,538	n.a.
7 Balances due from banks in foreign countries and foreign central banks	n.a.	80,237	77,353	2,884	2,034	n.a.
8 Balances due from Federal Reserve Banks	n.a.	18,823	149	18,674	11,605	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.	9,152	13,453	8,811
10 **Total securities, loans and lease financing receivables, net**	**2,789,995**	**1,504,267**	n.a.	n.a.	**947,354**	**338,373**
11 Total securities, book value	600,602	253,530	33,293	220,237	231,528	115,543
12 U.S. Treasury securities and U.S. government agency and corporation obligations	419,852	161,429	2,846	158,583	168,603	89,820
13 U.S. Treasury securities	n.a.	47,761	704	47,058	69,848	n.a.
14 U.S. government agency and corporation obligations	n.a.	113,668	2,142	111,526	98,755	n.a.
15 All holdings of U.S. government-issued or guaranteed certificates of participation in pools of residential mortgages	144,125	78,157	1,659	76,499	46,874	19,094
16 All other	n.a.	35,511	484	35,027	51,881	n.a.
17 Securities issued by states and political subdivisions in the United States	86,447	31,750	1,055	30,695	37,777	16,920
18 Other domestic debt securities	n.a.	27,890	1,888	26,002	21,116	n.a.
19 All holdings of private certificates of participation in pools of residential mortgages	3,565	1,771	90	1,681	1,334	459
20 All other domestic debt securities	52,942	26,119	1,798	24,321	19,782	7,041
21 Foreign debt securities	n.a.	28,619	26,669	1,950	444	n.a.
22 Equity securities	8,733	3,842	835	3,007	3,588	1,303
23 Marketable	4,549	1,030	285	745	2,547	972
24 Investments in mutual funds	1,978	150	15	135	910	918
25 Other	3,106	1,076	271	805	1,861	170
26 Less: Net unrealized loss	535	195	1	194	224	116
27 Other equity securities	4,184	2,812	550	2,262	1,041	331
28 Federal funds sold and securities purchased under agreements to resell	146,878	74,672	487	74,186	49,757	22,448
29 Federal funds sold	126,505	58,067	n.a.	n.a.	46,286	22,152
30 Securities purchased under agreements to resell	20,372	16,605	n.a.	n.a.	3,471	296
31 Total loans and lease financing receivables, gross	2,108,765	1,218,500	218,985	999,514	684,573	205,693
32 LESS: Unearned income on loans	13,991	5,830	1,553	4,276	6,169	1,992
33 Total loans and leases (net of unearned income)	2,094,742	1,212,670	217,432	995,238	678,372	203,700
34 LESS: Allowance for loan and lease losses	51,989	36,368	n.a.	n.a.	12,303	3,318
35 LESS: Allocated transfer risk reserves	238	237	n.a.	n.a.	0	1
36 EQUALS: Total loans and leases, net	2,042,515	1,176,065	n.a.	n.a.	666,069	200,382
Total loans, gross, by category						
37 Loans secured by real estate	816,031	407,496	27,178	380,318	305,736	102,799
38 Construction and land development	n.a.	n.a.	n.a.	85,582	39,250	7,942
39 Farmland	n.a.	n.a.	n.a.	2,166	5,386	9,766
40 1–4 family residential properties	n.a.	n.a.	n.a.	176,917	155,182	56,437
41 Revolving, open-end loans, extended under lines of credit	n.a.	n.a.	n.a.	31,784	24,153	3,261
42 All other loans	n.a.	n.a.	n.a.	145,133	131,029	53,175
43 Multifamily (5 or more) residential properties	n.a.	n.a.	n.a.	10,833	7,944	2,022
44 Nonfarm nonresidential properties	n.a.	n.a.	n.a.	104,820	97,973	26,633
45 Loans to depository institutions	52,563	46,135	18,731	27,404	6,035	392
46 To commercial banks in the United States	n.a.	22,696	1,520	21,176	5,587	n.a.
47 To other depository institutions in the United States	n.a.	2,075	112	1,963	423	n.a.
48 To banks in foreign countries	n.a.	21,364	17,099	4,265	26	n.a.
49 Loans to finance agricultural production and other loans to farmers	33,536	5,874	325	5,549	8,549	19,113
50 Commercial and industrial loans	617,970	434,823	108,096	326,727	143,847	39,299
51 To U.S. addressees (domicile)	n.a.	349,494	24,650	324,845	143,507	n.a.
52 To non-U.S. addressees (domicile)	n.a.	85,329	83,446	1,882	340	n.a.
53 Acceptances of other banks	2,528	863	499	364	932	733
54 U.S. banks	n.a.	261	13	248	n.a.	n.a.
55 Foreign banks	n.a.	602	486	116	n.a.	n.a.
56 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	396,916	166,330	17,532	148,799	191,155	39,430
57 Credit cards and related plans	127,415	50,603	n.a.	n.a.	74,577	2,235
58 Other (includes single payment and installment)	269,500	115,727	n.a.	n.a.	116,578	37,195
59 Obligations (other than securities) of states and political subdivisions in the U.S. (includes nonrated industrial development obligations)	35,990	21,217	273	20,943	13,209	1,564
60 Taxable	1,204	690	118	572	452	62
61 Tax-exempt	34,785	20,527	155	20,372	12,758	1,501
62 All other loans	115,584	104,305	42,218	62,087	9,499	1,780
63 Loans to foreign governments and official institutions	n.a.	24,840	23,372	1,468	122	n.a.
64 Other loans	n.a.	79,465	18,846	60,620	9,377	n.a.
65 Loans for purchasing and carrying securities	n.a.	n.a.	n.a.	13,950	1,489	n.a.
66 All other loans	n.a.	n.a.	n.a.	46,670	7,888	n.a.
67 Lease financing receivables	37,648	31,456	4,133	27,323	5,610	583
68 Assets held in trading accounts	51,663	50,177	26,046	24,105	1,278	208
69 Premises and fixed assets (including capitalized leases)	50,065	27,272	n.a.	n.a.	16,393	6,400
70 Other real estate owned	18,531	10,537	n.a.	n.a.	5,749	2,245
71 Investments in unconsolidated subsidiaries and associated companies	2,622	2,156	n.a.	n.a.	409	57
72 Customers' liability on acceptances outstanding	24,693	24,236	n.a.	n.a.	440	16
73 Net due from own foreign offices, Edge and agreement subsidiaries, and IBFs	n.a.	n.a.	n.a.	34,988	n.a.	n.a.
74 Intangible assets	9,252	5,264	n.a.	n.a.	3,703	285
75 Other assets	119,744	87,817	n.a.	n.a.	24,681	7,246

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**	**3,364,435**	**1,922,179**	n.a.	n.a.	**1,063,653**	**378,603**
77 **Total liabilities**[7]	**3,147,520**	**1,819,068**	**443,925**	**1,436,387**	**984,482**	**343,970**
78 Limited-life preferred stock	81	0	n.a.	n.a.	81	0
79 Total deposits	2,586,897	1,384,628	329,537	1,055,091	867,163	335,106
80 Individuals, partnerships, and corporations	n.a.	n.a.	198,700	967,425	803,602	308,426
81 U.S. government	n.a.	n.a.	n.a.	3,803	1,996	592
82 States and political subdivisions in the United States	n.a.	n.a.	n.a.	36,907	44,095	21,943
83 Commercial banks in the United States	n.a.	n.a.	n.a.	23,343	8,201	1,160
84 Other depository institutions in the United States	n.a.	n.a.	n.a.	4,893	3,089	905
85 Banks in foreign countries	n.a.	n.a.	n.a.	7,557	108	n.a.
86 Foreign governments and official institutions	n.a.	24,537	23,123	1,414	241	n.a.
87 Certified and official checks	18,372	10,520	771	9,749	5,830	2,021
88 All other[8]	n.a.	n.a.	106,943	n.a.	n.a.	59
89 Total transaction accounts	n.a.	n.a.	n.a.	312,560	219,724	84,664
90 Individuals, partnerships, and corporations	n.a.	n.a.	n.a.	261,111	193,236	75,198
91 U.S. government	n.a.	n.a.	n.a.	2,817	1,633	487
92 States and political subdivisions in the United States	n.a.	n.a.	n.a.	9,276	11,666	6,130
93 Commercial banks in the United States	n.a.	n.a.	n.a.	18,727	6,028	591
94 Other depository institutions in the United States	n.a.	n.a.	n.a.	3,056	1,232	224
95 Banks in foreign countries	n.a.	n.a.	n.a.	7,047	89	n.a.
96 Foreign governments and official institutions	n.a.	n.a.	n.a.	778	9	n.a.
97 Certified and official checks	n.a.	n.a.	n.a.	9,749	5,830	2,021
98 All other	n.a.	n.a.	n.a.	n.a.	n.a.	14
99 Demand deposits (included in total transaction accounts)	n.a.	n.a.	n.a.	235,817	134,005	43,849
100 Individuals, partnerships, and corporations	n.a.	n.a.	n.a.	187,035	114,147	38,655
101 U.S. government	n.a.	n.a.	n.a.	2,799	1,607	472
102 States and political subdivisions in the United States	n.a.	n.a.	n.a.	6,632	5,080	1,882
103 Commercial banks in the United States	n.a.	n.a.	n.a.	18,726	6,024	589
104 Other depository institutions in the United States	n.a.	n.a.	n.a.	3,056	1,217	215
105 Banks in foreign countries	n.a.	n.a.	n.a.	7,042	89	n.a.
106 Foreign governments and official institutions	n.a.	n.a.	n.a.	777	9	n.a.
107 Certified and official checks	n.a.	n.a.	n.a.	9,749	5,830	2,021
108 All other	n.a.	n.a.	n.a.	n.a.	n.a.	14
109 Total nontransaction accounts	n.a.	n.a.	n.a.	742,530	647,439	250,442
110 Individuals, partnerships, and corporations	n.a.	n.a.	n.a.	706,314	610,366	233,228
111 U.S. government	n.a.	n.a.	n.a.	985	363	105
112 States and political subdivisions in the United States	n.a.	n.a.	n.a.	27,631	32,430	15,814
113 Commercial banks in the United States	n.a.	n.a.	n.a.	4,616	2,173	569
114 U.S. branches and agencies of foreign banks	n.a.	n.a.	n.a.	378	227	n.a.
115 Other commercial banks in the United States	n.a.	n.a.	n.a.	4,238	1,945	n.a.
116 Other depository institutions in the United States	n.a.	n.a.	n.a.	1,837	1,858	681
117 Banks in foreign countries	n.a.	n.a.	n.a.	510	19	n.a.
118 Foreign branches of other U.S. banks	n.a.	n.a.	n.a.	17	16	n.a.
119 Other banks in foreign countries	n.a.	n.a.	n.a.	493	3	n.a.
120 Foreign governments and official institutions	n.a.	n.a.	n.a.	635	231	n.a.
121 All other	n.a.	n.a.	n.a.	n.a.	n.a.	45
122 Federal funds purchased and securities sold under agreements to repurchase	264,578	197,183	790	196,393	64,415	2,980
123 Federal funds purchased	168,807	132,486	n.a.	n.a.	35,047	1,274
124 Securities sold under agreements to repurchase	95,771	64,697	n.a.	n.a.	29,368	1,706
125 Demand notes issued to the U.S. Treasury	n.a.	n.a.	n.a.	25,567	5,473	618
126 Other borrowed money	122,289	92,308	37,579	54,729	29,080	901
127 Banks liability on acceptances executed and outstanding	24,795	24,339	5,844	18,495	440	16
128 Notes and debentures subordinated to deposits	19,093	17,558	n.a.	n.a.	1,418	117
129 Net due to own foreign offices, Edge and agreement subsidiaries, and IBFs	n.a.	n.a.	n.a.	26,256	n.a.	n.a.
130 All other liabilities	98,210	77,485	n.a.	n.a.	16,493	4,232
131 Total equity capital[9]	216,933	103,111	n.a.	n.a.	79,190	34,633
MEMO						
132 Holdings of commercial paper included in total loans, gross	n.a.	881	744	137	1,616	n.a.
133 Total individual retirement accounts (IRA) and Keogh plan accounts	n.a.	n.a.	n.a.	56,516	52,448	18,448
134 Total brokered deposits	n.a.	n.a.	n.a.	50,360	19,833	794
135 Total brokered retail deposits	n.a.	n.a.	n.a.	22,847	13,508	722
136 Issued in denominations of $100,000 or less	n.a.	n.a.	n.a.	4,478	3,532	649
137 Issued in denominations greater than $100,000 and participated out by the broker in shares of $100,000 or less	n.a.	n.a.	n.a.	18,369	9,976	73
Savings deposits						
138 Money market deposit accounts (MMDAs)	n.a.	n.a.	n.a.	198,853	134,330	37,547
139 Other savings deposits (excluding MMDAs)	n.a.	n.a.	n.a.	86,828	79,321	28,893
140 Total time deposits of less than $100,000	n.a.	n.a.	n.a.	247,897	302	143,285
141 Time certificates of deposit of $100,000 or more	n.a.	n.a.	n.a.	176,627	126,129	39,328
142 Open-account time deposits of $100,000 or more	n.a.	n.a.	n.a.	32,325	5,258	1,389
143 All NOW accounts (including Super NOW)	n.a.	n.a.	n.a.	75,660	84,083	39,544
144 Total time and savings deposits	n.a.	n.a.	n.a.	819,274	733,158	291,257
Quarterly averages						
145 Total loans	n.a.	n.a.	n.a.	967,224	669,382	200,382
146 Obligations (other than securities) of states and political subdivisions in the United States	n.a.	n.a.	n.a.	21,186	13,020	n.a.
147 Transaction accounts in domestic offices (NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)	n.a.	n.a.	n.a.	76,617	85,463	40,620
Nontransaction accounts in domestic offices						
148 Money market deposit accounts (MMDAs)	n.a.	n.a.	n.a.	196,869	133,069	37,368
149 Other savings deposits	n.a.	n.a.	n.a.	86,540	78,842	28,772
150 Time certificates of deposit of $100,000 or more	n.a.	n.a.	n.a.	181,091	126,056	38,953
151 All other time deposits	n.a.	n.a.	n.a.	276,545	304,360	143,442
152 Number of banks	12,384	235	n.a.	n.a.	2,637	9,512

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, September 30, 1990

Millions of dollars

	Item	Total	Members			Non-members
			Total	National	State	
1	**Total assets[6]**	**2,604,005**	**2,040,296**	**1,636,265**	**404,031**	**563,709**
2	Cash and balances due from depository institutions	176,835	144,235	114,220	30,016	32,600
3	Cash items in process of collection and unposted debits	87,485	77,932	62,733	15,199	9,553
4	Currency and coin	22,097	18,134	15,216	2,918	3,963
5	Balances due from depository institutions in the United States	32,057	20,445	14,667	5,778	11,612
6	Balances due from banks in foreign countries and foreign central banks	4,918	3,650	3,125	525	1,268
7	Balances due from Federal Reserve Banks	30,278	24,074	18,478	5,595	6,205
8	**Total securities, loans and lease financing receivables, (net of unearned income)**	**2,249,318**	**1,746,610**	**1,415,925**	**330,685**	**502,708**
9	Total securities, book value	451,765	338,864	262,335	76,529	112,901
10	U.S. Treasury securities	116,906	81,143	64,525	16,617	35,763
11	U.S. government agency and corporation obligations	210,280	166,321	130,753	35,569	43,959
12	All holdings of U.S. government-issued or guaranteed certificates of participation in pools of residential mortgages	123,372	103,738	82,368	21,370	19,634
13	All other	86,908	62,583	48,385	14,199	24,325
14	Securities issued by states and political subdivisions in the United States	68,472	52,097	39,131	12,966	16,375
15	Other domestic debt securities	47,118	33,834	24,363	9,472	13,284
16	All holdings of private certificates of participation in pools of residential mortgages	3,015	2,111	1,696	415	905
17	All other	44,103	31,723	22,666	9,057	12,380
18	Foreign debt securities	2,394	1,982	810	1,172	411
19	Equity securities	6,595	3,486	2,754	733	3,108
20	Marketable	3,292	683	552	131	2,609
21	Investments in mutual funds	1,044	477	430	47	568
22	Other	2,665	279	172	107	2,387
23	Less: Net unrealized loss	418	73	50	23	345
24	Other equity securities	3,303	2,804	2,202	602	499
25	Federal funds sold and securities purchased under agreements to resell[10]	123,942	99,825	78,511	21,314	24,118
26	Federal funds sold	46,286	29,767	25,770	3,997	16,519
27	Securities purchased under agreements to resell	3,471	2,394	1,944	450	1,077
28	Total loans and lease financing receivables, gross	1,684,087	1,315,646	1,081,285	234,361	368,441
29	LESS: Unearned income on loans	10,445	7,693	6,173	1,519	2,752
30	Total loans and leases (net of unearned income)	1,673,610	1,307,921	1,075,079	232,842	365,689
	Total loans, gross, by category					
31	Loans secured by real estate	686,054	520,205	443,339	76,866	165,849
32	Construction and land development	124,833	99,509	82,964	16,545	25,324
33	Farmland	7,552	4,871	4,273	597	2,682
34	1–4 family residential properties	332,099	249,992	213,629	36,363	82,107
35	Revolving, open-end and extended under lines of credit	55,937	43,268	36,332	6,937	12,669
36	All other loans	276,162	206,724	177,298	29,426	69,438
37	Multifamily (5 or more) residential properties	18,776	14,364	12,703	1,661	4,412
38	Nonfarm nonresidential properties	202,793	151,469	129,769	21,699	51,324
39	Loans to commercial banks in the United States	26,762	22,110	14,677	7,433	4,652
40	Loans to other depository institutions in the United States	2,386	2,184	2,063	121	202
41	Loans to banks in foreign countries	4,291	4,110	1,953	2,157	181
42	Loans to finance agricultural production and other loans to farmers	14,098	10,455	9,504	951	3,643
43	Commercial and industrial loans	470,574	383,662	306,471	77,191	86,913
44	To U.S. addressees (domicile)	468,352	381,723	305,102	76,621	86,629
45	To non-U.S. addressees (domicile)	2,222	1,939	1,368	570	284
46	Acceptances of other banks[11]	1,296	736	653	84	560
47	Of U.S. banks	495	327	294	33	168
48	Of foreign banks	214	107	95	12	107
49	Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	339,954	249,979	211,178	38,800	89,975
50	Credit cards and related plans	74,577	41,980	39,711	2,269	32,597
51	Other (includes single payment and installment)	116,578	71,419	60,614	10,805	45,160
52	Loans to foreign governments and official institutions	1,590	1,533	1,164	369	57
53	Obligations (other than securities) of states and political subdivisions in the United States	34,153	28,539	21,235	7,303	5,614
54	Taxable	1,024	839	626	213	185
55	Tax-exempt	33,129	27,700	20,609	7,090	5,430
56	Other loans	69,996	63,890	45,533	18,357	6,107
57	Loans for purchasing and carrying securities	15,439	13,862	8,846	5,016	1,577
58	All other loans	54,557	50,028	36,687	13,341	4,530
59	Lease financing receivables	32,933	28,244	23,515	4,729	4,689
60	Customers' liability on acceptances outstanding	18,523	17,228	13,339	3,889	1,294
61	Net due from own foreign offices, Edge and agreement subsidiaries, and IBFs	34,988	29,732	17,635	12,097	5,257
62	Remaining assets	159,329	132,222	92,780	39,442	27,107

4.21—Continued

	Item	Total	Members			Non-members
			Total	National	State	
63	**Total liabilities and equity capital**	**2,604,005**	**2,040,296**	**1,636,265**	**404,031**	**563,709**
64	**Total liabilities**[4]	**2,420,869**	**1,901,113**	**1,526,720**	**374,393**	**519,756**
65	Total deposits	1,922,254	1,485,585	1,218,446	267,138	436,669
66	Individuals, partnerships, and corporations	1,771,027	1,365,135	1,123,968	241,168	405,892
67	U.S. government	5,799	4,924	4,281	643	875
68	States and political subdivisions in the United States	81,002	59,964	50,169	9,795	21,038
69	Commercial banks in the United States	31,544	28,407	21,320	7,087	3,138
70	Other depository institutions in the United States	7,982	5,994	5,136	858	1,988
71	Banks in foreign countries	7,665	7,084	4,177	2,907	581
72	Foreign governments and official institutions	1,654	1,566	1,181	386	88
73	Certified and official checks	15,579	12,510	8,216	4,294	3,069
74	Total transaction accounts	532,284	425,966	341,889	84,077	106,318
75	Individuals, partnerships, and corporations	454,347	359,236	292,136	67,100	95,111
76	U.S. government	4,451	3,807	3,314	493	644
77	States and political subdivisions in the United States	20,941	16,403	13,513	2,890	4,538
78	Commercial banks in the United States	24,755	22,825	17,316	5,509	1,931
79	Other depository institutions in the United States	4,287	3,552	2,921	632	735
80	Banks in foreign countries	7,136	6,880	4,048	2,832	256
81	Foreign governments and official institutions	788	753	426	327	34
82	Certified and official checks	15,579	12,510	8,216	4,294	3,069
83	Demand deposits (included in total transaction accounts)	369,821	302,346	238,001	64,346	67,475
84	Individuals, partnerships, and corporations	301,182	242,464	193,866	48,598	58,719
85	U.S. government	4,407	3,771	3,279	492	635
86	States and political subdivisions in the United States	11,712	9,603	7,940	1,663	2,110
87	Commercial banks in the United States	24,750	22,823	17,315	5,509	1,927
88	Other depository institutions in the United States	4,272	3,543	2,911	632	729
89	Banks in foreign countries	7,131	6,879	4,048	2,832	252
90	Foreign governments and official institutions	787	753	426	327	34
91	Certified and official checks	15,579	12,510	8,216	4,294	3,069
92	Total nontransaction accounts	1,389,969	1,059,618	876,557	183,061	330,351
93	Individuals, partnerships, and corporations	1,316,680	1,005,899	831,831	174,068	310,781
94	U.S. government	1,348	1,117	968	149	231
95	States and political subdivisions in the United States	60,061	43,561	36,656	6,905	16,500
96	Commercial banks in the United States	6,789	5,582	4,004	1,578	1,207
97	U.S. branches and agencies of foreign banks	606	219	65	155	386
98	Other commercial banks in the United States	6,183	5,363	3,939	1,424	820
99	Other depository institutions in the United States	3,695	2,442	2,215	226	1,253
100	Banks in foreign countries	529	204	129	75	325
101	Foreign branches of other U.S. banks	33	12	10	3	21
102	Other banks in foreign countries	496	192	119	72	304
103	Foreign governments and official institutions	867	813	754	59	54
104	Federal funds purchased and securities sold under agreements to repurchase[12]	260,808	218,875	159,223	59,652	41,934
105	Federal funds purchased	35,047	24,129	20,450	3,678	10,918
106	Securities sold under agreements to repurchase	29,368	15,185	12,857	2,328	14,183
107	Demand notes issued to the U.S. Treasury	31,040	28,185	22,787	5,398	2,855
108	Other borrowed money	83,809	60,151	47,052	13,099	23,658
109	Banks liability on acceptances executed and outstanding	18,935	17,641	13,704	3,937	1,294
110	Notes and debentures subordinated to deposits	1,418	916	856	60	502
111	Net due to own foreign offices, Edge and agreement subsidiaries, and IBFs	26,256	23,565	21,317	2,248	2,691
112	Remaining liabilities	102,605	89,761	64,652	25,109	12,844
113	**Total equity capital**[9]	**183,136**	**139,183**	**109,545**	**29,638**	**43,953**
	MEMO					
114	Holdings of commercial paper included in total loans, gross	1,752	688	624	64	1,064
115	Total individual retirement accounts (IRA) and Keogh plan accounts	108,964	85,002	70,580	14,421	23,962
116	Total brokered deposits	70,194	52,857	45,498	7,360	17,336
117	Total brokered retail deposits	36,355	24,707	20,821	3,885	11,648
118	Issued in denominations of $100,000 or less	8,010	4,358	4,066	293	3,651
119	Issued in denominations greater than $100,000 and participated out by the broker in shares of $100,000 or less	28,345	20,348	16,756	3,593	7,997
	Savings deposits					
120	Money market deposit accounts (MMDAs)	333,184	265,642	219,306	46,337	67,541
121	Other savings accounts	166,149	128,459	96,559	31,900	37,690
122	Total time deposits of less than $100,000	550,298	410,161	348,948	61,213	140,137
123	Time certificates of deposit of $100,000 or more	302,756	223,613	191,550	32,063	79,143
124	Open-account time deposits of $100,000 or more	37,583	31,743	20,194	11,549	5,840
125	All NOW accounts (including Super NOW accounts)	159,744	121,772	102,213	19,559	37,972
126	Total time and savings deposits	1,552,432	1,183,238	980,446	202,792	369,194
	Quarterly averages					
127	Total loans	1,636,605	1,277,647	1,050,002	227,645	358,959
128	Obligations (other than securities) of states and political subdivisions in the United States	34,206	28,763	21,451	7,312	5,443
129	Transaction accounts (NOW accounts, ATS accounts, and telephone preauthorized transfer accounts)	162,080	123,374	103,762	19,612	38,706
	Nontransaction accounts					
130	Money market deposit accounts (MMDAs)	329,938	262,746	217,517	45,229	67,192
131	Other savings deposits	165,382	128,117	95,515	32,603	37,264
132	Time certificates of deposits of $100,000 or more	307,147	227,683	194,759	32,924	79,464
133	All other time deposits	580,905	436,446	363,938	72,508	144,459
134	Number of banks	2,872	1,583	1,330	253	1,289

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, September 30, 1990

Millions of dollars

Item	Total	Members			Non-members
		Total	National	State	
1 **Total assets[6]**	**2,982,607**	**2,189,870**	**1,755,084**	**434,785**	**792,738**
2 Cash and balances due from depository institutions	200,608	153,928	122,045	31,882	46,680
3 Currency and coin	25,357	19,437	16,261	3,176	5,920
4 Noninterest-bearing balances due from commercial banks	31,415	18,096	13,429	4,667	13,319
5 Other	143,835	116,394	92,355	24,039	27,441
6 **Total securities, loans, and lease financing receivables (net of unearned income)**	**2,591,010**	**1,881,273**	**1,522,710**	**358,563**	**709,736**
7 Total securities, book value	567,309	383,625	298,868	84,757	183,683
8 U.S. Treasury securities and U.S. government agency and corporation obligations	417,006	282,396	223,772	58,624	134,610
9 Securities issued by states and political subdivisions in the United States	85,392	58,332	44,156	14,176	27,060
10 Other debt securities	57,013	38,830	27,718	11,112	18,183
11 All holdings of private certificates of participation in pools of residential mortgages	3,475	2,333	1,849	484	1,142
12 All other	53,538	36,497	25,869	10,627	17,041
13 Equity securities	7,898	4,067	3,221	845	3,831
14 Marketable	4,264	1,025	838	187	3,239
15 Investments in mutual funds	1,963	826	725	101	1,137
16 Other	2,835	312	197	115	2,523
17 Less: Net unrealized loss	534	112	83	29	421
18 Other equity securities	3,634	3,042	2,384	658	592
19 Federal funds sold and securities purchased under agreements to resell[10]	146,391	109,935	86,673	23,262	36,456
20 Federal funds sold	68,438	39,708	33,779	5,930	28,730
21 Securities purchased under agreements to resell	3,767	2,563	2,097	466	1,204
22 Total loans and lease financing receivables, gross	1,889,780	1,396,257	1,144,012	252,245	493,523
23 Less: Unearned income on loans	12,438	8,511	6,810	1,702	3,926
24 Total loans and leases (net of unearned income)	1,877,310	1,387,713	1,137,170	250,543	489,597
Total loans, gross, by category					
25 Loans secured by real estate	788,853	560,164	474,357	85,807	228,689
26 Construction and land development	132,775	102,839	85,458	17,381	29,936
27 Farmland	17,318	8,032	6,828	1,204	9,287
28 1–4 family residential properties	388,536	272,213	230,814	41,399	116,323
29 Revolving, open-end loans, and extended under lines of credit	59,199	44,650	37,367	7,284	14,548
30 All other loans	329,337	227,563	193,448	34,116	101,774
31 Multifamily (5 or more) residential properties	20,798	15,083	13,266	1,817	5,715
32 Nonfarm nonresidential properties	229,426	161,997	137,991	24,006	67,429
33 Loans to depository institutions	33,832	28,571	18,810	9,761	5,261
34 Loans to finance agricultural production and other loans to farmers	33,211	16,958	14,729	2,229	16,253
35 Commercial and industrial loans	509,874	400,017	318,907	81,110	109,857
36 Acceptances of other banks	2,029	1,020	912	107	1,010
37 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	379,384	265,871	223,752	42,119	113,513
38 Credit cards and related plans	76,812	42,989	40,606	2,383	33,823
39 Other (includes single payment installment)	153,773	86,302	72,293	14,009	67,471
40 Obligations (other than securities) of states and political subdivisions in the United States	35,716	29,106	21,701	7,405	6,610
41 Taxable	1,086	863	648	216	222
42 Tax-exempt	34,630	28,243	21,053	7,189	6,388
43 All other loans	73,366	66,113	47,189	18,924	7,253
44 Lease financing receivables	33,515	28,437	23,654	4,783	5,079
45 Customers' liability on acceptances outstanding	18,539	17,241	13,350	3,891	1,298
46 Net due from own foreign offices, Edge and agreement subsidiaries, and IBFs	34,988	29,732	17,635	12,097	5,257
47 Remaining assets	172,451	137,428	96,979	40,449	35,023
48 **Total liabilities and equity capital**	**2,982,607**	**2,189,870**	**1,755,084**	**434,785**	**792,738**
49 **Total liabilities[4]**	**2,764,839**	**2,037,235**	**1,634,970**	**402,265**	**727,604**
50 Total deposits	2,257,360	1,618,025	1,323,841	294,183	639,335
51 Individuals, partnerships, and corporations	2,079,453	1,487,358	1,221,222	266,136	592,094
52 U.S. government	6,391	5,157	4,477	680	1,234
53 States and political subdivisions in the United States	102,946	67,971	56,676	11,296	34,974
54 Commercial banks in the United States	32,704	29,145	21,765	7,380	3,559
55 Other depository institutions in the United States	8,887	6,312	5,391	921	2,575
56 Certified and official checks	17,601	13,390	8,916	4,473	4,211
57 All other	9,379	8,691	5,394	3,297	688
58 Total transaction accounts	616,948	460,646	369,848	90,799	156,302
59 Individuals, partnerships, and corporations	529,544	389,979	317,005	72,974	139,566
60 U.S. government	4,937	3,999	3,474	525	939
61 States and political subdivisions in the United States	27,071	18,652	15,370	3,282	8,419
62 Commercial banks in the United States	25,346	23,333	17,601	5,732	2,012
63 Other depository institutions in the United States	4,511	3,651	3,002	649	861
64 Certified and official checks	17,601	13,390	8,916	4,473	4,211
65 All other	7,938	7,643	4,480	3,163	295
66 Demand deposits (included in total transaction accounts)	413,670	320,810	252,708	68,102	92,860
67 Individuals, partnerships, and corporations	339,838	258,573	206,790	51,782	81,265
68 U.S. government	4,879	3,957	3,433	523	923
69 States and political subdivisions in the United States	13,594	10,279	8,498	1,780	3,316
70 Commercial banks in the United States	25,339	23,332	17,600	5,732	2,007
71 Other depository institutions in the United States	4,487	3,638	2,990	648	849
72 Certified and official checks	17,601	13,390	8,916	4,473	4,211
73 All other	7,932	7,642	4,480	3,162	290
74 Total nontransaction accounts	1,640,412	1,157,379	953,994	203,385	483,033
75 Individuals, partnerships, and corporations	1,549,908	1,097,379	904,218	193,162	452,529
76 U.S. government	1,454	1,159	1,004	155	295
77 States and political subdivisions in the United States	75,875	49,319	41,306	8,013	26,555
78 Commercial banks in the United States	7,358	5,812	4,164	1,648	1,547
79 Other depository institutions in the United States	4,376	2,662	2,389	273	1,714
80 All other	1,441	1,048	914	134	393

4.22—Continued

Item	Total	Members			Nonmembers
		Total	National	State	
81 Federal funds purchased and securities sold under agreements to repurchase[12]	263,788	220,277	160,230	60,047	43,511
82 Federal funds purchased	36,321	24,703	20,797	3,906	11,617
83 Securities sold under agreements to repurchase	31,074	16,013	13,517	2,496	15,061
84 Demand notes issued to the U.S. Treasury	31,657	28,443	22,992	5,451	3,214
85 Other borrowed money	84,710	60,494	47,339	13,154	24,216
86 Banks liability on acceptances executed and outstanding	18,952	17,654	13,715	3,939	1,298
87 Notes and debentures subordinated to deposits	1,535	944	877	67	591
88 Net due to own foreign offices, Edge and agreement subsidiaries, and IBFs	26,256	23,565	21,317	2,248	2,691
89 Remaining liabilities	106,837	91,399	65,975	25,424	15,438
90 **Total equity capital**[9]	**217,768**	**152,635**	**120,114**	**32,520**	**65,134**
MEMO					
91 Assets held in trading accounts[13]	25,591	24,193	12,965	11,228	1,397
92 U.S. Treasury securities	10,647	10,431	3,506	6,925	216
93 U.S. government agency corporation obligations	2,439	2,245	2,010	235	193
94 Securities issued by states and political subdivisions in the United States	1,076	1,044	816	228	32
95 Other bonds, notes, and debentures	227	225	101	124	2
96 Certificates of deposit	901	876	268	608	25
97 Commercial paper	53	53	53	0	0
98 Bankers acceptances	2,840	2,659	1,357	1,302	181
99 Other	6,519	6,251	4,477	1,774	268
100 Total individual retirement accounts (IRA) and Keogh plan accounts	127,412	92,062	76,229	15,832	35,350
101 Total brokered deposits	70,987	53,080	45,658	7,422	17,907
102 Total brokered retail deposits	37,077	24,908	20,971	3,937	12,169
103 Issued in denominations of $100,000 or less	8,659	4,555	4,212	343	4,104
104 Issued in denominations greater than $100,000 and participated out by the broker in shares of $100,000 or less	28,418	20,353	16,759	3,594	8,065
Savings deposits					
105 Money market deposit accounts (MMDAs)	370,731	281,806	232,207	49,600	88,925
106 Other savings deposits	195,041	139,975	105,663	34,312	55,066
107 Total time deposits of less than $100,000	693,583	463,739	391,391	72,348	229,844
108 Time certificates of deposit of $100,000 or more	342,084	239,605	204,120	35,485	102,479
109 Open-account time deposits of $100,000 or more	38,972	32,253	20,613	11,640	6,719
110 All NOW accounts (including Super NOW)	199,288	137,562	115,137	22,425	61,726
111 Total time and savings deposits	1,843,690	1,297,215	1,071,133	226,082	546,475
Quarterly averages					
112 Total loans	1,836,987	1,356,350	1,111,320	245,030	480,637
113 Transaction accounts (NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)	202,700	139,539	116,973	22,566	63,161
Nontransaction accounts					
114 Money market deposit accounts (MMDAs)	367,306	278,805	230,313	48,492	88,501
115 Other savings deposits	194,154	139,586	104,589	34,997	54,568
116 Time certificates of deposit of $100,000 or more	346,100	243,521	207,202	36,319	102,579
117 All other time deposits	724,347	490,151	406,552	83,599	234,196
118 Number of banks	12,384	5,025	4,016	1,009	7,359

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

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

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

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

5. The 'over 100' column refers to those respondents whose assets, as of June 30 of the previous calendar year, were equal to or exceeded $100 million. (These respondents file the FFIEC 032 or FFIEC 033 call report.) The 'under 100' column refers to those respondents whose assets, as of June 30 of the previous calendar year, were less than $100 million. (These respondents filed the FFIEC 034 call report.)

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

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

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

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

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

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

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

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

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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

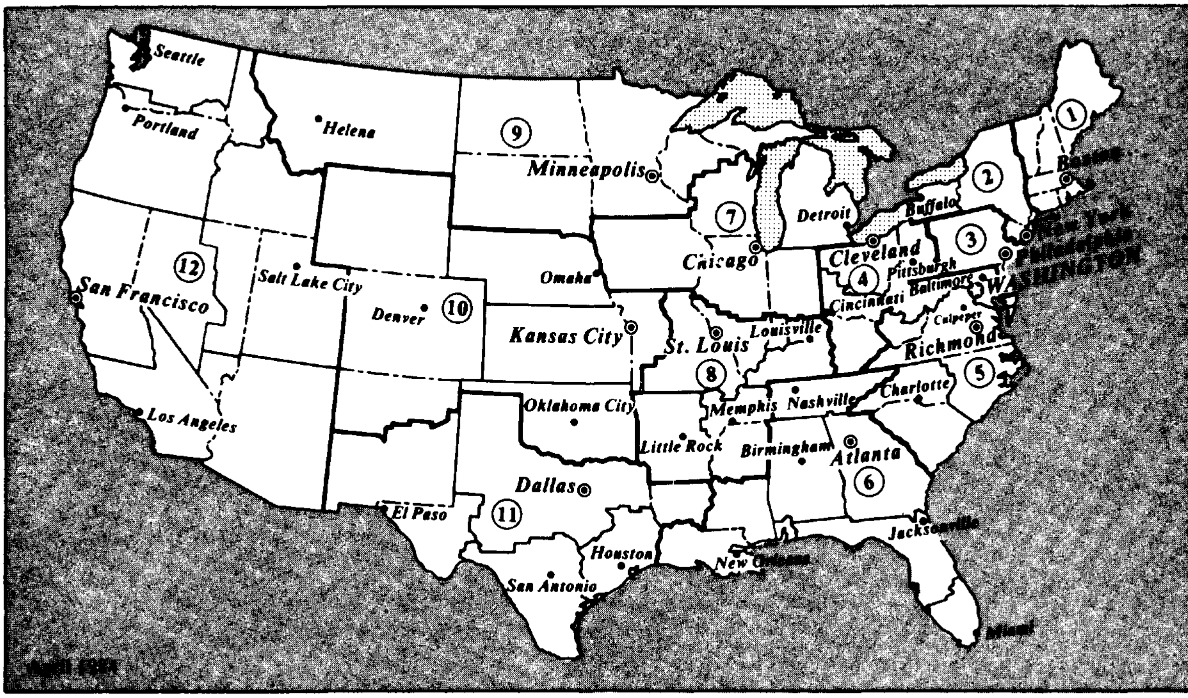
FEDERAL RESERVE BANK branch, or *facility*	Zip	Chairman / Deputy Chairman	President / First Vice President	Vice President in charge of branch
BOSTON*	02106	Richard N. Cooper Vacancy	Richard F. Syron Robert W. Eisenmenger	
NEW YORK*	10045	Cyrus R. Vance Ellen V. Futter	E. Gerald Corrigan James H. Oltman	
Buffalo	14240	Mary Ann Lambertsen		James O. Aston
PHILADELPHIA	19105	Peter A. Benoliel Jane G. Pepper	Edward G. Boehne William H. Stone, Jr.	
CLEVELAND*	44101	John R. Miller A. William Reynolds	W. Lee Hoskins 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 Henry J. Faison	Robert P. Black 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 Edwin A. Huston	Robert P. Forrestal Jack Guynn	Donald E. Nelson
Birmingham	35283	Roy D. Terry		Fred R. Herr[1]
Jacksonville	32231	Hugh H. 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	James A. Hefner		Robert J. Musso
CHICAGO*	60690	Charles S. McNeer Richard G. Cline	Silas Keehn Daniel M. Doyle	
Detroit	48231	Phyllis E. Peters		Roby L. Sloan[1]
ST. LOUIS	63166	H. Edwin Trusheim Robert H. Quenon	Thomas C. Melzer 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 Gerald A. Rauenhorst	Gary H. Stern Thomas E. Gainor	
Helena	59601	James E. Jenks		John D. Johnson
KANSAS CITY	64198	Fred W. Lyons, Jr. Burton A. Dole, Jr.	Roger Guffey 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 Leo E. Linbeck, Jr.	Robert D. McTeer, 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 Carolyn S. Chambers	Robert T. Parry 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]

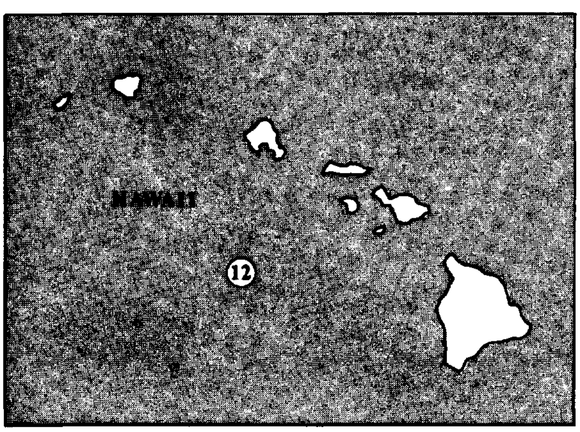
*Additional offices of these Banks are located at Lewiston, Maine 04240; Windsor Locks, Connecticut 06096; Cranford, New Jersey 07016; Jericho, New York 11753; Utica at Oriskany, New York 13424; Columbus, Ohio 43216; Columbia, South Carolina 29210; Charleston, West Virginia 25311; Des Moines, Iowa 50306; Indianapolis, Indiana 46204; and Milwaukee, Wisconsin 53202.

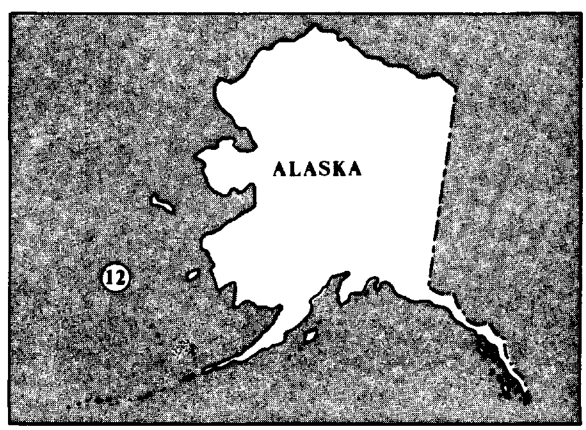
1. Senior Vice President.
2. Executive Vice President.

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

Federal Reserve Statistical Releases Available on the Commerce Department's Electronic Bulletin Board

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Reference Number	*Statistical release*	*Frequency of release*
H.3	Aggregate Reserves	Weekly/Thursday
H.4.1	Factors Affecting Reserve Balances	Weekly/Thursday
H.6	Money Stock	Weekly/Thursday
H.8	Assets and Liabilities of Insured Domestically Chartered and Foreign Related Banking Institutions	Weekly/Monday
H.10	Foreign Exchange Rates	Weekly/Monday
H.15	Selected Interest Rates	Weekly/Monday
G.5	Foreign Exchange Rates	Monthly/end of month
G.17	Industrial Production and Capacity Utilization	Monthly/midmonth
G.19	Consumer Installment Credit	Monthly/fifth business day
Z.7	Flow of Funds	Quarterly

Publications of Interest

Federal Reserve Regulatory Service

To promote public understanding of its regulatory functions, the Board publishes the Federal Reserve Regulatory Service, a three-volume looseleaf service containing all Board regulations and related statutes, interpretations, policy statements, rulings, and staff opinions. For those with a more specialized interest in the Board's regulations, parts of this service are published separately as handbooks pertaining to monetary policy, securities credit, consumer affairs, and the payment system.

These publications are designed to help those who must frequently refer to the Board's regulatory materials. They are updated at least monthly, and each contains citation indexes and a subject index.

The Monetary Policy and Reserve Requirements Handbook contains Regulations A, D, and Q, plus related materials. For convenient reference, it also contains the rules of the Depository Institutions Deregulation Committee.

The Securities Credit Transactions Handbook contains Regulations G, T, U, and X, dealing with extensions of credit for the purchase of securities, together with all related statutes, Board interpretations, rulings, and staff opinions. Also included is the Board's list of OTC margin stocks.

The Consumer and Community Affairs Handbook contains Regulations B, C, E, M, Z, AA, and BB, and associated materials.

The Payment System Handbook deals with expedited funds availability, check collection, wire transfers, and risk-reduction policy. It includes Regulation CC, Regulation J, the Expedited Funds Availability Act and related statutes, official Board commentary on Regulation CC, and policy statements on risk reduction in the payment system.

For domestic subscribers, the annual rate is $200 for the Federal Reserve Regulatory Service and $75 for each Handbook. For subscribers outside the United States, the price including additional air mail costs is $250 for the Service and $90 for each Handbook. All subscription requests must be accompanied by a check or money order payable to the Board of Governors of the Federal Reserve System. Orders should be addressed to Publications Services, mail stop 138, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

U.S. Monetary Policy and Financial Markets

U.S. Monetary Policy and Financial Markets by Ann-Marie Meulendyke offers an in-depth description of the way monetary policy is developed by the Federal Open Market Committee and the techniques employed to implement policy at the Open Market Trading Desk. Written from her perspective as a senior economist in the Open Market Function at the Federal Reserve Bank of New York, Ann-Marie Meulendyke describes the tools and the setting of policy, including many of the complexities that differentiate the process from simpler textbook models. Included is an account of a day at the Trading Desk, from morning information-gathering through daily decisionmaking and the execution of an open market operation.

The book also places monetary policy in a broader context, examining first the evolution of Federal Reserve monetary policy procedures from their beginnings in 1914 to the end of the 1980s. It indicates how policy operates most directly through the banking system and the financial markets and describes key features of both. Finally, the book turns its attention to the transmittal of monetary policy actions to the U.S. economy and throughout the world.

The book is $5.00 a copy for U.S. purchasers and $10.00 for purchasers outside the United States. Copies are available from the Public Information Department, Federal Reserve Bank of New York, 33 Liberty Street, New York, N.Y. 10045. Checks must accompany orders and should be payable to the Federal Reserve Bank of New York in U.S. dollars.